MAX VENTURES AND INDUSTRIES LIMITED

Our Company was incorporated as "Capricorn Ventures Limited" on January 20, 2015, as a public limited company under the Companies Act, 2013, registered with the Registrar of Companies, Punjab and Chandigarh ("**RoC**"). The name of our Company was changed to "Max Ventures and Industries Limited" pursuant to which a fresh certificate of incorporation was issued on January 22, 2016. For details, including reasons for change in the name of our Company, see "*History and Certain Corporate Matters*" on page 123.

Corporate Identity Number: L85100PB2015PLC039204;
Registered Office: 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District - Nawanshahr, Punjab - 144 533;
Tel: +91 1881 462000; **Fax**: +91 1881 273607;
Corporate Office: Max House, A-81, Sector 2, Noida, Uttar Pradesh 201 301; **Tel**: + 91 120 4743222; **Fax**: + 91 120 4743250;
Contact Person: Mr. Gopalakrishnan Ramachandran, Company Secretary and Compliance Officer; **Email**: rights.issue@maxvil.com;
Website: www.maxvil.com

PROMOTERS: MR. ANALJIT SINGH, MS. NEELU ANALJIT SINGH, MS. PIYA SINGH, MR. VEER SINGH, MS. TARA SINGH VACHANI, MR. SAHIL VACHANI, LIQUID INVESTMENT AND TRADING COMPANY PRIVATE LIMITED, MOHAIR INVESTMENT AND TRADING COMPANY PRIVATE LIMITED, MAX VENTURES INVESTMENT HOLDINGS PRIVATE LIMITED AND SIVA ENTERPRISES PRIVATE LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE SHAREHOLDERS OF MAX VENTURES AND INDUSTRIES LIMITED (OUR "COMPANY" OR THE "ISSUER") ONLY

ISSUE OF [●] EQUITY SHARES OF FACE VALUE ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹ [●] PER RIGHTS EQUITY SHARE ("ISSUE PRICE") INCLUDING A PREMIUM OF ₹ [●] PER RIGHTS EQUITY SHARE AGGREGATING UP TO ₹ 45,000 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF [●] RIGHTS EQUITY SHARE FOR [●] FULLY PAID-UP EQUITY SHARES HELD BY SUCH ELIGIBLE SHAREHOLDER ON THE RECORD DATE, THAT IS, [●] ("ISSUE"). THE ISSUE PRICE OF THE RIGHTS EQUITY SHARES IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES.

GENERAL RISKS

Investment in equity and equity related securities involves a degree of risk and investors should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of this Draft Letter of Offer. The Rights Entitlements and Rights Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under any securities laws of any state or other jurisdiction of the United States of America (the "**United States**" or "**U.S.**") and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the United States or to or for the account or benefit, of U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares are being offered and sold (x) outside the United States to non - U.S. Persons in offshore transactions in reliance on Regulation S and (y) to persons in the United States or to U.S. Persons in transactions exempt from the registration requirements of the Securities Act, so long as such persons are qualified institutional buyers (as defined in Rule 144A of the Securities Act) ("**QIBs**") and have provided to our Company (and our Company has accepted) a duly executed Investor Representation Letter as contemplated herein. Investors are advised to refer "*Risk Factors*" on page 12 before investing in the Issue.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**", and together with BSE, the "**Stock Exchanges**"). Our Company has received "in-principle" approvals from BSE and NSE for listing the Rights Equity Shares through their letters dated [●] and [●], respectively. For the purposes of the Issue, the Designated Stock Exchange is the BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE]
Axis Capital Limited 1st Floor, Axis House C 2, Wadia International Centre, P B. Marg, Worli Mumbai 400 025 **Telephone**: +91 (22) 4325 2183 **Facsimile**: +91 (22) 4325 3000 **Email:** mvil.rights@axiscap.in **Investor Grievance Email**: complaints@axiscap.in **Website:** www.axiscapital.co.in **Contact Person**: Kanika Sarawgi Goyal **SEBI Registration Number**: INM000012029	**MAS Services Limited** T-34, Second Floor, Okhla Industrial Area, Phase II, New Delhi 110 020 **Telephone**: +91 (11) 2638 7281-82-83 **Facsimile**: +91 (11) 2638 7384 **Email:** sm@masserv.com **Investor Grievance Email**: info@masserv.com **Website:** www.masserv.com **Contact person:** Mr. Shravan Mangla **SEBI Registration Number**: INR000000049

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR REQUEST FOR SPLIT APPLICATION FORMS	ISSUE CLOSES ON
[●]	[●]	[●]

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Definitions

This Draft Letter of Offer uses certain definitions and abbreviations, which unless the context indicates or implies otherwise, have the meanings as provided below. Reference to any legislation, act, regulation, guideline or policy will be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Draft Letter of Offer.

In this Draft Letter of Offer, unless otherwise indicated or the context otherwise requires, all references to "our Company", "the Company" and "the Issuer" are references to Max Ventures and Industries Limited. References to "we", "us" and "our" are references to Max Ventures and Industries Limited along with its Subsidiaries on a consolidated basis. References to "you" are to the prospective investors in the Issue.

Company Related Terms

Term	Description
AHPL	Azure Hospitality Private Limited
APSLL	Antara Purukul Senior Living Limited
"Articles of Association"/ "Articles" / "AoA"	Articles of Association of our Company, as amended
"Board of Directors" / "Board"	Board of directors of our Company or a duly constituted committee thereof, as the context may refer to
"Corporate Office"	Corporate office of our Company is situated at Max House, A-81, Sector 2, Noida 201 301, Uttar Pradesh, India
"Corporate Promoters"	Liquid Investment and Trading Company Private Limited, Mohair Investment and Trading Company Private Limited, Max Ventures Investment Holdings Private Limited and Siva Enterprises Private Limited
Developable Area	Total area which we develop in each project, and includes carpet area, common area, service and storage area, as well as other open areas, including car parking.
"Director(s)"	Any or all the directors on our Board, as may be appointed from time to time
"Equity Shares"	Equity shares of our Company having a face value of ₹ 10 each
"ESOP 2006"	The employees' stock options plan of 2006 instituted and granted by Max Financial Services Limited to its employees (irrespective of whether they continue to be employees of Max Financial Services Limited or became employees of our Company), against which one stock option by our Company were allotted for every five stock options held in Max Financial Services Limited under the ESOP 2016
"ESOP 2016"	Max Ventures and Industries Employee Stock Plan 2016 approved by the shareholders in the Annual General Meeting held on September 27, 2016
Forthcoming Projects	Projects for which land or development rights have been acquired or a memorandum of understanding or an agreement to acquire or a joint development agreement has been executed, in each case, by Max Estates Limited, either directly or indirectly, and preliminary management development plans are complete
"Group Companies"	Such companies as covered under the applicable accounting standards and also other companies as considered material by the Board of the Issuer. In accordance with the policy adopted by the Board *vide* its resolution dated February 14, 2018, the companies listed in section "*Group Companies*" excluding the companies with whom our Company is no longer associated, have been determined to be the 'group companies' of our Company in accordance with applicable accounting standards, being IND AS 24
"iCare"	iCare Health Projects and Research Private Limited
"Individual Promoters"	Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Piya Singh, Mr. Veer Singh, Ms. Tara Singh Vachani and Mr. Sahil Vachani
"LCSAL"	Leeu Collection South Africa (Pty) Ltd
"Memorandum of Association"/ "Memorandum"/ "MoA"	Memorandum of Association of our Company, as amended
"MBHICL"	Max Bupa Health Insurance Company Limited
"MFSL"	Max Financial Services Limited (formerly Max India Limited)
"MHIL"	Max Healthcare Institute Limited
"MIL"	Max India Limited (formerly Taurus Ventures Limited)
"MLICL"	Max Life Insurance Company Limited

Term	Description
"MVPL"	Max Ventures Private Limited
"NDHS"	New Delhi House Services Limited
Ongoing Projects	Projects in respect of which (i) all title or development rights, or other interest in the land is held either by Max Estates Limited; and (ii) wherever required, all land for the project has been converted for the intended use; and (iii) the requisite approvals for commencement of construction have been obtained or applied for, as the case may be. This includes partial or all phases of the projects.
"PCL"	Pharmax Corporation Limited
"PEPL"	Piveta Estates Private Limited
"Promoter Group"	The persons and entities constituting our promoter group as disclosed in the section "*Our Promoters*" on page 149
"Promoters"	The Corporate Promoters and the Individual Promoters
"Registered Office"	Registered office of our Company is situated at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District – Nawanshahr, Punjab – 144 533, India
"Restated Consolidated Financial Statements"	The restated consolidated financial information of our Company and our Subsidiaries which comprises the restated consolidated summary statement of assets and liabilities, the restated statement of changes in equity, the restated consolidated summary statement of profit and loss and the restated consolidated summary statement of cash flow as at and for the six months period ended September 30, 2017 and the financial years/period ended March 31, 2017 and 2016, together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, the Ind AS and restated in accordance with the SEBI ICDR Regulations
"Restated Financial Statements"	Collectively, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements
"Restated Standalone Financial Statements"	The restated standalone financial information of our Company which comprises the restated standalone summary statement of assets and liabilities, the restated statement of changes in equity, the restated standalone summary statement of profit and loss and the restated standalone summary statement of cash flow as at and for the six months period ended September 30, 2017 and the financial years/period ended March 31, 2017 and 2016, together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, the Ind AS and restated in accordance with the SEBI ICDR Regulations
"Saleable/ Leasable Area"	Part of the Developable Area for which the prospective buyer or tenant or lessee or licensee, as the case may be, is obligated to pay the developer(s) or for which the developer(s) expect that the prospective buyer or tenant or lessee or licensee, as the case may be, will pay.
"Scheme/Scheme of Arrangement"	Composite Scheme of Arrangement between MIL, MFSL and our Company and their respective shareholders and creditors, sanctioned by the High Court of Punjab and Haryana at Chandigarh vide its order dated December 14, 2015
"Shareholders"	Equity shareholders of our Company, from time to time
"SRVPL"	Siva Realty Ventures Private Limited
"Statutory Auditors"	Statutory Auditors of our Company, namely, S. R. Batliboi & Co. LLP, Chartered Accountants
"Subsidiaries"	Max Specialty Films Limited, Max Estates Limited, Max Learning Limited, Max I. Limited and Wise Zone Builders Private Limited
"TEPL"	Trophy Estates Private Limited
"WZBPL"	Wise Zone Builders Private Limited
"VEL"	Vana Enterprises Limited (formerly known as Malsi Estates Limited)

Issue Related Terms

Term	Description
"Abridged Letter of Offer" / "ALOF"	Abridged letter of offer to be sent to the Eligible Shareholders with respect to the Issue in accordance with the provisions of the SEBI ICDR Regulations and the Companies Act
"Allot" / "Allotment" / "Allotted"	Allotment of Rights Equity Shares pursuant to the Issue
"Allotment Date"	Date on which the Allotment is made
"Allottee(s)"	Person(s) who are Allotted Rights Equity Shares pursuant to the Allotment
"Applicant"	Eligible Shareholder(s) and/or Renouncee who make an application for the Rights Equity Shares pursuant to the Issue in terms of this Draft Letter of Offer, including an ASBA Applicant
"Application Money"	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price

Term	Description
"Application Supported by Blocked Amount" / "ASBA"	Application (whether physical or electronic) used by an ASBA Investor to make an application authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB
"ASBA Account"	Account maintained with the SCSB and specified in the CAF or the plain paper application by the Applicant for blocking the amount mentioned in the CAF or the plain paper application
"ASBA Applicant" / "ASBA Investor"	Eligible Shareholders proposing to subscribe to the Issue through ASBA process and who: 1. are holding the Equity Shares of our Company in dematerialised form as on the Record Date and have applied for their Rights Entitlements and / or additional Rights Equity Shares in dematerialised form; 2. have not renounced their Rights Entitlements in full or in part; 3. are not Renouncees; and 4. are applying through blocking of funds in a bank account maintained with the SCSBs. All QIBs, Non-Institutional Investors and Investors whose Application Money exceeds ₹ 2,00,000 can participate in the Issue only through the ASBA process. All Renouncees shall apply in the Issue only through non-ASBA process, irrespective of the application value. For further details, see "*Terms of the Issue*" on page 385
"Banker to the Issue"	[●], acting as the escrow collection bank and the refund bank to the Issue
"Composite Application Form" / "CAF"	The form used by an Investor to make an application for the Allotment of Rights Equity Shares in the Issue
"Consolidated Certificate"	In case of holding of Equity Shares in physical form, the certificate that would be issued for the Rights Equity Shares Allotted to each folio
"Controlling Branches" / "Controlling Branches of the SCSBs"	Such branches of the SCSBs which co-ordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time, or at such other website as may be prescribed by SEBI from time to time
"Designated Branches"	Such branches of the SCSBs which shall collect the CAF or the plain paper application, as the case may be, used by the ASBA Investors and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time, or at such other website as may be prescribed by SEBI from time to time
"Designated Stock Exchange"	BSE
"Draft Letter of Offer"	This draft letter of offer to be filed with the Stock Exchanges and SEBI
"Eligible Shareholders"	Holders of Equity Shares as on the Record Date, that is, [●]. Please note, however, that investors eligible to participate in the Issue exclude certain overseas shareholders. For further details, see "*Notice to Investors*" on page 7
"Investor(s)"	Eligible Shareholder(s) on the Record Date, that is, [●], and the Renouncee(s)
Investor Representation Letter	The investor representation letter in the form attached as Appendix A to the Offering Memorandum
"Issue Closing Date"	[●]
"Issue Opening Date"	[●]
"Issue Price"	₹ [●] per Rights Equity Share
"Issue Proceeds"	Gross proceeds of the Issue
"Issue" / "the Issue" / "this Issue"	Issue of [●] Equity Shares of face value ₹ 10 each of our Company for cash at a price of ₹ [●] (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 45,000 lakhs on a rights basis to the Eligible Shareholders in the ratio of [●] Rights Equity Share for [●] fully paid-up Equity Shares held by such Eligible Shareholder on the Record Date
"Lead Manager"	Axis Capital Limited
"Letter of Offer"	The letter of offer to be filed with the Stock Exchanges and SEBI
"Listing Agreement(s)"	The uniform listing agreement entered pursuant to the SEBI Listing Regulations read along with SEBI Circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015
"Net Proceeds"	Issue Proceeds less the Issue related expenses. For details, see "*Objects of the Issue – Proceeds of the Issue*" on page 79
"Non-ASBA Investor"	Investors other than ASBA Investors who apply in the Issue otherwise than through the ASBA process
"Non-Institutional Investors"	Investors including any company or body corporate, other than Retail Individual Investors and a QIBs
Offering Memorandum	The offering memorandum provided to persons located within the United States and to U.S. persons (as defined in Regulation S) that have provided to our Company (and our Company has accepted) a duly executed Investor Representation Letter
"Qualified Institutional	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR

Term	Description
Buyers" / "QIBs"	Regulations
"Record Date"	Designated date for the purpose of determining the Shareholders eligible to apply for Rights Equity Shares in the Issue, that is, [●]
"Registrar to the Company"	MAS Services Limited
"Registrar to the Issue" / "Registrar"	MAS Services Limited
"Renouncee(s)"	Person(s) who has / have acquired Rights Entitlement from the Eligible Shareholders
"Retail Individual Investor"	Individual Investors who have applied for Rights Equity Shares and whose Application Money is not more than ₹ 2,00,000 (including HUFs applying through their karta)
"Rights Entitlement"	[●] Rights Equity Shares that an Eligible Shareholder is entitled to apply for in the Issue for every [●] fully paid-up Equity Shares held by such Eligible Shareholder on the Record Date
"Rights Equity Shares"	Equity Shares of our Company to be Allotted pursuant to this Issue
"SAF(s)" / "Split Application Form'	Split application form(s) which is an application form used in case of renunciation in part by an Eligible Shareholder in favour of one or more Renouncee(s)
"SCSB(s)"	Self-certified syndicate bank registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
"Stock Exchanges"	Stock exchanges where the Equity Shares are presently listed, being BSE and NSE
"Working Days"	All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to Issue Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Conventional, General and Industry Terms or Abbreviations

Term /Abbreviation	Description / Full Form
"₹" / "Rs." / "Rupees" / "INR"	Indian Rupee
"AGM"	Annual General Meeting
"AIF(s)"	Alternative Investment Funds, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
"AS"	Accounting Standards as notified under the Companies (Accounts) Rules, 2014
"BRC"	British Retail Consortium
"BOPP"	Bi-axially oriented polypropylene
"BSE"	BSE Limited
"BTI Regulations"	Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994
"CCI"	Competition Commission of India
"CDSL"	Central Depository Services (India) Limited
"Central Government"	Central Government of India
"CIN"	Corporate Identity Number
"Companies Act, 1956"	Companies Act, 1956, and the rules, regulations, circulars, modifications and clarifications made thereunder, as the context requires and to the extent not repealed
"Companies Act, 2013"	Companies Act, 2013 and the rules, regulations, circulars, modifications and clarifications thereunder, to the extent notified
"Companies Act"	Companies Act, 2013 to the extent notified and Companies Act, 1956 to the extent not repealed
"Consolidated FDI Policy"	The Consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
"Depositories Act"	Depositories Act, 1996
"Depository"	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996
"DIN"	Director Identification Number
"DIPP"	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
"DP ID"	Depository Participant Identity
"DP"/ "Depository	Depository Participant as defined under the Depositories Act

Term /Abbreviation	Description / Full Form
Participant”	
“EBITDA”	Earnings Before interest, taxes depreciation and amortisation. For further details, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Reconciliation of EBITDA to restated consolidated profit/(loss) for the period*” on page 325
“EPCG”	Export Promotion Capital Goods
“EPS”	Earnings Per Share
“Factories Act”	The Factories Act, 1948
“FMCG”	Fast-moving consumer goods
“FDI”	Foreign Direct Investment
“FEMA Regulations”	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
“FEMA”	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
“FII”	Foreign Institutional Investor as defined under Regulation 2(1)(g) of the SEBI FPI Regulations
“Financial Year” / “FY” / “Fiscal”	Period of twelve months ending on March 31 of that particular year, unless stated otherwise. Provided however that for the Financial Year/FY/Fiscal 2016 for our Company, the same should mean the period commencing on January 20, 2015 and ending on March 31, 2016
“FPI”	Foreign Portfolio Investors as defined under the SEBI FPI Regulations
“GAAP”	Generally Accepted Accounting Principles
“Government”	Central Government and / or the State Government, as applicable
“GDP”	Gross domestic product
“GST”	Goods and Services Tax
“Grein Report”	“World Study BOPP Films 2016” released in 2016, prepared and issued by Grein-Consulting
“HACCP”	Hazard Analysis and Critical Control Points
“HUF”	Hindu Undivided Family
“ICAI”	Institute of Chartered Accountants of India
“ICDS”	Income Computation Disclosure Standards, as notified by the Ministry of Finance *vide* Notification No. 33/2015 (F. No. 134/48/2010-TPL) dated March 31, 2015
“Ind AS”	Indian Accounting Standards
“Ind AS Rules”	Companies (Indian Accounting Standards) Rules, 2015
“Indian GAAP”	Accounting principles generally accepted in India
“ISIN”	International Securities Identification Number allotted by the Depository
“IT Act”	Income Tax Act, 1961
“KTPA”	Kilo tonnes per annum
“Knight Frank Report”	“India Real Estate Residential and Office – January – June 2017”, prepared and issued by Knight Frank
“LEED”	Leadership in Energy and Environmental Design
“MCA”	Ministry of Corporate Affairs, Government of India
“Mutual Fund”	Mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
“NABL”	National Accreditation Board for Testing and Calibration Laboratories
“NACH”	National Automated Clearing House
“NEFT”	National Electronic Fund Transfer
“NR”	Non-Resident or person(s) resident outside India, as defined under the FEMA
“NRE Account”	Non-Resident External Account
“NRI”	A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an ‘Overseas Citizen of India’ cardholder within the meaning of Section 7(A) of the Citizenship Act, 1955
“NRO Account”	Non-Resident Ordinary Account
“NSDL”	National Securities Depository Limited
“NSE”	National Stock Exchange of India Limited
“Net worth”	Share capital plus reserves and surplus excluding revaluation reserves
“OCB” / “Overseas Corporate Body”	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
“PAN”	Permanent Account Number
“PBT”	Profit before Tax
“PPCP”	Polypropylene Copolymer
“PPHP”	Polypropylene Homopolymer

Term /Abbreviation	Description / Full Form
"R&D"	Research and development
"RBI"	Reserve Bank of India
"REIT"	Real Estate Investment Trust
"RERA"	Real Estate (Regulation and Development) Act, 2016
"RoC"	Registrar of Companies, Punjab and Chandigarh
"RTGS"	Real Time Gross Settlement
"Regulation S"	Regulation S under the Securities Act
"SCRA"	Securities Contracts (Regulation) Act, 1956
"SCRR"	Securities Contracts (Regulation) Rules, 1957
"SEBI Act"	The Securities and Exchange Board of India Act, 1992
"SEBI FPI Regulations"	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014, as amended
"SEBI ICDR Regulations"	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
"SEBI Listing Regulations"	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
"SEBI"	The Securities and Exchange Board of India
"Securities Act"	The United States Securities Act of 1933, as amended
"State Government"	Government of a state of India
"Takeover Regulations"	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
"Year"/"Calendar Year"	Unless context otherwise requires, shall refer to the twelve-month period ending December 31

The words and expressions used but not defined herein shall have the same meaning as assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SEBI Act, SCRA and the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in "*Statement of Tax Benefits*", "*Financial Statements*" and "*Outstanding Litigations and Material Developments*" on pages 90, 181 and 338, respectively, shall have the meaning given to such terms in such sections.

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Abridged Letter of Offer or CAF and issue of Rights Equity Shares to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Shareholders and will dispatch this Draft Letter of Offer / Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Shareholders who have a registered address in India or who have provided an Indian address to our Company.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or any offering materials or advertisements in connection with the Issue may not be distributed, in whole or in part, in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer or the Letter of Offer or the Abridged Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer must be treated as sent for information only and should not be acted upon for subscription to the Rights Equity Shares and should not be copied or redistributed. Accordingly, persons receiving a copy of this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer should not, in connection with the issue of the Rights Equity Shares or the Rights Entitlements, distribute or send this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If this Draft Letter of Offer, Letter of Offer or the Abridged Letter of Offer is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlements referred to in this Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer. Envelopes containing a CAF should not be dispatched from any jurisdiction where it would be illegal to make an offer and all the persons subscribing for the Equity shares in the Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in the Issue will be deemed to have declared, represented, warranted and agreed that such person is authorized to acquire the rights and the Equity shares in compliance with all applicable laws and regulations prevailing in such person's jurisdiction.

Neither the delivery of this Draft Letter of Offer, the Letter of Offer or the Abridged Letter of Offer nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer, the Letter of Offer and the Abridged Letter of Offer or the date of such information, as applicable. The contents of the Draft Letter of Offer should not be construed as legal, tax or investment advice. Prospective investors may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Rights Equity Shares or Rights Entitlements. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Rights Equity Shares or Rights Entitlements. In addition, neither our Company nor the Lead Manager is making any representation to any offeree or purchaser of the Rights Equity Shares regarding the legality of an investment in the Rights Equity Shares by such offeree or purchaser under any applicable laws or regulations.

NOTICE TO INVESTORS IN THE UNITED STATES AND U.S. PERSONS

The Rights Entitlements and Rights Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Letter of Offer, the Letter of Offer, or the Abridged Letter of Offer or the enclosed CAF. Any representation to the contrary is a criminal offence in the United States.

The Rights Entitlements and Rights Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or under any securities laws of any state or other jurisdiction of the United States of America (the "**United States**" or "**U.S.**") and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the United States or to or for the account or benefit, by U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares are being offered and sold (x) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S and (y) to persons in the United States or to U.S. Persons in transactions exempt from the registration requirements of the Securities Act, so long as such persons are qualified institutional buyers (as defined in Rule 144A of the Securities Act) ("**QIBs**") and have provided to our Company (and our Company has accepted) a duly executed Investor Representation Letter containing the representations, warranties and undertakings required to be provided to our Company to enable such persons to participate in the Issue. The representations, warranties and undertakings required to be provided to our Company to enable such persons to participate in the Issue are described in the section "*Important Information for Investors – Selling, Eligibility and Transfer Restrictions*" on page 375.

Accordingly, this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer or the enclosed CAF should not be forwarded to or transmitted in or into the United States or to a U.S. Person at any time other than to QIBs, and who have provided to our Company (and our Company has accepted) a duly executed Investor Representation Letter containing the applicable representations, warranties and undertakings. Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a "U.S. Person" (as defined in Regulation S) or otherwise in the United States when the buy order is made unless such person has previously delivered to our Company (and our Company has accepted) a duly executed Investor Representation Letter. Unless a duly executed Investor Representation Letter has been provided to our Company (and our Company has accepted such duly executed Investor Representation Letter), envelopes containing a CAF should not otherwise be postmarked in the United States or otherwise despatched from the United States or by a U.S. Person and all persons subscribing for the Rights Equity Shares and Rights Entitlements must provide an address for registration of the Rights Equity Shares in India.

For further information, see "*Important Information for Investors – Selling, Eligibility and Transfer Restrictions*" on page 375.

PRESENTATION OF FINANCIAL INFORMATION

Certain Conventions

All references herein to 'India' are to the Republic of India and its territories and possessions and the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, Central or State, as applicable. Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

In this Draft Letter of Offer, references to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

Financial Data

The Ministry of Corporate Affairs, GoI pursuant to a notification dated February 16, 2015 set out the timelines for the implementation of Ind AS. Pursuant to the notification, we were required to prepare our financial statements in accordance with Ind AS from April 1, 2016, as required under Section 133 of the Companies Act, 2013 read with circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016.

Accordingly, our Company has prepared its financial statements in accordance with Ind AS with effect from April 1, 2016 (together with the financial statements for corresponding periods in previous years). For purposes of transition to Ind AS, we have followed the guidance prescribed under Ind AS 101 – First time adoption of Indian Accounting Standards ("Ind AS 101") with April 1, 2016 as the transition date. For all periods up to and including Fiscal 2017, we prepared our financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP").

Ind AS varies in many respects from Indian GAAP. Accordingly, our Ind AS financial statements will not be comparable with our historical Indian GAAP financial statements.

Our Company's fiscal year commences on April 1 and ends on March 31 of the following calendar year. Accordingly, all references to a particular "financial year" or "fiscal year" or "Fiscal" are to the 12 (twelve) month period ended March 31 of that year. Provided however that for the Fiscal 2016 for our Company, the same should mean the period commencing on January 20, 2015 and ending on March 31, 2016. The restated standalone and consolidated financial information for the period ended January 20, 2015 to March 31, 2016 has been prepared on proforma basis in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31,2016 and guidance note on reports in company prospectuses issued by the ICAI.

In this Draft Letter of Offer, we have elected to present financial information for Fiscal 2016, Fiscal 2017 and the six months period ended September 30, 2017 in accordance with Ind AS, and have not included our historical Indian GAAP financial statements. Our Restated Financial Statements included in this Draft Letter of Offer also include reconciliation statements of the Ind AS financial statements for Fiscal 2017 and Fiscal 2016 with our historical Indian GAAP financial statements for Fiscal 2016 and Fiscal 2017, explaining the impact of the transition from Indian GAAP to Ind AS on the preparation and presentation of our financial statements. For the purposes of preparing Restated Financial Statements, we have followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e., April 1, 2016. Accordingly, suitable restatement adjustments (both remeasurements and reclassifications) in the accounting heads have been made to Restated Financial Statements as at March 31, 2016 and for the period ended January 20, 2015 to March 31, 2016 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS. Further, the financial information for Fiscal 2017 and the six months period ended September 30, 2017 are provisional since there is a possibility that it may require adjustments before constituting the final Ind AS financial statements for Fiscal 2018.

At the meeting of our Board of Directors on February 14, 2018, we have adopted and filed with the stock exchanges on February 14, 2018, the unaudited consolidated and unaudited standalone interim financial results for the quarter ended December 31, 2016 and 2017, in accordance with Regulation 33(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subjected to a limited review by our statutory auditors S. R. Batliboi & Co. LLP. For further information, see "*Material Developments*" on page 301.

Certain figures contained in this Draft Letter of Offer, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Unless otherwise specified, all financial numbers in parenthesis represent negative figures.

Currency of Presentation

Unless the context otherwise requires, all references to 'INR', '₹', 'Indian Rupees', 'Rs.' and 'Rupees' are to the legal currency of India; and any reference to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America.

Unless stated otherwise, throughout the Draft Letter of Offer, all figures have been expressed in 'Lakhs'. 1 Lakh represents 1,00,000.

Please Note:

- One million is equal to 10 Lakhs / 1,000 thousand;
- One lakh is equal to 100 thousand; and
- One crore is equal to 10 million / 100 lakhs.

Exchange Rate

The following tables provide information with respect to the exchange rate for the Indian rupee per US$1.00. The exchange rates are based on the reference rates released by the Reserve Bank of India, which is available on the website of RBI. No representation is made that any Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

As on	in ₹
September 30, 2017	65.35
March 31, 2017	66.33
March 31, 2016	64.84

Source: rbi.org.in

Note: In the event that any of the abovementioned date of any of the respective years is a public holiday, the previous calendar day not being a public holiday has been considered

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology such as 'anticipate', 'believe', 'continue', 'can', 'could', 'intend', 'may', 'shall' 'should', 'will', 'would', 'future', 'forecast', 'guideline' or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. Forward-looking statements are not guarantees of performance and are based on certain assumptions, discuss future expectations, describe plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information.

Forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our Company's expectations include, among others:

- any adverse impact on the brand "Max", or our ability to use the "Max" name or related logos or brand names;
- our ability to generate equity and investment returns and pay dividends depends on the success of our Subsidiaries business operations;
- any adverse change in our relationship with our Promoters or the Max group;
- limited operating history in our real estate development business and education business;
- our specialty films business is subject to stringent environmental and safety regulations;
- any dispute or adverse changes to our relationships with our strategic partners; and
- performance of the real estate market.

Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed in "*Risk Factors*" on page 12. By their very nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact or net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward-looking statements or other projections.

Whilst our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, Investors are cautioned not to place undue reliance on such forward-looking statements. In any event, these statements speak only as of the date of this Draft Letter of Offer or the respective dates indicated in this Draft Letter of Offer, and neither our Company nor the Lead Manager nor any of their respective affiliates or advisors have any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. In accordance with SEBI / Stock Exchanges requirements, our Company and Lead Manager will ensure that Investors are informed of material developments until the time of the grant of listing and trading permission for the Rights Equity Shares by the Stock Exchanges.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below and the restated financial statements and the related notes set out in "Financial Statements" on page 181, before making an investment in the Equity Shares. The risks described below are not the only risks relevant to us or the Equity Shares or the industries in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business, cash flows, prospects, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 105, 95 and 312, respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business, cash flows, prospects, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and investors may lose all or part of the value of their investment. The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Issue. The following factors have been considered for determining the materiality: (1) some events may not be material individually but may be found material collectively; (2) some events may have material impact qualitatively instead of quantitatively; and (3) some events may not be material at present but may have material impact in future.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. Any potential investor in, and purchaser of, the Equity Shares should pay particular attention to the fact that our Company is an Indian company and is subject to a legal and regulatory environment which, in some respects, may be different from that which prevails in other countries. For further information, see "Forward Looking Statements" on page 11.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Statements for Fiscal 2016 (January 20, 2015 to March 31, 2016), Fiscal 2017 (12 months ended March 31, 2017) and the six months period ended September 30, 2017 included in this Draft Letter of Offer. For further information, see "Financial Statements" on page 181.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Max Ventures and Industries Limited on a standalone basis, while any reference to "we", "us" or "our" is a reference to Max Ventures and Industries Limited on a consolidated basis.

INTERNAL RISK FACTORS

1. ***Any adverse impact on the brand "Max", or our ability to use the "Max" name or related logos or brand names, may affect our reputation, business, financial condition and results of operations. Further, we depend on our brand recognition, and failure to maintain and enhance awareness of our brand would adversely affect our ability to retain and expand our customer base.***

We share our brand "Max" with certain other of our Group Companies. We may not be able to control the operations of such Group Companies and in case any such entity is involved in any matter that adversely affects its reputation, it could have an adverse impact on our reputation, which could have an adverse effect on our business, financial condition and results of operations. In addition, our Company uses the "Max" trademark and logo pursuant to a license agreement entered into with the Max India Limited. An inability to continue to use the "Max" name, or related logos or brand names is also likely to have an adverse effect on our business, financial condition and results of operations.

Further, we depend on our brand recognition and our brands could be damaged by negative publicity or by claims or perceptions about the quality or safety of our products or the quality of our suppliers and service, regardless of whether such claims or perceptions are true. Any untoward incidents such as litigation or negative publicity, whether isolated or recurring, affecting our business, franchisees or suppliers, can significantly reduce the brand value and consumer trust. Any such incident or our inability to maintain or enhance awareness of our branch would adversely affect our ability to retain and expand our customer base.

Unauthorized use of our trademarks, including imitations or copies, by unrelated third parties may damage our reputation and brand. Preventing trademark infringement, particularly in India, is difficult, costly and time-consuming. The measures we take to protect our trademarks may not be adequate to prevent unauthorized use by third parties, which may affect our brand and in turn adversely affect our business, financial condition, results of operations and prospects.

2. ***Our operations are conducted through our Subsidiaries. Therefore, our ability to generate equity and investment returns and pay dividends depends on the success of our Subsidiaries business operations.***

We are a holding company and conduct our business operations through our Subsidiaries. As our Company has no substantial operations or fixed assets, we have no significant sources of revenue other than the ownership interests in our Subsidiaries. Our Company's income is therefore largely dependent on investment income and dividends from our Subsidiaries. Our Company has five Subsidiaries, Max Speciality Films Limited ("MSFL"), Max Estates Limited, Max I. Limited, Max Learning Limited and Wise Zone Builders Private Limited.

Our business segments include packaging films, real estate, business investments and education. We are engaged in the manufacture of specialty packaging films through our Subsidiary, MSFL, and our packaging films accounted for total revenues of ₹ 71,641.60 lakhs and ₹ 35,362.67 lakhs or 97.95% and 96.88% of our total income in Fiscal 2017 and for the six months period ended September 30, 2017, respectively. Our real estate development business is conducted through our Subsidiaries, Max Estates Limited and Wise Zone Builders Private Limited, and our real estate segment accounted for total revenues of ₹ 86.17 lakhs and ₹ 38.39 lakhs or 0.12% and 0.11% of our total income in Fiscal 2017 and for the six months period ended September 30, 2017, respectively. We are engaged in investing in companies in certain identified sectors, through our wholly-owned Subsidiary, Max I. Limited, and our business investments segment accounted for total revenues of ₹ 226.03 lakhs and ₹ 608.80 lakhs or 0.31% and 1.67% of our total income in Fiscal 2017 and for the six months period ended September 30, 2017, respectively. Our education business which is also conducted through our Subsidiary, Max Learning Limited is in the process of evaluating and exploring opportunities in the education business and as a result, did not contribute to our total income in Fiscal 2017 and for the six months period ended September 30, 2017.

Our Company's ability to make dividend payments and other distributions in cash, pay expenses, service any debts incurred, and fund the financial needs of our Subsidiaries, depends upon the receipt of dividends, distributions or advances from our Subsidiaries. The ability of our Subsidiaries to generate equity and investment returns and pay dividends depends on the success of their business operations, financial condition and ability to generate profits. In addition, our Subsidiaries may be restricted from paying dividends by contract, including financing arrangements, charter provisions, partners of the Subsidiaries or by the applicable laws and regulations of the various countries in which they operate.

We may not be able to monetize our investments in the Subsidiaries and may not derive fair value from our investments. Therefore, eventually we may not be able to derive any investment income from the Subsidiaries. Further, we cannot assure that our Subsidiaries will generate sufficient profits and cash flows, or otherwise will prove willing or able to pay dividends to our Company. The inability of one or more of these entities to pay dividends could have a material adverse effect on our business, prospects, results of operations, cash flows and financial condition. In addition, our financial condition and results of operations could be adversely affected should our equity stake in our Subsidiaries be diluted or in the event that they cease to be our Subsidiaries, which could in turn adversely affect our financial condition.

3. ***We are dependent on our relationship with our Promoters and the Max group. Any adverse change in our relationship with our Promoters or the Max group could adversely affect our business, results of operations, financial condition and cash flows.***

We are part of the Max group, a leading Indian business conglomerate with a strong presence in life insurance and health and allied businesses. Our Promoter, Mr. Analjit Singh is widely recognized as an industry statesman and has a long history of entrepreneurial ventures including those in insurance, healthcare, real estate sectors and other lifestyle related ventures. Accordingly, we benefit from our relationship with our Promoters and the Max group in many ways, such as their business acumen, reputation, experience, strategic business advice, managing businesses as well as by leveraging their business connections and industry knowledge. We believe that our customers, vendors and members of the financial community perceive the Max brand to be that of a trusted provider of quality products and services. Our growth and future success is impacted in part by our continued relationship with our Promoters and the Max group. We cannot assure that we will be able to continue to take advantage of the benefits from these relationships in the future. If we cease to benefit from these relationships for any reason, our business and growth prospects may decline and our business, financial condition and results of operations may be adversely affected.

4. ***We have a limited operating history in our real estate development business and investment business, which makes it difficult to accurately assess our future growth prospects.***

We have recently commenced operations in our real estate development business through our Subsidiaries, Max Estate Limited and Wise Zone Builders Private Limited and our investment business, through our Subsidiary, Max I. Limited, respectively.

We are in the process of developing certain residential and commercial real estate projects, which are expected to be complete between Fiscal 2019 and Fiscal 2020. Growth prospects in the real estate development business can be affected by a wide variety of factors including: competition from existing and established real estate developers; availability and accessibility to large contiguous parcels of land or development rights over such land; access to adequate financing; performance of the real estate market specifically in North India and the economy in general; ability to secure relevant approvals and licenses required for carrying out such business; and the ability to adapt to the increasingly regulated real estate sector, in particular with respect to the recent enactment of the Real Estate (Regulation and Development) Act 2016.

Further, Max I. Limited, our Subsidiary, is exploring opportunities to invest in sectors such as healthcare, fintech, food and beverage services, hospitality, education, cyber security and real estate technology. There can be no assurance that we will correctly evaluate the nature and magnitude of the various factors that may affect the value of such investments. The value of the investments may in certain cases fluctuate, and a variety of other factors that are difficult to predict, such as domestic or international economic and political developments, may significantly affect the results of our activities and value of the investments.

As such, we have a very limited operating history in the real estate business and investment business, and our success is dependent on our ability to effectively implement these businesses. Assessing the future prospects of our business is challenging in light of both known and unknown risks and difficulties we may encounter, and could place significant demands on the management team and our other resources. We will be subject to all the business risks and uncertainties associated with setting up any new business venture, which may adversely affect our business, prospects, results of operations and financial condition.

5. ***Our specialty films business is subject to stringent environmental and safety regulations and any failure to comply with any such environmental and safety regulations may adversely affect our business.***

While we believe that our manufacturing facility is in compliance in all material respects with applicable environmental laws and regulations, we, like other packaging films producers, are subject to various central, state and local environmental, health and safety laws and regulations. These laws and regulations are increasingly becoming stringent and may in the future create substantial environmental compliance or remediation liabilities and costs. These laws can impose liability for non-compliance with health and safety regulations or clean up liability on generators of waste and other substances that are disposed of either on or off-site, regardless of fault or the legality of the disposal activities. Other laws may require us to investigate and remediate contamination at our properties. We may also, in the future, become involved in proceedings with various regulatory authorities that may require us to pay fines, comply with more rigorous standards or other requirements or incur capital and operating expenses for environmental compliance. While we intend to comply with applicable environmental legislation and regulatory requirements, it is possible that such compliance may prove restrictive and onerous.

6. ***Our real estate development business depends on the performance of the real estate market. Fluctuations in market conditions may affect our ability to sell or lease our projects.***

Our real estate development business significantly depends on the performance of the real estate market in India and could be adversely affected if market conditions deteriorate. The performance of the real estate market is in turn significantly affected by changes in government policies, grant of statutory/ regulatory approvals, economic and other conditions, such as economic slowdowns, demographic trends, employment levels, availability of financing, rising interest rates or declining demand for real estate, or the public perception that any of these events may occur. These factors can adversely affect the demand for, and pricing of, the units and interests in projects that we hold, and as a result, may materially and adversely affect our financial condition, results of operations and cash flows. We cannot assure that the demand for interests in projects that we develop will grow, or will not decrease, in the future.

We may receive lease income, consisting of income from rental to third parties on our commercial real estate developments and space in our retail developments, upon completion of our projects. Our revenues in our real estate business also depend on the ability of our commercial and retail tenants to pay rent at the levels that we determine as well as the supply of and lease rentals for similar properties in such areas. Any adverse changes to the lease rentals from our projects could adversely impact our business and financial performance.

7. We depend on our relationships with our strategic partners and any dispute or adverse changes to our relationships with such partners may have an adverse effect on our ability to manage our businesses.

Our Company has entered into an investment agreement dated January 9, 2017 with New York Life International Holdings Ltd ("New York Life") and our Promoters, pursuant to which New York Life holds 22.51% of our Company's Equity Share capital. Pursuant to the terms of the investment agreement, our Company is required to inform New York Life seven days prior to undertaking certain corporate actions such as, amongst others, alteration in the capital structure of our Company, any merger, acquisition, liquidation or disinvestment by our Company and commencement of any new business.

Further, we have also entered into strategic arrangements with Toppan for the expansion of our product portfolio and we benefit from the industry experience and customer relationships of such partner. In particular, our agreement with Toppan imposes certain non-compete obligations that could affect future business prospects. Further, our agreement with Toppan also provides for the prior written consent of Toppan to be obtained for certain actions not in the ordinary course of business, such as, amongst others, issuance of shares, change in any rights of the shares, dividend declaration, creation of encumbrances, acquisition and merger.

For further details, see "*History and Certain Corporate Matters – Material Agreements*" on page 123.

We may experience disputes in relation to such partnerships. Such strategic partnerships, and any disputes we may experience, may require significant attention from our management, and the diversion of our management's attention and resources could have an adverse effect on our ability to manage our business. In addition, any divestment by our partners could materially impact the trading price of our Equity Shares.

8. A significant portion of our revenue is derived from our specialty packaging films business and our financial condition would be materially and adversely affected if we fail to obtain new orders.

We are engaged in the manufacture of specialty packaging films through our Subsidiary, MSFL. Our revenues depends significantly on our specialty packaging films business. Packaging films accounted for total revenues of ₹ 71,641.60 lakhs and ₹ 35,362.67 lakhs or 97.95% and 96.88% of our total income in Fiscal 2017 and for the six months period ended September 30, 2017, respectively. Our business, growth prospects and financial performance largely depends on our ability to obtain new orders, and there can be no assurance that we will be able to procure new orders for our specialty packaging films. Our future results of operations and cash flows may fluctuate from period to period depending on the timing of our orders, and production and delivery on our orders. In the event we are unable to obtain new orders, our business will be materially and adversely affected.

9. Our Company has a limited financial history and investors may not be able to evaluate our business prospects accurately. Further, our restated financial statements for Fiscal 2016 (January 20, 2015 to March 31, 2016) and Fiscal 2017 (12 months ended March 31, 2017) are not comparable due to our Company's formation in January 2015.

Our Company was formed on January 20, 2015. For details, see "*History and Certain Corporate Matters*" on page 123. Consequently, our restated financial statements, including the details of our profit and loss account, as set out in the section titled "*Financial Statements*", are available only from Fiscal 2016 onwards. Our limited financial history may not provide an accurate basis for investors to understand our business and financial history for comparative analysis and evaluate our future business and financial prospects.

In addition, our results of operations in Fiscal 2016 includes the period beginning from January 20, 2015 to

March 31, 2016 and therefore, is not comparable to the results of operations in Fiscal 2017 which comprises the period beginning from April 1, 2016 to March 31, 2017. However, our Company did not have any active business operations until the transfer of the businesses pursuant to the Scheme of Demerger with effect from April 1, 2015. Accordingly, actual business operations in our Company commenced from April 1, 2015. We have in this Draft Letter of Offer included a comparison of our results of operations in Fiscal 2016 (January 20, 2015 to March 31, 2016) and Fiscal 2017 (12 months ended March 31, 2017) although the periods are not comparable.

10. ***We are required to obtain certain approvals or permits for our projects, which we may not be able to obtain or renew in a timely manner or our existing approvals or permits may be suspended or revoked which could have an adverse effect on our business, prospects, financial condition and results of operations.***

In order to develop and complete a real estate project, developers must obtain various approvals, permits and licences, including occupation and completion certificates, from the relevant administrative authorities at various stages of project development, and developments may have to qualify for inclusion in local "master plans". We may encounter major problems in obtaining the requisite approvals or licences or may experience delays in fulfilling the conditions precedent to any required approvals and we may not be able to adapt ourselves to new laws, regulations or policies that may come into effect from time to time with respect to the real estate sector. Some of the approvals we have applied for are currently pending and we may need to apply for renewal of approvals which may expire from time to time, in the ordinary course of our business. For instance, in relation to our Okhla project, MEL has filed an application filed before the Registrar Office for seeking a no objection certificate for purchase of a portion of the land at Max House from Pharmax Corporation Limited. Further, under certain of our approvals, we are required to obtain fresh permits if the construction is not completed within a stipulated period.

Additionally, we may encounter difficulties in fulfilling the conditions precedent to the approvals described above or any approvals that we may require in the future, some of which may be onerous and may require us to incur expenditure that we may not have anticipated. There may also be delays on the part of the administrative bodies in reviewing our applications and granting approvals or the approvals issued to us may be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If we fail to obtain or renew, or experience delays in obtaining or renewing, the requisite governmental approvals, or if any approvals are suspended or revoked, the schedule of development and the sale of our projects could be substantially disrupted or impeded, which could have an adverse effect on our business, prospects, financial condition and results of operations. Further, conversion of land from industrial use to residential or commercial use may entail possibility of litigation filed by the interested parties.

11. ***Introduction of alternative packaging materials resulting from technological developments or changes in consumer preferences may reduce demand for our products and may adversely affect our profitability and business prospects.***

Our products are primarily used by printing and packaging converters (who produce packaging materials for various manufacturers) and by manufacturing companies across a range of industries, including food packaging, tobacco products packaging, textiles, electrical insulations, labels, adhesive tapes and FMCG products.

Demand for our bi-axially oriented polypropylene ("BOPP") film may decrease in the event that our customers decide to seek alternative packaging materials such as aluminum foil, nylon, polyvinyl chloride and tubular quench polypropylene. Technological developments resulting in introduction of alternative packaging materials, as well as changes in consumer preferences, may result in a decreased demand for our products adversely affecting our business and profitability. Our ability to anticipate changes in technology and to adapt and develop and introduce new and enhanced products successfully on a timely basis will be a significant factor in our ability to grow and to remain competitive in the domestic and international markets. We cannot assure you that we will be able to achieve the technological advances that may be necessary for us to remain competitive or that certain of our products will not become obsolete. We are also subject to the risks generally associated with new product introductions and applications, including the lack of market acceptance and delays in product development.

Any failure on our part to forecast and/or meet the changing demands of printing and packaging businesses will have an adverse effect on our business, profitability and growth prospects.

12. ***Changes in the availability and price or inadequate or interrupted supply of raw materials for our specialty packaging films business, due to dependence on a limited number of suppliers, may increase our manufacturing costs and could adversely affect our business and results of operations.***

Our specialty packaging business depends on the adequate supply of quality raw materials at reasonable prices on a timely basis. The principal raw materials used in the production of BOPP film are polypropylene ("PP") chips which are procured from certain regular suppliers on memorandum of understanding basis while some quantities are also imported. We typically enter into annual memoranda of understanding with our raw material suppliers, which are subject to monthly price revisions based on international prices. Cost of raw material and components consumed of MSFL represented the largest component of MSFL's total expenses and constituted approximately 62.42%, 65.33% and 68.07% of MSFL's revenue (including other incomes) in Fiscal 2016, 2017 and for the six months period ended September 30, 2017, respectively.

Production quantity and cost of our products are also dependent on our ability to maintain a stable and sufficient supply of our major raw materials. We are dependent on a limited number of suppliers for all key raw materials and any delays or stoppages by such raw material suppliers could adversely affect our operations and financial condition. While we have not experienced any significant disruptions to our operations due to the unavailability of raw materials, lack of long-term price contracts and the absence of an assured supply of raw materials in adequate quantities at competitive prices, could result in a disruption of our production schedule or result in our sourcing raw materials from other sources at prices that are less favorable to us, resulting in an increase in our operating costs and materially and adversely affecting our business, results of operations and financial condition.

Further, PP chips are petroleum derivatives and any significant increase in crude oil prices could also have an adverse impact on the prices of our raw materials. Historically, we have been able to pass on any increase in the prices of these raw materials to our customers, however, there can be no assurance that in the future we will be able to pass on such increases in the prices of the raw materials to our customers which could adversely affect our business prospects, results of operations and financial condition may be adversely affected.

13. ***If we do not comply with covenants and conditions under our borrowing arrangements it could lead to termination of our credit facilities, accelerated repayment of all amounts due thereunder, enforcement of any security provided and the trigger of cross default provisions. Any of the above actions taken by the relevant lender could have a material adverse effect on our credit ratings, financial condition, results of operations and cash flows.***

As at September 30, 2017, we had non-current borrowings of ₹ 17,226.53 lakhs and current borrowings (including current maturity of long-term borrowings) of ₹ 18,839.48 lakhs. Our current and/ or future financing agreements include and/ or may include various conditions and covenants that require us to obtain lender consents or serving prior intimation notices on such lenders prior to carrying out certain activities and entering into certain transactions. Specifically, under some of our financing agreements, we require consents from or are required to serve a prior notice of intimation on the relevant lenders for, among others, the following matters: making any change in our management or our control or our constitution; any change in our Promoters' shareholding in our Company; making amendments in our Memorandum and Articles of Association; creating any further security interest on the assets upon which the existing lenders have a prior charge; and raising funds by way of any fresh capital issue. Some of our financing agreements also contain financial and other covenants. These covenants vary depending on the requirements of the financial institution extending the loan and the conditions negotiated under each financing document. Such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. For further information, see "*Financial Indebtedness*" on page 177.

A failure to observe the covenants under our financing arrangements or to obtain necessary consents or serve the required notices of intimation may lead to the termination of our credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under our other financing agreements. If the obligations under any of our financing documents are accelerated, we may have to dedicate a substantial portion of our cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for our working capital requirements and other general corporate purposes. Further, during any period in which we are in default, we may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect our business, credit ratings, financial condition, results of operations and cash flows.

14. Our business is dependent on developing and maintaining continuing relationships with our customers and converters. The loss of any significant customer or converter could have a material adverse effect on our business, financial condition and results of operations.

Although, we generally do not enter into long-term supply contracts with our customers, our business is dependent on developing and maintaining a continuing relationship with our key customers in the targeted industries. While we believe this is beneficial to our business as we retain the ability to take advantage of the fluctuating demand and pricing for our products, this also leads to volatility in our revenues. Further, the business policies, capacity expansion and capital expenditure plans as well as procurement strategies of our significant customers may have a significant impact on our business, results of operations and financial condition. In the event of a significant decline in the demand for our products by our key customers, our business, results of operations and financial condition may be materially and adversely affected. There can be no assurance that we will be able to maintain the historic levels of business from these customers or that we will be able to replace these customers in case we lose any of them.

We also rely on packaging converters (who buy and process our products for distribution to end-users). As with customers, we do not have any long-term contracts with converters and the loss of any converter may have an adverse effect on our results of operations.

15. Our Subsidiary, MSFL, sells products in highly competitive markets. An inability to compete effectively may lead to lower market share or reduced operating margins, and adversely affect our results of operations.

Our Subsidiary, MSFL, sells products in highly competitive markets. As a result, to remain competitive, we must continuously strive to reduce our costs of production, transportation and distribution and improve our operating efficiencies. If we fail to do so, other producers may be able to sell their products at lower prices, which would have an adverse affect on our market share and results of operations.

We also compete with BOPET manufacturers as BOPP films can be replaced with BOPET films in various applications. Internationally, we face competition from large vertically integrated and diversified companies in South Korea, Japan and Taiwan, large chemical companies in the United States and Western Europe, low cost producers in China and various small companies specializing in limited segments of the market. A number of competitors are larger than MSFL and have greater financial resources. We may also face competition from new companies that are emerging, especially in China, who would then attempt to obtain a share of its existing markets. Increased competition could result in price reductions, decreased sales, lower profit margins or losses in market share, any of which could have a material adverse effect on our business, results of operations and financial condition which could adversely affect our overall profitability. There can be no assurance that we will continue to maintain our market position in the future. Further, our inability to retain existing customers or attract new customers could have a material adverse effect on our results of operations. In addition, if we are unable to effectively compete with our competitors in future and manage our costs efficiently, our operating margins and results of operations may be adversely affected.

16. Any inability to consistently manage our growth could disrupt our business and reduce our profitability.

We have experienced growth in recent years and expect our business to grow significantly as a result of the ongoing expansion of our manufacturing facility. We expect this growth to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organization. In particular, continued expansion increases the challenges involved in maintaining high levels of customer satisfaction, recruiting, training and retaining sufficient skilled management, adhering to health and safety, environment and quality and process execution standards that meet customer expectations, preserving a uniform culture, values and work environment in operations within and outside India and developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems. Any inability to manage our growth could disrupt our business and reduce our profitability that may have an adverse effect on our business and results of operations.

17. We are dependent on external contractors and third party entities for handling of materials, transportation of raw materials and delivery of products and for the construction and development of our projects.

We use external contractors for the handling of materials in our manufacturing facility at Nawanshahr, Punjab. Any disruption in such material handling activities due to non-availability of such external contractors at reasonable costs, or at all, could adversely affect our manufacturing operations, production and delivery schedules. In addition, costs associated with such materials handling activities may increase in the future as a result of our expanded production capacity and increased operations. Continuing increases in such costs or non-availability of such services may have an adverse effect on our business and results of operations.

We are dependent on third party freight and transportation providers for the supply of our raw materials, and for deliveries of our products to our customers within and outside India. Transportation strikes could have an adverse impact on our ability to receive raw materials, production process and our ability to deliver our products. In addition, freight and transportation costs have been steadily increasing in the recent past. Unexpected delays in deliveries, including due to delays in obtaining customs clearance for raw materials imported by us could significantly decrease our ability to make sales and earn profits. Continuing increases in freight and transportation costs or non-availability of freight and transportation services for our raw materials or products may have an adverse effect on our business and results of operations. In addition, labour shortages or labour disagreements in the transportation or logistics industries or long-term disruptions to the national and international transportation infrastructure that lead to delays or interruptions of deliveries of our products could materially adversely affect our business.

Further, we enter into agreements with third party entities, including architects, engineers, contractors and other suppliers of labour and materials, to design and construct our real estate projects in accordance with our specifications and quality standards and under the time frames provided by us. The timing and quality of construction of the projects we develop depends on the availability and skill of these third parties, as well as contingencies affecting them, including equipment, labour and raw material shortages and industrial actions such as strikes and lockouts. We may only have limited control over the timing or quality of services and sophisticated machinery or supplies provided by such third parties. If such contractors are unable to perform their contracts, including completing our developments within the specifications, quality standards and time frames specified by us, at the estimated cost, or at all, our business, reputation and results of operations could be adversely affected.

18. Our business operations are subject to various operational risks.

Although we comply with relevant safety measures, our operations are susceptible to various hazards, including explosions, fires, mechanical failures, operational problems and other environmental risks. These hazards can cause personal injury and loss of life, damage to or destruction of property and equipment as well as environmental damage, which could result in a suspension of operations and the imposition of civil or criminal liabilities.

In particular, our manufacturing facility at Nawanshahr, Punjab is subject to various operating risks, such as the breakdown or failure of equipment, power supply or processes, performance below expected levels of output or efficiency, obsolescence, labor disputes, natural disasters, industrial accidents and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results. Further, our results of operations are also dependent on the successful operation of our manufacturing facility. Long periods of business disruption could result in a loss of customers. In addition, our manufacturing processes require a substantial amount of electricity and adequate and cost effective supply of electrical power is critical to our operations. There can be no assurance that electricity supplied by our existing supplier will be sufficient to meet our requirements or that we will be able to procure adequate and uninterrupted power supply in the future at a reasonable cost. Lack of sufficient electrical power or an increase in the cost of such power could adversely affect our business and results of operations.

Further in the real estate sector, construction activity is materially and adversely affected by severe weather conditions. Severe weather conditions may require us to evacuate personnel or curtail services or may result in damage to a portion of equipment or to our facilities, resulting in the suspension of operations, and may further prevent us from delivering materials to our project sites in accordance with contract schedules or generally reduce our productivity.

We could also face claims and litigation filed by the government authorities or public, alleging injury due to hazards or accidents at our manufacturing facility or at our project sites. If these claims and lawsuits, individually or in the aggregate, are resolved against us, our results of operations and financial condition could be adversely affected along with our reputation. Any liability incurred as a result of such events has the potential to materially impact our business, financial condition and results of operations. Although we maintain general insurance against such liabilities, insurance proceeds may not be adequate to completely cover the substantial liabilities, lost revenues or increased expenses that we may incur.

19. ***We have prepared our Restated Financial Statements under Indian Accounting Standards ("Ind AS"). Accounting standards under Ind AS vary from accounting standards under Indian GAAP and there can be no assurance that our financial statements prepared and presented in accordance with Ind-AS will not materially or adversely vary from our historical financial statements prepared and presented under Indian GAAP, which could adversely affect the trading price of the Equity Shares.***

The Ministry of Corporate Affairs, GoI pursuant to a notification dated February 16, 2015 set out the timelines for the implementation of Ind AS. Pursuant to the notification, we were required to prepare our financial statements in accordance with Ind AS from April 1, 2016, as required under Section 133 of the Companies Act, 2013 read with circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016.

Accordingly, our Company has prepared its restated financial statements in accordance with Ind AS with effect from April 1, 2016 (together with the restated financial statements for corresponding periods in previous years). For purposes of transition to Ind AS, we have followed the guidance prescribed under Ind AS 101 – First time adoption of Indian Accounting Standards ("Ind AS 101") with April 1, 2016 as the transition date. For all periods up to and including Fiscal 2017, we prepared our financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP"). Ind AS varies in many respects from Indian GAAP under which our financial statements were previously prepared and presented.

In this Draft Letter of Offer, we have elected to present financial information for Fiscal 2016, Fiscal 2017 and the six months period ended September 30, 2017 in accordance with Ind AS instead of Indian GAAP. Our Restated Financial Statements also include reconciliation statements of the Ind AS financial statements for Fiscal 2017 and Fiscal 2016 with our historical Indian GAAP financial statements for Fiscal 2016 and Fiscal 2017 explaining the impact of transition to Ind AS on the preparation and presentation of our financial statements. For the purposes of preparing Restated Financial Statements, we have followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e., April 1, 2016. Accordingly, suitable restatement adjustments (both remeasurements and reclassifications) in the accounting heads are made to Restated Financial Statements as at March 31, 2016 and for the period ended January 20, 2015 to March 31, 2016 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS. Further, the financial information for Fiscal 2017 and the six months period ended September 30, 2017 are provisional since there is a possibility that it may require adjustments before constituting the final Ind AS financial statements for Fiscal 2018.

There can be no assurance that the impact of Ind AS on our future financial statements will not be more significant or that they will be comparable to the information provided in such Ind AS reconciliation information. There is not yet a significant body of established practice on which to draw informed judgments regarding its implementation and application. Additionally, Ind AS differs in certain respects from IFRS and U.S. GAAP and therefore financial statements prepared under Ind AS may be substantially different from financial statements prepared under IFRS and U.S. GAAP. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Potential investors should consult their own professional advisors for an understanding of the differences between Ind AS with IFRS and U.S. GAAP and how those differences might affect the financial information disclosed in this Draft Letter of Offer. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity in future will not appear materially worse under Ind AS than under Indian GAAP. The estimates and assumptions used in the preparation of our financial statements in accordance with Ind AS will be based upon management's evaluation of the relevant facts and circumstances as on the date of the relevant financial statements, and such estimates and underlying assumptions may be reviewed in the future on an ongoing basis. We may also encounter difficulties in the ongoing process of implementing and enhancing our management information systems.

20. ***Our ongoing capacity expansion plans are subject to various risks and there can be no assurance that such capacity expansion plans will be completed as planned or on schedule or at all. Further, if the demand of our products do not increase or if there is any decrease in demand for our products, it could***

result in underutilization of our production capacity thereby adversely affecting our business and financial condition.

As part of our expansion plans, we are in the process of implementing significant capacity additions to our manufacturing facility at Nawanshahr, Punjab for the production of BOPP films, metalized films and coated films. Although we have successfully implemented various capacity expansion plans in the past, our capacity expansion plans remain subject to the potential problems and uncertainties that such projects encounter, including labour issues, foreign exchange fluctuations, increased costs of equipment or manpower, delays in completion, defects in design or construction, changes in laws and regulations, governmental action, delays in obtaining, or non-compliance with, permits or approvals, accidents, natural calamities and other factors, many of which are beyond our control. We cannot assure that the proposed capacity additions and process improvements will be completed as planned or on schedule or that the expected benefits of our capacity expansion plans will be fully realized.

Our capacity addition plans are generally linked to the demand for our products, and if such capacity additions are not matched by a corresponding increase in the demand for our products, our operating rates and margins may face downward pressures. Further, if there is any decrease in demand for our products, it could result in underutilization of our production capacity thereby adversely affecting our business and financial condition.

21. We place significant emphasis and importance on R&D, which may not lead to successful product introductions.

We have an R&D center at our existing manufacturing facility at Nawanshahr, Punjab. Our ongoing efforts to remain competitive by undertaking R&D exercises may not always be successful. We commit substantial time, funds and resources towards R&D. We expend resources on R&D primarily to enable us to manufacture and market new products that comply with applicable regulations. In Fiscal 2016 and 2017, we spent ₹ 548.50 lakhs and ₹ 222.00 lakhs, respectively towards our R&D activities. Due to the inherent risk associated with R&D efforts, our R&D expenditures may not result in the successful introduction of new products. Our ongoing investments in new product launches and R&D for future products could result in higher costs without a proportionate increase in revenues. To the extent that we expend significant resources on these efforts and are not ultimately able to introduce successful new products as a result of those efforts, our business, financial position and results of operations may be materially adversely affected.

22. We are in the process of evaluating and exploring opportunities in the education business, which is subject to various risks, including execution risks that may affect our business, results of operations and financial condition.

We are in the process of evaluating and exploring opportunities in the education business. We have a very limited operating history in the education sector, and our success is dependent on our ability to implement this growth strategy effectively, notably through our ability to recruit and retain experienced educational leaders and successfully developing and institutionalizing procedures and policies. Further, the expansion of operations may require considerable financial resources and commitment from the management. There may be operating difficulties and expenditures in operating schools in India and other jurisdictions. Our capacity to manage and finance such operations while managing our existing operations may have a material adverse impact on our overall operations and financial condition. While we have incurred expenses to explore opportunities for our education business, these opportunities may not materialize and we may not be able to recover these expenses.

In addition, operation and management of schools in certain jurisdictions is subject to stringent regulator supervision, including regular inspections. Both within India and internationally, regulators have introduced guidelines in relation to capping or setting fees and enrolment of students. Further, these jurisdictions are increasingly regulating the curricular offerings in the schools and regularly conducting inspections with respect to the safety of students. Such regulations or legislation may restrict our operational autonomy, for instance, with regard to the fees charged and our admission processes, as well as restrictions on curricular offerings, which may adversely affect our business, financial condition and results of operations. Further, any violation of statutory regulations is monitored as determined pursuant to the relevant legislation and may result in withdrawal of the registration or recognition for operating an educational institution.

23. Our investment business is dependent on the ability of investee companies to grow their business.

As part of investment business, we typically look to invest in early stage companies engaged in strategic growth sectors. As at September 30, 2017, we had an aggregate non-current investments of ₹ 7,050.01 lakhs in Azure Hospitality Private Limited and ₹ 1,754.71 lakhs in FSN E-Commerce Ventures Private Limited. Recently, Max I. Limited made a partial exit of our investment in FSN E-Commerce Ventures Private Limited. In addition, we also recently invested in IAN Fund I with a capital commitment amounting to ₹ 250.00 lakhs and as at February 5, 2018, we had invested ₹ 22.95 lakhs in IAN Fund I.

The growth of our investment business is dependent on the ability of investee companies to grow their business. We may not enter into shareholders' agreements with the other equity partners and investors that would provide for our control of such companies through board directorships or otherwise. In such cases, the equity partners and other investors will have significant control over the ventures, which may limit our flexibility to make decisions relating to the ventures. Such investments may exhibit losses due to decisions or business processes that we have no control over or due to our lack of adequate powers to initiate remedial actions. In addition, if the share price of any of these ventures declines, the value of our investment could be adversely affected.

24. There are various outstanding litigation proceedings involving our Subsidiaries, Promoters, Directors and Group Companies, adverse outcome in which, could have a material adverse impact on our reputation, business, financial condition, results of operations and cash flows.

Our Subsidiaries, Promoters, Directors and Group Companies are involved in certain legal proceedings. Except as disclosed below, there are no material legal proceedings involving our Subsidiaries, Promoters, and Group Companies. A summary of such proceedings is set forth below.

Litigation involving our Subsidiaries:

Nature of Litigation	**Number of Outstanding Litigation**	**Amount Involved**
		(₹ lakhs, except as stated in Euro and GBP)
Litigation against our Subsidiaries		
Civil Proceedings*	NIL	NIL
Criminal Proceedings	NIL	-
Tax Proceedings	17	3,144.94
Statutory/ Regulatory Proceedings	NIL	NIL
Litigation by our Subsidiaries		
Civil Proceedings*	4	Euro 1,35,544.10 + GBP 6,18,674.16 (to the extent quantifiable)
Criminal Proceedings	NIL	NIL
Tax Proceedings	NIL	NIL
Statutory/ Regulatory Proceedings	NIL	NIL
Total	21	Euro 1,35,544.10 + GBP 6,18,674.16 (to the extent quantifiable)

Litigation involving our Promoters**:

Nature of Litigation	**Number of Outstanding Litigation**	**Amount Involved**
		(₹ lakhs)
Litigation against our Promoters		
Civil Proceedings*	4	14,300
Criminal Proceedings	1	-
Tax Proceedings	21	3,724.87
Statutory/ Regulatory Proceedings	NIL	NIL
Litigation by our Promoters		
Civil Proceedings*	1	Not quantifiable
Criminal Proceedings	NIL	NIL
Tax Proceedings	11	51,648.02
Statutory/ Regulatory Proceedings	NIL	NIL
Total	38	69,672.89 (to the extent quantifiable)

*** Relevant details of litigations pertaining to our Directors is covered in the table above. For further details, see "Outstanding Litigations and Material Developments – Litigation involving our Directors"* on page 366.

Litigation involving our Group Companies:

Nature of Litigation	Number of Outstanding Litigation	Amount Involved
		(₹ lakhs)
Litigation against our Group Companies		
Civil Proceedings*	1	1,922.93
Criminal Proceedings	21	3.85
Tax Proceedings	35	65,665.38
Statutory/ Regulatory Proceedings	224	250
Litigation by our Group Companies		
Civil Proceedings*	2	1,180
Criminal Proceedings	10	10,046.48
Tax Proceedings	24	62,048.68
Statutory/ Regulatory Proceedings	NIL	NIL
Total	317	1,41,117.32

** Based on policy approved by the Board of Directors on February 14, 2018, all pending litigation involving (A) our Company, its Directors, Promoters and Subsidiaries ("**Relevant Parties**") other than criminal proceedings, tax matters, and statutory or regulatory actions, are considered 'material' if (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of ₹ 100 lakhs, or (ii) pending proceedings involving the Relevant Parties, wherein a monetary liability is not quantifiable, but whose outcome may have a bearing on the business, operations or prospects or reputation of the Company (B) all pending litigation involving our Group Companies, other than criminal proceedings, tax matters, and statutory or regulatory actions, would be considered 'material' if (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1% of standalone profit after tax of the respective group company or 1% of the net worth of its standalone net worth or Rs. 100 lakhs, whichever is higher, or (ii) pending proceedings involving the group company, wherein a monetary liability is not quantifiable, but whose outcome may have a bearing on the business, operations or prospects or reputation of the Company.*

These legal proceedings are pending at different levels of adjudication before various courts, tribunals and appellate tribunals. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and include amounts claimed jointly and severally from us and other parties. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. Should any new developments arise, such as any change in applicable Indian law or any rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase expenses and liabilities. An adverse outcome in any such proceedings may affect our business, results of operations and financial condition.

For further information, see "*Outstanding Litigations and Material Developments*" on page 338.

25. Our success and future growth depend significantly on our successful marketing efforts, and if such efforts are not successful, our business and financial results may be adversely impacted.

We intend to continue to dedicate significant resources to marketing efforts, including for our real estate development business, particularly as we continue to grow, complete new projects and expand into new markets in India. Our ability to attract customers for our specialty films business and clients for our real estate development business, depends in large part on the success of these marketing efforts and the success of the marketing channels we use to promote our businesses. Our marketing channels include and will continue to include social media and the press, online affiliations, search engine marketing, offline partnerships, and television advertising. If any of such marketing channels become less effective, if we are unable to continue to use any of these channels, if the cost of using these channels were to significantly increase or if we are not successful in generating new channels, we may not be able to attract our target customers in a cost-effective manner. If we are unable to recover our marketing costs through growth of our businesses, or if we discontinue our broad marketing campaigns, it could have a material adverse effect on our business, prospects, results of operations, financial condition or cash flows.

26. Our inability to identify and acquire large contiguous parcels of land or development rights over such parcels of land in locations with growth potential affects our business. Further, we enter into arrangements with various third parties to acquire land or development rights, which entails certain risks.

We have a very limited operating history in the real estate business, and our success and growth is dependent on our ability to effectively identify suitable parcels of land or development rights over such parcels of land for development in the right location. Our ability to identify and acquire suitable sites is dependent on a number of factors including the availability of suitable land, the willingness of landowners to sell land to us on attractive terms, the ability to obtain an agreement to sell from all the owners where the land has multiple owners, encumbrances on targeted land and the obtaining relevant permits and approvals for land acquisition and development. Any failure to identify and acquire suitable parcels of land for development or development rights over such parcels of land in a timely manner may reduce the number of properties that can be undertaken by us and thereby affect our business, results of operations and financial condition.

We have used the "joint development model" for developing properties, which entails entering into a development agreement with the owner(s) of the land parcel(s) sought to be developed and also entails developing the project jointly with the land owner. We are entitled to a share in the development property, or a share of the revenue or profits generated from the sale of the developed property, or a combination of both entitlements. Investments through development agreements involve risks, including the possibility that our development partners may fail to meet their obligations under the development agreement, causing the whole project to suffer. Certain parties granting us development rights may not have acquired ownership rights or clear title in respect of land that we have categorised as part of our land reserves. We cannot assure that projects that involve collaboration with third parties will be completed as scheduled, or at all, or that our ventures with these parties will be successful. Further, determining the Developable Area and Saleable/ Leasable Area of a particular project are subject to municipal planning and land use regulations in effect in the regions in which we operate. These regulations limit the maximum square footage of completed buildings on plots to specified amounts, calculated based on a ratio of maximum floor space of completed buildings to the surface area of each plot of land.

In addition Max Estates Limited, one of our Subsidiaries, has undertaken the construction and development of a residential project located at Dehradun. The land for the said project is not in the name of our Company or any of the Subsidiaries and has been given by one of our Promoters, Mr. Analjit Singh, under a construction and development agreement entered into with Max Estates Limited on July 25, 2016. Further, Max Estates Limited, one of our Subsidiaries, has entered into an agreement to sell dated July 14, 2017 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. Pharmax Corporation Limited is one of our Group Companies. Further, Max India Limited, one of our Group Companies holds approximately 85.17% shareholding of Pharmax Corporation Limited, and certain of our Promoters, namely, Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Piya Singh, Mr. Veer Singh, Ms. Tara Singh Vachani, Liquid Investment and Trading Company Private Limited, Mohair Investment and Trading Company Private Limited and Max Ventures Investment Holdings Private Limited, collectively hold 40.97% of the issued capital of Max India Limited.

27. The real estate industry in India is intensely competitive and our inability to compete effectively may adversely affect our business, financial condition and the results of operations.

We operate in an intensely competitive and highly fragmented industry with low entry barriers. We face significant competition in our business from a large number of Indian real estate development companies who also operate in the same regional markets as us. The extent of the competition we face in a potential property market depends on a number of factors, such as the size and type of property development, contract value and potential margins, the complexity and location of the property development, facilities and supporting infrastructure services, the reputation of our competitors, and the risks relating to revenue generation.

Given the fragmented nature of the real estate development industry, we often do not have adequate information about the property developments our competitors are developing and accordingly, we run the risk of underestimating supply in the market. Our business plan is to expand across the National Capital Region and North India, as a result we face the risk that some of our competitors may be better known in these markets, enjoy better relationships with land-owners and international or domestic joint venture partners, may gain early access to information regarding attractive parcels of land and be better placed to acquire such land. Further, our competitors may commence operations in the vicinity of our Ongoing Projects and Forthcoming Projects and may offer their products at competitive prices, resulting in a decreasing of sales of our projects.

Some of our competitors are larger than us and have greater land reserves or financial resources or a more experienced management team. They may also benefit from greater economies of scale and operating efficiencies and may have greater experience in regional markets, especially in relation to local laws and regulations. We cannot assure that we can continue to compete effectively with our competitors in the future, and failure to compete effectively may have an adverse effect on our business, financial condition and results of operations.

28. We are dependent on a number of key personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.

We are highly dependent on our Directors, senior management and other key personnel for setting our strategic business direction and managing our business. Our performance depends largely on the efforts and abilities of our senior management and other key personnel. We believe that the inputs and experience of our senior management, in particular, and other key personnel are valuable for the development of our business and operations and the strategic directions taken by our Company. For further information on the experience of our key management personnel, see "*Our Management*" on page 132. We cannot assure that these individuals or any other member of our senior management team will not leave us or join a competitor or that we will be able to retain such personnel or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when qualified personnel terminate their employment with our Company. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting employees that our business requires. The loss of the services of such persons may have an adverse effect on our business, results of operations, financial condition and cash flows.

29. We may experience challenges expanding our business into new geographic areas which may adversely affect our business, financial condition and results of operations.

As a part of our strategy, we may expand our geographic reach to other locations in India. We initially intend to concentrate our real estate business in the National Capital Region and North India later expand our operations to include other cities. The level of competition, regulatory practices, business practices and customs, customer tastes, behavior and preferences in cities where we plan to expand our operations may differ from our current locations. In addition, as we enter new markets, we are likely to compete with local developers who have an established local presence, are more familiar with local regulations, business practices and customs, and have stronger relationships with local contractors and relevant government authorities, all of which may collectively or individually give them a competitive advantage over us. In addition, while expanding into various other regions, we will be exposed to various additional challenges, including seeking governmental approvals from government bodies with which we have no previous working relationship, complying with unfamiliar local regulatory requirements, and identifying and collaborating with local business partners, contractors and suppliers with whom we may have no previous working relationship.

We cannot assure you that we will be successful in expanding our business to include other markets in India. Any failure by us to successfully carry out our plan to geographically diversify our business could have an adverse effect on our business, financial condition and results of operations.

30. Our business is subject to the recently introduced Real Estate (Regulation and Development) Act, 2016 (the "RERA"). The RERA is a recent legislation and any increase in complaints by customers may require more time and cost to comply with.

The Central Government has recently notified the RERA in the Official Gazette on March 26, 2016. The RERA has been introduced to regulate the real estate industry and ensuring, amongst others, imposition of certain responsibilities on real estate developers and accountability towards customers and protection of their interest.

The RERA has imposed certain obligations on real estate development companies, including mandatory registration of real estate projects, not issuing any advertisements or accepting advances unless real estate projects are registered under RERA, maintenance of a separate escrow account for amounts realized from each real estate project and restrictions on withdrawal of amounts from such escrow accounts and taking customer approval for major changes in sanction plans. In addition, we will have to comply with state specific legislations which have and will be enacted by the respective State governments, where we carry out our operations, due to the introduction of RERA. Although we have not received any complaints with respect to our real estate development business, there could be instances of complaints filed by customers under RERA. Accordingly, compliance with the provisions of RERA or such State specific legislations will require significant management and financial resources. We may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention and as a result, could adversely affect our business, financial conditions and results of operations. Further, any non-compliance of the provisions of RERA or such state specific legislations may result in punishments (including fines and/ or imprisonment) and revocation of registration of our license which may have a material and adverse impact on our business, operations and financial condition.

31. If we are not able to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business or remain in compliance with applicable laws, it may have a material adverse effect on our business.

We require certain statutory and regulatory permits and approvals to operate our business. In the future, we will be required to obtain, renew and maintain such permits and approvals and remain in compliance with applicable laws. For instance, Max Speciality Films Limited has applied for certain approvals which have not been received, including, application for renewal of factory license, application for high voltage electricity installation, application for renewal of forest clearance. For further information, see "*Government and Other Approvals*" on page 368. While we believe that we will be able to obtain, renew and maintain such permits and approvals as and when required and main compliance with applicable laws, there can be no assurance that the relevant authorities will issue any of such permits or approvals in the time-frame anticipated by us or at all. Government approvals, licenses, clearances and consents are often also subject to numerous conditions, some of which are onerous and may require significant expenditure. Pursuant to the SEBI LODR Regulations, our Company has in the past made certain filings, wherein the inclusion of shareholding of a member of our Promoter Group was inadvertently missed out. While we have taken corrective steps and filed necessary correspondences to the Stock Exchanges in this respect, we cannot assure you that we will not be subject to any penalties imposed by the SEBI or Stock Exchanges in connection with these filings. Failure by us to obtain, renew or maintain the required permits or approvals or remain in compliance with applicable laws may result in diversion of substantial resources, including our management's attention, the interruption of our manufacturing operations or delay or prevent our expansion plans and may have a material adverse effect on our business, financial condition and results of operations.

32. Our ability to export BOPP film, particularly to the European Union and the United States, may be adversely affected in the event of the imposition of anti-subsidy duties.

In Fiscal 2016 and 2017 and for the six months period ended September 30, 2017, gross revenue outside India constituted ₹ 22,625.50 lakhs, ₹ 16,922.53 lakhs and ₹ 8,222.41 lakhs, respectively, or 29.42%, 23.62% and 22.83% of our total revenue and such gross revenue was primarily from our sale of our BOPP films which are in currencies other than Indian Rupees. Any imposition of anti-subsidy duties could adversely affect our ability to export BOPP films to the EU and the United States and could result in a loss or decline in profitability of our export sales. Our current ability to export our products without any imposition of anti-dumping duties on our exports provides us with a competitive advantage over competitors that are liable to pay anti- dumping duties. However, there can be no assurance that there will be no anti-dumping duties imposed on the exports of our products in the future. Any change in the anti-dumping duty structure in the future would adversely affect our competitive position and also materially adversely affect our results of operations and financial condition.

33. The success of our residential, commercial and retail real estate development businesses is dependent on our ability to anticipate and respond to consumer requirements.

The growth of the Indian economy has led to changes in the way businesses operate in India and the growing disposable income of India's middle and upper income classes has led to a change in lifestyle, resulting in a substantial change in the nature of their demands. Increasingly, consumers are seeking better housing and better amenities in new residential developments. The growth and success of our residential and commercial real estate development business depends on the provision of high quality office space to attract and retain clients and on our ability to anticipate the future needs and expansion plans of these clients. We believe that an increase in disposable income, demographic changes, the change in perception of branded products and the entry of international retail players has led to a greater demand for access to luxury brands. The growth and success of our real estate development business is therefore also dependent on being able to achieve the right mix of tenants in our commercial spaces to attract more customers to the outlets which lease retail space from us. Our inability to meet our customers' preferences or our failure to anticipate and respond to customer needs accordingly could materially and adversely affect our business and results of operations. If we fail to anticipate and respond to consumer requirements, we could lose potential clients to competitors, which in turn could materially and adversely affect our business and prospects.

34. Under-utilization of our manufacturing capacities and an inablity to effectively utilize our expanded manufacturing capacities could have an adverse effect on our business, prospects and future financial performance.

Our manufacturing operation is located in Nawanshahr, Punjab. Our business is dependent on our ability to effectively manage our manufacturing facility, which are subject to various operating risks, including those beyond our control, such as the breakdown and failure of equipment or industrial accidents and severe weather conditions and natural disasters. Further, the success of any capacity expansion and expected return on investment on capital expenditure is subject to, among other factors, the ability to procure requisite regulatory approvals in a timely manner; recruit and ensure satisfactory performance of personnel to further grow our business; and the ability to absorb additional infrastructure costs and develop new expertise. Our capacity utilization is also affected by the product requirements of, and procurement practice followed by, our customers. Recently, we made significant investments for the expansion of our manufacturing capacities. In case of oversupply in the industry or lack of demand we may not be able to utilise out expanded capacity efficiently.

For information on our manufacturing capacities, see "*Our Business – Manufacturing Facility*" on page 113.

Under utilization of our manufacturing capacities over extended periods, or significant under utilization in the short term, or an inability to fully realize the benefits of our recently implemented capacity expansion, could materially and adversely impact our business, growth prospects and future financial performance.

35. Our business and results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees / contract workers.

As at February 5, 2018, we had 415 full-time employees. While currently our employees are not a part of any labour unions, there can be no assurance that we will not experience future disruptions to our operations due to disputes or other problems with our employees, which may adversely affect our business and results of operations.

In addition, we also hire contract workers at our manufacturing facility at Nawanshahr, Punjab and for the construction and development our projects. The number of contract workers may vary from time to time based on the nature and extent of work contracted to independent contractors. All contract workers engaged at the facility and at our projects are assured minimum wages under applicable regulations. Any upward revision of wages required to be paid to such contract laborers under applicable regulations, or the unavailability of the required number of contract laborers, may adversely affect our business and results of operations.

36. Our statutory auditors have highlighted a matter of emphasis to their audit report relating to our Restated Financial Statements and a remark in the Companies (Auditor's) Report Order, 2003 ("CARO") report relating to our historical audited financial statements, which may affect our future financial results.

Our statutory auditors have highlighted a matter of emphasis to their audit opinion relating to our Restated Financial Statements and a remark to the CARO report relating to our historical audited financial statements. For details, see "*Management's Discussion on Financial Condition and Results of Operations – Auditor's Observations/ Remarks*" on page 334.

There can be no assurance that our statutory auditors will not include further remarks, matters of emphasis or other similar comments in the audit reports and/ or CARO reports to our audited financial statements in the future, or that such remarks or matters of emphasis will not affect our financial results in future fiscal periods. Investors should consider the matters of emphasis and remark in evaluating our financial condition, results of operations and cash flows. Any such matter of emphasis or remark in the auditors' report and/ or CARO report on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

37. Increase in price of, shortages of, or delays or disruptions in the supply of building materials could adversely affect our business, financial condition and the results of operations.

We generally incur all of the construction costs with respect to our projects. We procure building materials for our projects, such as steel, cement, flooring products, hardware, bitumen, sand and aggregates, doors and windows, bathroom fixtures and other interior fittings from third party suppliers. The prices and supply of such building materials depend on factors not under our control, including general economic conditions, competition, production levels, transportation costs and import duties. Our ability to develop and construct projects profitably is dependent upon our ability to source adequate building supplies for use by our construction contractors. During periods of shortages in building materials, especially cement and steel, we may not be able to complete projects according to our construction schedules, at our estimated cost, or at all, which could adversely affect our results of operations and financial condition. In addition, during periods where the prices of building materials significantly increase, we may not be able to pass these price increases on to our customers, which could reduce or eliminate the profits we intend to attain with regard to our projects. Prices of certain building materials, such as cement and steel, in particular, are susceptible to rapid increases.

38. ***We intend to use the proceeds of this Issue towards investments in our Subsidiaries, some of which are engaged in businesses which may have contributed less than 25% to our revenues in the previous fiscal years and cannot assure returns pursuant to such investments.***

We intend to utilize the entire Net Proceeds of our Issue (excluding funds earmarked towards general corporate purposes) towards investment in our Subsidiary, Max Estates Limited, which in turn would invest in WZBPL, constituting more than 75.00% of the Net Proceeds. Max Estates Limited and WZBPL have each contributed less than 25% to our revenues in Fiscal 2016 and 2017 and for the six months period ended September 30, 2017, and such Net Proceeds shall be used for the growth of the real estate business. Max Estates Limited and WZBPL are unlisted companies and its activities and records are not subject to public scrutiny. Further, our Company is not assured of any dividends pursuant to such investments. For further information, see "*Objects of the Issue*" on page 79.

39. ***Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control.***

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Furthermore, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For further details, please see the section titled "*Objects of the Issue*" on page 79.

40. ***We rely on our IT systems in managing our sales, supply chain, manufacturing process, logistics, research and development and other integral parts of our business. Any failure of our IT systems or loss of data could have a material adverse effect on our business, financial condition and results of operations.***

We are reliant on our information systems technology in connection with order booking, dealer management, material procurement, research and development, accounting and production. Any failure of our information technology systems, including our ERP systems, or loss of data could result in business interruptions, including disruption in our distribution management, the loss of buyers, damaged reputation and weakening of our competitive position, and could have a material adverse effect on our business, financial condition and results of operations.

41. ***We may be unable to obtain future financing on favorable terms, or at all, to fund expected capital expenditure and working capital requirements.***

Our business requires funding for capital expenditure and working capital requirements. The actual amount and timing of future financing may depend on several factors, among others, new business opportunities, opportunities for inorganic growth, regulatory changes, economic conditions, technological changes and market developments. Our sources of additional funding, if required, may include the incurrence of debt or the issue of equity or debt securities or a combination of both. If we decide to raise additional funds through the incurrence of debt, our interest and debt repayment obligations will increase, and could have a significant effect on our profitability and cash flows and we may be subject to additional covenants, which could limit our ability to access cash flows from operations.

Our working capital requirements may increase due to various factors including growth in our businesses and longer payment schedules from our clients. In case there are insufficient cash flows to meet our working capital requirement or we are unable to arrange the same from other sources or there is delay in disbursement of arranged funds, or there is any increase in interest rate on our borrowings, it may adversely affect our operations and profitability. These factors may result in an increased amount of short-term borrowings. A disproportionate increase of our working capital requirements may result in increased borrowing costs, which may have an adverse effect on our financial condition and results of operations.

Further our ability to arrange for additional funds on acceptable terms is subject to a variety of uncertainties, including: future results of operations, financial condition and cash flows; economic, political conditions and market demand for our services; costs of financing, liquidity and over all condition of financial and capital markets in India and internationally; receipt of applicable business/government licenses, approvals and other risks associated with our businesses; and limitations on our ability to raise capital in capital markets. Any such inability could have a material adverse effect on our business and results of operations.

42. ***A significant number of our Company's offices, including our registered and corporate office, are not registered in our name and are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms.***

A significant number of our Company's offices, including our registered and corporate office, are located on leased premises, and we do not own any of these premises. In the event such leases are not renewed or are terminated, it could adversely affect our operation unless we arrange for similar premises. If we are unable to continue or renew such leases on same or similar terms, or find alternate premises on lease on similar terms or at all, it may affect our business operations.

43. ***Certain of our Subsidiaries and Group Companies have incurred losses in the past, which may have an adverse effect on our reputation and business.***

Certain of our Subsidiaries have incurred losses during Fiscal 2017, as set out below:

	Profit / (Loss) in Fiscal 2017 (in ₹ lakhs)
Max Estates Limited	(282.55)*
Max I. Limited	(152.35)**
Max Learning Limited	(293.68)***
Wise Zone Builders Private Limited[#]	(0.34)****

** For the period from March 22, 2016 to March 31, 2017*
*** For the period from June 23, 2016 to March 31, 2017*
**** For the period from August 23, 2016 to March 31, 2017*
***** For the period from October 27, 2016 to March 31, 2017*
[#]WZBPL became our subsidiary with effect from April 29, 2017

Certain of our Group Companies have incurred losses during Fiscal Year 2015, 2016 and 2017, as set out below:

	Profit / (Loss)		
	Fiscal Year 2017	**Fiscal Year 2016 (April 1, 2015 to March 31, 2016)**	**Fiscal Year 2015**
	(₹ lakhs, except as stated otherwise)		
Max India Limited	(258.07)	1,433.58	-
Max Bupa Health Insurance Company Limited	(367.66)	(6,849.79)	(9,331.32)
Antara Purukul Senior Living Limited	(3,439.79)	(2,127.85)	(7,576.66)
iCare Health Projects And Research Private Limited	(447.27)	(9.07)	(175.18)
Trophy Estates Private Limited	(253.12)	(319.69)	(528.27)
New Delhi House Services Limited	(2.16)	(57.83)	(17.52)
Piveta Enterprises Private Limited	(523.87)	(633.17)	(271.13)
Pharmax Corporation Limited	(59.56)	1,68.76	2,64.73
Leeu Collection South Africa (Pty) Limited	(107.66)	(67.158)	-
Vana Enterprises Limited	(1,639.78)	(5,953.11)	(4,896.42)
Azure Hospitality Private Limited	(3,029.59)	(1,901.56)	(1,088.20)
Siva Realty Ventures Private Limited	(167.06)	(229.10)	(64.28)
Max Healthcare Institute Limited	(1,275)	(2,215)	(3,814)
Max Ventures Private Limited	(3,593.82)	(4,384.62)	(2,949.73)

** For the period from January 1, 2015 to March 31, 2016*

44. Any negative cash flows in the future would adversely affect our cash flow requirements, which may adversely affect our ability to operate our business and implement our growth plans, thereby affecting our financial condition.

We have and may in the future experience negative operating cash flows.

The following table sets forth certain information relating to our cash flows on a consolidated basis for the periods indicated.

Particulars	**Six Months Period ended September 30, 2017**	**Fiscal**	
		2017	**2016**
	(₹ lakhs)		
Net cash flows from/ (used in) operating activities	(6,416.45)	6,408.49	6,650.01
Net cash flows used in investing activities	(3,027.88)	(22,090.06)	(4,740.65)
Net cash flows from/ (used in) financing activities	9,709.14	14,586.63	(1,793.34)
Cash and cash equivalents at year/ period end	457.89	193.08	1,288.01

Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially impact our ability to operate our business and implement our growth plans. As a result, our cash flows, business, future financial performance and results of operations could be materially and adversely affected. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 312.

45. Grants of stock options under our employee stock option plan may result in a charge to our profit and loss account and, to that extent, adversely affect our business, financial condition, results of operations and prospects.

We propose to issue stock options under the Max Ventures and Industries Employee Stock Plan – 2016 ("**ESOP 2016**"). The grant of employee stock options results in a charge to our Company's profit and loss account equal to the difference between the fair value of our Equity Shares determined at the date of grant and the exercise price (which will amortize over the vesting period of these stock options). In addition to the effect on the profit and loss account, the exercise of vested stock options will dilute the interests of shareholders (as in the case of any issuance of Equity Shares). For further information on ESOP 2016, see "*Capital Structure – Employee Stock Option Plan*" and "*Financial Statements*" on pages 74 and 181, respectively.

46. Statistical and industry data in this Draft Letter of Offer may be inaccurate, incomplete or unreliable.

We have not independently verified data obtained from industry publications and other external sources referred to in this Draft Letter of Offer and therefore, while we believe them to be accurate, complete and reliable, we cannot assure you that they are accurate, complete or reliable. Such data may also be produced on different bases. Therefore, discussions of matters relating to India, its economy, the financial services industry, are subject to the caveat that the statistical and other data upon which such discussions are based may be inaccurate, incomplete or unreliable. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy, adequacy or completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry and government sources and publications are also prepared on the basis of information as of specific dates and may no longer be current or reflect current trends. Industry and government sources and publications may also base their information on estimates, forecasts and assumptions that may prove to be incorrect. Accordingly, no investment decision should be made on the basis of such information.

47. We do not hold any patents or other form of intellectual property protection in relation to our manufacturing processes, and our inability to maintain the integrity and secrecy of our manufacturing processes may adversely affect our business.

Our manufacturing processes are not protected by any intellectual property right and further, they may not be eligible for intellectual property protection. In addition, our technical skill and expertise may not be adequately protected by intellectual property rights such as patent registration. As a result, other players may be able to use the same or similar automation in production processes, thereby undermining any competitive advantage we may have derived from such processes and adversely affecting our financial condition and results of operations.

Additionally, we also rely in part on mutual trust for protection of our trade secrets and confidential information relating to our manufacturing processes. It is our policy to take precautions to protect our trade secrets and confidential information against breach of trust by our employees, consultants, customers and suppliers and our agreements with employees incorporate confidentiality provisions. However, it is possible that unauthorized disclosure of our trade secrets or confidential information may occur. We cannot assure you that we will be successful in the protection of our trade secrets and confidential information. As such, it would be difficult for us to enforce our intellectual property rights in any of these designs or products, in the event our competitors or other companies copy our designs or develop and market products manufactured using the same or similar technology. Further, if we fail to protect our intellectual property, including our trademarks and trade secrets, our business and financial condition may be adversely affected. For further details, see "*Outstanding Litigation and Material Developments*" on page 338.

48. If any of our contingent liabilities materialize, our liquidity, business, prospects, financial condition and results of operations could be adversely affected.

As at March 31, 2017 and September 30, 2017, our contingent liabilities which were not provided for, are as under:

Particulars	**As at September 30, 2017**	**As at March 31, 2017**
	Amount (₹ lakhs)	
Claims against the Company and its Subsidiaries not acknowledged as debts	1,414.78	1,414.78
Contingent liability for pending C form's from customers	883.52	677.30
Total	**2,298.30**	**2,092.08**

If any of the contingent liabilities specified above materialize, our liquidity, business, prospects, financial condition and results of operations could be adversely affected.

49. Information relating to the estimated installed capacity, actual production and capacity utilization of our manufacturing facility included in this Draft Letter of Offer is based on various assumptions and estimates and actual production at our manufacturing facility may vary from such estimated capacity information.

The information relating to the estimated installed capacity, actual production and capacity utilization of our manufacturing facility included in this Draft Letter of Offer is based on various assumptions and estimates of our management, including proposed operations, assumptions relating to availability and quality of raw materials and assumptions relating to potential plant utilization levels and potential operational efficiencies. Capacity additions to our manufacturing facility have been made on an incremental basis, including through expansion of our manufacturing facility as well as de-bottlenecking exercises and improving material handling and other operational efficiencies in the manufacturing process. Actual production levels and capacity utilization rates in the future, may differ significantly from the estimated production capacities of our manufacturing facility. In addition, capacity utilization is calculated differently in different countries and for the different types of films. For example, the capacity utilization for the BOPP films is expressed in terms of extrusion capacity. Undue reliance should therefore not be placed on the estimated production capacity information for our existing manufacturing facility included in this Draft Letter of Offer.

50. Any variation in the utilisation of the Net Proceeds as disclosed in this Draft Letter of Offer shall be subject to certain compliance requirements, including prior Shareholders' approval.

We propose to utilize the Net Proceeds for the following purposes:

- Investment in Max Estates Limited, one of our Subsidiaries, for pre-payment / repayment of loan availed by WZBPL, one of our Subsidiaries;
- Investment in Max Estates Limited, one of our Subsidiaries, for further investment in WZBPL, one of our Subsidiaries, for construction and completion of Max Towers in the Delhi One Project;
- Investment in Max Estates Limited, one of our Subsidiaries, for purchase of interest in property and a portion of the land at Max House ("**Okhla Project**") from Pharmax Corporation Limited; and

- General corporate purposes.

For further details of the proposed objects of the Issue, see the section titled "*Objects of the Issue*" on page 79.

In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilization of the Net Proceeds as disclosed in this Draft Letter of Offer without obtaining the shareholders' approval through a special resolution undertaken by way of a postal ballot. In the event of any such circumstances that requires us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the Shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such Shareholders' approval may adversely affect our business or operations. Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to modify the objects of the Issue as prescribed in the SEBI ICDR Regulations. If our Shareholders exercise such exit option, our business and financial condition could be adversely affected.

Therefore, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, even if such variation is in the interest of our Company, which may restrict our ability to respond to any change in our business or financial condition, and may adversely affect our business and results of operations.

51. We have issued equity shares at prices that may be lower than the Issue Price in the last 12 months.

We have issued equity shares in the last 12 months at a price that may be lower than the Issue Price, as set out in the table below:

Name of the Allottee	Date of Allotment	Number of Equity Shares	Issue Price (₹)	Reason
New York Life International Holdings Ltd	February 17, 2017	1,55,23,870	78	Preferential allotment to New York Life International Holdings Ltd
Allotment to employees under ESOP 2016	April 20, 2017	6,780	10	Allotment to employees under ESOP 2016
Siva Enterprises Private Limited	May 25, 2017	34,48,894	78	Conversion of share warrants*
Allotment to employees under ESOP 2016	August 21, 2017	1,77,300	25	Allotment to employees under ESOP 2016
Allotment to employees under ESOP 2016	August 21, 2017	37,253	10	Allotment to employees under ESOP 2016

**34,48,894 Equity Shares Allotted to Siva Enterprises Private Limited consequent upon conversion of warrants allotted on preferential basis.*

The Issue Price is not indicative of the market price following the listing of the Equity Shares. For details, see "*Capital Structure*" on page 65.

52. We have, in the past entered into certain related party transactions and may continue to do so in future. Any related party transactions that are not on an arm's length basis or that may lead to conflicts of interest may adversely affect our business, results of operation and financial condition.

We have, in the past entered into related party transactions with our Promoters, and our Group Companies in Fiscal 2016 and 2017 and for the six months period ended September 30, 2017. For further information, see sections "*Our Promoters*", "*Our Group Companies*", "*Related Party Transactions*" on pages 149, 160 and 175, respectively. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Further, it is likely that we may continue to enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations.

In the event any conflict of interest arises between us, or to the extent that competing products offered by any of our Promoter or Group Companies erode our market share, we may not be able to effectively manage any such conflict or competitive pressures and, consequently, our business, results of operation and financial condition may be adversely affected.

53. Our Promoters and certain of our Directors hold Equity Shares and have other interests, and are, therefore, interested in the Company's performance other than reimbursement of expenses incurred or normal remuneration of benefits.

Our Promoters and certain of our Directors, have interests in our Company and Subsidiaries other than the Equity Shares they hold and to the extent of normal remuneration or benefits and reimbursement of expenses incurred. For further information, see "*Our Management*" on page 132. There can be no assurance that our Promoters will exercise their rights as shareholders to the benefit and best interest of our Company. Our Promoters will continue to exercise significant control over us, including being able to control the composition of our Board and determine decisions requiring simple or special majority voting of shareholders, and our other shareholders may be unable to affect the outcome of such voting. Our Promoters may take or block actions with respect to our business, which may conflict with the best interests of the Company or that of minority shareholders.

54. Our insurance coverage could prove inadequate to satisfy potential claims and our insurance policies may not protect us against all potential losses, which could adversely affect our business and results of operations.

Our principal types of coverage include standard fire and special perils policy, money insurance policy, furniture and office equipment insurance policy, contractors' all risks insurance policy and directors and officers liability insurance.While we believe that the insurance coverage which we maintain is in keeping with industry standards and would be reasonably adequate to cover the normal risks associated with the operation of our businesses, we cannot assure you that any claim under the insurance policies maintained by us will be covered entirely, in part or on time, or that we have taken out sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, at acceptable cost or at all.

To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial performance and cash flows could be adversely affected. For further information on our insurance arrangements, see "*Our Business - Insurance*" on page 119.

55. Any downgrade in credit ratings could increase interest rates for refinancing outstanding debt, which would increase financing costs, and adversely affect future issuances of debt and the ability to borrow on a competitive basis, which could adversely affect our business, financial condition, results of operations and cash flows.

Fund based limits and term loan of MSFL are rated "IND A-" by India Ratings. Any downgrade in such credit ratings could increase interest rates for refinancing outstanding debt, which would increase financing costs, and would also adversely affect future issuances of debt and the ability to borrow on a competitive basis, which could adversely affect our business, financial condition, results of operations and cash flows.

56. We and our customers may engage in certain transactions in or with countries or persons that are subject to international economic sanctions.

Various international jurisdictions, including the U.S. and U.K., restrict investments or otherwise doing business in or with certain countries or territories and with certain persons or businesses that have been specially designated by such government agencies. Other governments and international or regional organizations also administer similar economic sanctions.

Through our business operations, we may undertake various services to customers doing business with, or located in, countries to which certain economic sanctions apply. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, and we have not been notified that any penalties or other measures will be imposed on us, however, we may not be able to fully monitor all of our transactions for any potential violation.

Our future business may not be free of risk under sanctions implemented by these jurisdictions or that we will be able to conform our business operations to the expectations and requirements of such international regulatory agencies that do not have jurisdiction over our business but nevertheless assert the right to impose sanctions on an extraterritorial basis. Further, investors in the Equity Shares could incur reputational or other risks as a result of our or our customers' dealings in or with sanctioned countries or with persons that are the subject of such sanctions.

57. If our Company is classified as a passive foreign investment company ("PFIC") for U.S. Federal income tax purposes, U.S. investors may incur adverse tax consequences.

Under U.S. Federal income tax laws, U.S. investors are subject to special tax rules if they invest in passive foreign investment companies, or PFICs. While our Company does not believe that it is, or will become in the foreseeable future, a PFIC since the applicable PFIC rules are complex and, to a certain extent, unclear, there is a risk that our Company is or may become a PFIC in the future. If it is or does qualify as being a PFIC, U.S. investors generally will not be subject to the regular U.S. federal income tax rules applicable to dividends and capital gains, but will be subject to complex PFIC rules that could result in additional taxation upon certain distributions by our Company and/ or disposition of Equity Shares.

58. We do not have certain documents evidencing the biographies of certain our Directors, Key Management Personnel and other individuals in this Draft Letter of Offer.

In accordance with the disclosure requirements stipulated under the SEBI ICDR Regulations, the brief biographies of our Directors and Key Management Personnel disclosed in "*Our Management*" on pages 132 to 153, and the brief particulars of our Promoters disclosed in "*Our Promoters*" on pages 149 to 159, include details of their educational qualifications and work experience. However, since the original documents evidencing such educational qualifications and work experience are not available with some of our Directors, Key Management Personnel or Promoters, we have relied on affidavits provided by such persons to verify the authenticity of such disclosures. We cannot assure you that such disclosures do not have any inadvertent errors or omissions.

EXTERNAL RISK FACTORS

59. General economic conditions in India and the markets we currently service could adversely affect our business and results of operation.

Our Company is incorporated in India, and the majority of our assets and employees are located in India. Further, we derive a significant amount of our revenue from operations from our operations in India. As a result, our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. In the past, global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors have affected the Indian economy. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations.

Risk management initiatives undertaken by financial institutions in order to remedy the global economic slowdown could affect the availability of funds in the future or cause the withdrawal of our existing credit facilities. Further, the Indian economy is undergoing many changes and it is difficult to predict the impact of certain fundamental economic changes on our business. Conditions outside India, such as a slowdown or recession in the economic growth of other major countries, especially the United States, and emerging market conditions in Asia also have an impact on the growth of the Indian economy. Additionally, an increase in trade deficit could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business.

Any downturn in the macroeconomic environment in India could also adversely affect our business, prospects, result of operations, financial condition and the trading price of the Equity Shares. India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

Additionally, our performance and the growth of our business is also dependent on the performance of the the economies of the regional markets we currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of our customers to afford our services, which in turn would adversely impact our business and financial performance and the price of the Equity Shares.

60. Changing laws, rules and regulations and legal uncertainties, including adverse application of corporate and tax laws, may adversely affect our business, prospects, results of operations and, financial condition. Further, the Indian tax regime is currently undergoing substantial changes which could adversely affect the Company's business and the trading price of the Equity Shares.

Our business and financial performance could be adversely affected by changes in law or interpretations of existing, or the promulgation of new, laws, rules and regulations in India applicable to us and our business. For instance, in Fiscal 2017, the Indian government announced phasing out of large-denomination currency notes (₹ 500 and ₹ 1,000, representing 86% of the total currency in circulation) as legal tender. Unexpected demonetization weighed on growth in the third quarter of Fiscal 2017. These and other similar unanticipated measures may adversely affect our business our business operations, financial condition, results of operations and financial condition. Further, there can be no assurance that the central or the state governments may not implement new regulations and policies which will require us to obtain approvals and licenses from the governments and other regulatory bodies or impose onerous requirements and conditions on our operations.

For instance, the goods and service tax ("GST") that has been implemented with effect from July 1, 2017 combines taxes and levies by the GoI and state governments into a unified rate structure, and replaces indirect taxes on goods and services such as central excise duty, service tax, customs duty, central sales tax, state VAT, cess and surcharge and excise that were being collected by the GoI and state governments. Due to the limited availability of information in the public domain concerning the GST, we are unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST.

Further, the General Anti-Avoidance Rules ("GAAR"), and the provisions of Chapter X-A (sections 95 to 102) of the Income Tax Act, 1961, are expected to be applicable from assessment year 2019 (Fiscal 2018) onwards. The GAAR provisions intend to declare an arrangement as an "impermissible avoidance arrangement", if the main purpose or one of the main purposes of such arrangement is to obtain a tax benefit, and satisfies at least one of the following tests (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm's length; (ii) results, directly or indirectly, in misuse, or abuse, of the provisions of the Income Tax Act, 1961; (iii) lacks commercial substance or is deemed to lack commercial substance, in whole or in part; or (iv) is entered into, or carried out, by means, or in a manner, that is not ordinarily engaged for bona fide purposes. If GAAR provisions are invoked, the tax authorities will have wider powers, including denial of tax benefit or a benefit under a tax treaty. In the absence of any precedents on the subject, the application of these provisions is uncertain. As the taxation regime in India is undergoing a significant overhaul, its consequent effects on economy cannot be determined at present and there can be no assurance that such effects would not adversely affect our business, future financial performance and the trading price of the Equity Shares.

We have not determined the impact of these legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. In addition, any increase in taxes and/ or levies, or the imposition of new taxes and/ or levies in the future, could increase the cost of production/ operating expenses. Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax scheme in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the central or state governments may adversely affect our competitive position and profitability.

61. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our ability to raise financing and our business.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

62. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions could constrain our ability to obtain financings on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Limitations on foreign debt may have an adverse effect on our business growth, financial condition and results of operations.

63. Fluctuations in the value of the Rupee against other currencies may have a material adverse effect on our financial condition and results of operations.

A portion of our revenues, particularly relating to our export sales, is denominated in currencies other than Indian Rupees, most significantly the U.S. Dollar, GBP and the Euro. Similarly, a portion of our expenses, including cost of imported raw materials, freight costs, and other operating expenses, as well as certain of our capital expenditure on equipment and machinery imported, are denominated in currencies other than Indian Rupees. Significant fluctuations in currency exchange rates between the Indian Rupee and these currencies and inter-se such currencies may adversely affect our results of operations. As at September 30, 2017, MSFL had U.S. Dollar denominated borrowings of US$ 30.07 lakhs, GBP denominated borrowings of GBP 3.14 lakhs and Euro denominated borrowings of Euro 145.27 lakhs. We also expect our future capital expenditure in connection with our proposed expansion plans to incur significant expenditure in foreign currencies for imported equipment and machinery. Although the foreign exchange earned from export sales offsets to some extent, the debt repayment risk resulting from any potential depreciation of the Rupee against the U.S. Dollar and the Euro, there can be no assurance that the foreign exchange earned from export sales will be sufficient to pay all of our obligations under our U.S. Dollar denominated borrowings. In addition, any changes in exchange rates may adversely affect the profitability of our export sales.

Although, we selectively enter into hedging transactions to minimize our currency exchange risks there can however be no assurance that such measures will enable us to avoid the effect of any adverse fluctuations in the value of the Indian Rupee against the U.S. Dollar, the Euro and other relevant foreign currencies.

64. Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business.

Our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The GoI has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. The business of our Company, and the market price and liquidity of the Equity Shares may be affected by changes in GoI policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India.

Since 1991, successive Indian governments have pursued policies of economic liberalisation, financial sector reforms including significantly relaxing restrictions on the private sector. The governments have usually been multi-party coalitions with differing agendas. Any political instability could affect the rate of economic liberalisation and the specific laws and policies affecting foreign investment. Other matters affecting investment in the Equity Shares could change as well. A significant change in India’s economic liberalisation and deregulation policies could adversely affect business and economic conditions in India generally, and our business in particular, if any new restrictions on the private sector are introduced or if existing restrictions are increased.

65. Financial instability, economic developments and volatility in securities markets in other countries may also cause the price of the Equity Shares to decline.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Financial turmoil in Europe and elsewhere in the world in recent years has affected the Indian economy. Although economic conditions are different in each country, investors’ reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. Recently, the currencies of a few Asian countries suffered depreciation against the US Dollar owing to amongst other, the announcement by the US government that it may consider reducing its quantitative easing measures. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, future financial performance and the prices of the Equity Shares.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections in recent years. Since September 2008, liquidity and credit concerns and volatility in the global credit and financial markets increased significantly with the bankruptcy or acquisition of, and government assistance extended to, several major US and European financial institutions. These and other related events, such as the European sovereign debt crisis, have had a significant impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in global credit and financial markets. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, have implemented a number of policy measures designed to add stability to the financial markets.

However, the overall impact of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. In the event that the current difficult conditions in the global credit markets continue or if there is any significant financial disruption, such conditions could have an adverse effect on our business, future financial performance and the trading price of the Equity Shares.

66. Instability in Indian financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in Asian emerging market countries. Financial turmoil in global economy in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

67. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The amount of future dividend payments, if any, will depend upon a number of factors, including but not limited to our future earnings, financial condition, cash flows, working capital requirements, contractual obligations, applicable Indian legal restrictions and capital expenditures. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under the loan or financing agreements our Company may enter into to finance our fund requirements for our business activities. There can be no assurance that we will be able to pay dividends in the future. For further information relating to dividends, see "*Dividends*" on page 176.

68. A third party could be prevented from acquiring control of us because of the anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the takeover regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of the takeover regulations.

69. It may not be possible for investors to enforce any judgment obtained outside India against us, the Book

Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a law suit in India.

We are incorporated under the laws of India and majority of our Directors and key management personnel reside in India. All of our assets, and the assets of certain of our Directors, key management personnel and other senior management, are also located in India. The enforcement of civil liabilities by overseas investors in the Rights Equity Shares, including the ability to effect service of process and to enforce judgments obtained in courts outside of India may be adversely affected by the fact that the Company is incorporated under the laws of the Republic of India and all of its executive officers and directors reside in India. As a result, it may be difficult to enforce the service of process upon the Company and any of these persons outside of India or to enforce outside of India, judgments obtained against the Company and these persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, 14 and Section 44A of the Code of Civil Procedure, 1908 ("Civil Code") on a statutory basis. Section 44A of the Civil Code provides that where a certified copy of a decree of any superior court, within the meaning of that Section, in any country or territory outside India which the Government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the same nature of amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

The United Kingdom, Singapore and Hong Kong have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Code. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Code. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the Civil Code, and not by proceedings in execution. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

Further, there are considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI under FEMA to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment.

70. Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.

The annual rate of inflation, was at 3.58% (provisional) for the month of December, 2017 (over December, 2016) as compared to 3.93% (provisional) for the previous month and 2.10% during the corresponding month of 2016. (*Source: Index Numbers of Wholesale Price in India, Review for the month of December 2017, published on January 15, 2018 by Government of India, Ministry of Commerce and Industry*) Continued high rates of inflation may increase our expenses related to salaries or wages payable to our employees or any other expenses. There can be no assurance that we will be able to pass on any additional expenses to our payers or that our revenue will increase proportionately corresponding to such inflation. Accordingly, high rates of inflation in India could have an adverse effect on our profitability and, if significant, on our financial condition.

71. Acts of terrorism, civil disturbance, communal conflicts, regional conflicts and other similar threats to security could adversely affect our Company's business, cash flows, results of operations and financial

condition.

Increased political instability and regional conflicts, evidenced by the threat or occurrence of terrorist attacks, enhanced national security measures, conflicts in several countries and regions in which our Company operates, strained relations arising from these conflicts and the related decline in consumer confidence may hinder our ability to do business. Any escalation in these events or similar future events may disrupt our Company's operations or those of our customers and suppliers. Further, certain events that are beyond the control of our Company, such as violence or war, including those involving India, the United Kingdom, the United States or other countries, may adversely affect worldwide financial markets and could potentially lead to a severe economic recession, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India's economy. Southern Asia has, from time to time, experienced instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that there is a risk of disruption of services provided by India-based companies, which could have an adverse effect on our business, future financial performance and price of the Equity Shares.

Furthermore, if India were to become engaged in armed hostilities, particularly hostilities that are protracted or involve the threat or use of nuclear weapons, the Indian economy and consequently Company's operations might be significantly affected. India has from time to time experienced social and civil unrest and hostilities, including riots, regional conflicts and other acts of violence. Events of this nature in the future could have an adverse effect on our ability to develop our business. As a result, our business, results of operations and financial condition may be adversely affected. These events have had and may continue to have an adverse impact on the global economy and customer confidence, which could in turn adversely affect our Company's revenue, operating results and cash flows. The impact of these events on the volatility of global financial markets could increase the volatility of the market price of securities and may limit the capital resources available to our Company and to our customers and suppliers.

72. An outbreak of an infectious disease or any other serious public health concerns in Asia or elsewhere could adversely affect our business.

The outbreak of an infectious disease in Asia or elsewhere or any other serious public health concern, such as swine influenza, could have a negative impact on the global economy, financial markets and business activities worldwide, which could adversely affect our business, financial condition, results of operations and the price of the Equity Shares. We cannot assure you that a future outbreak of an infectious disease among humans or animals or any other serious public health concerns will not have a material adverse effect on our business, financial condition, results of operations and the price of the Equity Shares.

73. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Rights Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Rights Equity Shares.

RISKS RELATING TO THE ISSUE AND THE EQUITY SHARES

74. Our Company will not distribute the Letter of Offer, Abridged Letter of Offer and CAF to overseas Shareholders who have not provided an address in India for service of documents.

Our Company will dispatch the Letter of Offer and CAF (the "Offering Materials") to the Shareholders who have provided an address in India for service of documents. The Offering Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in various overseas jurisdictions. However, the recently notified Section 20 of the Companies Act, 2013 requires companies to serve documents at any address which may be provided by the members as well as through e-mail. Presently, there is lack of clarity under the Companies Act, 2013 and the rules thereunder with respect to distribution of Offering Materials in overseas jurisdictions where such distribution may be prohibited under the applicable laws of such jurisdiction. While our Company will request its Shareholders to provide an address in India for the purposes of distribution of Offering Materials, our Company cannot assure that the regulator would not adopt a different view with respect to compliance with Section 20 of the Companies Act, 2013 and may subject the Company to fines or penalties.

75. The trading price of our Equity Shares may be subject to volatility and you may not be able to sell the Equity Shares at or above the Issue Price.

The trading price of our Equity Shares may fluctuate after the Issue due to a variety of factors, including our results of operations and the performance of our business, competitive conditions, general economic, political and social factors, the performance of the Indian and global economy and significant developments in India's fiscal regime, volatility in the Indian and global securities market, performance of our competitors, the Indian real estate industry and the perception in the market about investments in the real estate industry, changes in the estimates of our performance or recommendations by financial analysts and announcements by us or others regarding new projects, strategic partnerships, joint ventures, or capital commitments. In addition, if the stock markets in general experience a loss of investor confidence, the trading price of our Equity Shares could decline for reasons unrelated to our business, financial condition or operating results. The trading price of our Equity Shares might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. Each of these factors, among others, could adversely affect the price of our Equity Shares.

76. Any future issuance of Equity Shares by our Company or sales of our Equity Shares by any of our Company's significant shareholders may adversely affect the trading price of our Equity Shares.

Our Company may be required to finance its future growth and business requirements through additional securities offerings. Any future issuance of Equity Shares by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders may also adversely affect the trading price of our Equity Shares, and could impact our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge, or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

77. Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares.

Under current Indian tax laws, capital gains arising from the sale of Equity Shares within 12 months in an Indian company are generally taxable in India. However, any gain realised on the sale of listed Equity Shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax ("STT") has been paid on the transaction at the time of sale as well as acquisition, in accordance with the notification no. 43/2017 dated June 5, 2017 issued by Central Board of Direct Taxes. STT will be levied on and collected by a domestic stock exchange on which our Equity Shares are sold. Any gain realised on the sale of Equity Shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. In case of a shareholder being non-resident, capital gains arising from the sale of equity shares of an Indian company will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of our Equity Shares and credit for the taxes paid in India are allowed to take in their country, depending on prevailing tax laws of that country. The above statements are based on the current tax laws. However, the Government has proposed the introduction of the Direct Tax Code, which will revamp the implementation of direct taxes. If the same is passed in present form by both houses of Indian Parliament and approved by the President of India and then notified in the Gazette of India, the tax impact mentioned above will be altered by the Direct Tax Code.

In addition, the Union Budget presented in the Indian Parliament on February 1, 2018, proposed a number of amendments to the existing direct and indirect tax regime which includes the withdrawal of long term capital gains exemptions on equity shares, long term capital gains applicability in the hands of Foreign Institutional

Investors, applicability of dividend distribution tax for certain transactions with shareholders, amongst others. The Union Budget is required to be approved by both houses of the Indian Parliament followed by Presidential Assent in order for the Income Tax Act, 1961 and other statutes to be amended and for the above proposal to have the effect of law. Each prospective purchaser should consult its own tax advisor about the consequences of investing in the Equity Shares.

78. The Equity Shares may experience price and volume fluctuations.

The market price of the Equity Shares can be volatile as a result of several factors beyond our control, including volatility in the Indian and global securities markets, our results of operations, the performance of our competitors, developments in the Indian finance and lending sector, changing perceptions in the market about investments in this sector in India, investor perceptions of our future performance, adverse media reports about us or our sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalization and deregulation policies, and significant developments in India's fiscal regulations. In addition, the Stock Exchanges may experience significant price and volume fluctuations, which may have a material adverse effect on the market price of the Equity Shares.

General or industry specific market conditions or stock performance or domestic or international macroeconomic and geopolitical factors unrelated to our performance also affect the price of the Equity Shares. In particular, the stock market as a whole recently experienced extreme price and volume fluctuations that have affected the market price of many companies in ways that may have been unrelated to the companies' operating performances. For these reasons, investors should not rely on recent trends to predict future share prices, results of operations or cash flow and financial condition.

79. Foreign investors are subject to foreign investment restrictions under Indian law that limit our Company's ability to attract foreign investors, which may adversely affect the market price of the Equity Shares.

Under the foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents and issuances of shares to non-residents are freely permitted (subject to certain exceptions) if they comply with the requirements specified by the RBI. If such issuances or transfers of shares are not in compliance with such requirements or fall under any of the specified exceptions, then prior approval of the RBI will be required. We have undertaken or recorded such transactions in the past based on a *bona fide* interpretation of the law. We cannot assure you that our interpretation would be upheld by the Indian regulators. Any change in such interpretation could impact the ability of our Company to attract foreign investors.

In addition, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or tax clearance certificate from the income tax authority. Additionally, the Government of India may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the Government of India experiences extreme difficulty in stabilising the balance of payments, or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the Government of India's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure you that any approval required from the RBI or any other government agency can be obtained on any particular terms, or at all.

80. Investors may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution by the company. However, if the law of the jurisdiction the investors are in, does not permit them to exercise their pre-emptive rights without our Company filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless our Company makes such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value such custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the equity shares held by them, their proportional interest in the Company would be reduced.

81. Rights of shareholders under Indian law may differ or may be more limited than under the laws of other jurisdictions.

The Companies Act and rules made thereunder, the rules and regulations issued by SEBI and other regulatory authorities, the Memorandum of Association, and the Articles of Association govern the corporate affairs of the Company. Indian legal principles relating to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as a shareholder in India than as a shareholder of a corporation in another jurisdiction. In accordance with the provisions of the Companies Act, the voting rights of an equity shareholder in a company shall be in proportion to the share of a person in the paid-up equity shares capital of that company. Further, Section 106(1) of the Companies Act read with the Articles of Association specifically provides that no member shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid. Therefore, the rights of a Shareholder holding partly paid up equity ehares will not be *pari-passu* with the rights of the other shareholders of our Company in case of non-payment of Call Money.

82. There is no guarantee that the Equity Shares issued pursuant to this Issue will be listed on the BSE and the NSE in a timely manner, or at all, and any trading closure at the Stock Exchanges may adversely affect the trading price of the Equity Shares.

In accordance with Indian regulations and practice, permission for listing and trading of the Equity Shares issued pursuant to this Issue will not be granted until after the Equity Shares have been issued and allotted. Approval for listing and trading will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the BSE and the NSE. Any failure or delay in obtaining the approval would restrict an investor's ability to dispose of the Equity Shares. The Stock Exchanges have in the past experienced problems, including temporary exchange closures, broker defaults, settlements delays and strikes by brokerage firm employees, which, if continuing or recurring, could affect the market price and liquidity of the securities of listed Indian entities, including the Equity Shares, in both domestic and international markets. A closure of, or trading stoppage on, either of the Stock Exchanges could adversely affect the trading price of the Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

83. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell Equity Shares at a particular point in time.

The Equity Shares will be subject to daily circuit breaker imposed by all stock exchanges in India on all listed companies which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Stock Exchanges. The percentage limits on our circuit breakers are set by the Stock Exchanges. The Stock Exchanges are not required to inform us of the percentage limit of such circuit breakers and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

84. Investors will be subject to market risks until the Equity Shares credited to the investor's demat account are listed and permitted to trade.

Investors can start trading the Equity Shares allotted to them only after they have been credited to an investor's demat account, are listed and permitted to trade. Since the Equity Shares are currently traded on the BSE and the NSE, investors will be subject to market risk from the date they pay for the Equity Shares to the date when trading approval is granted for the same. Further, there can be no assurance that the Equity Shares allocated to an investor will be credited to the investor's demat account in a timely manner or that trading in the Equity Shares will commence in a timely manner.

85. There may not be an active or liquid market for the Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the market place and may be influenced by many factors, including, our financial results, the history of, and the prospects for, our business and the sectors in which we compete; the valuation of publicly traded companies that are engaged in business activities similar to us; and significant developments in India's economic liberalization and deregulation policies. In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

86. Recent U.S. tax legislation could result in materially adverse U.S. federal income tax consequences to U.S. Holders of the equity shares.

Recently enacted U.S. tax legislation will significantly change the U.S. Internal Revenue Code, including taxation of U.S. corporations, by, among other things, limiting interest deductions, reducing the U.S. corporate income tax rate, altering the expensing of capital expenditures, adopting elements of a territorial tax system, assessing a repatriation tax or "toll-charge" on undistributed earnings and profits of U.S.-owned foreign corporations, and introducing certain anti-base erosion provisions. The legislation is unclear in certain respects and will require interpretations and implementing regulations by the Internal Revenue Service ("IRS"), as well as state tax authorities, and the legislation could be subject to potential amendments and technical corrections, any of which could lessen or increase certain adverse impacts of the legislation. In addition, the regulatory treatment of the impacts of this legislation will be subject to the discretion of the Federal Energy Regulatory Commission ("FERC") and state public utility commissions.

PROMINENT NOTES

1. Issue of [●] Equity Shares for cash at a price of ₹ [●] (including a premium of ₹ [●] per Rights Equity Share) aggregating up to ₹ 45,000 lakhs on a rights basis to Eligible Shareholders in the ratio of [●] Rights Equity Share for every [●] fully paid-up Equity Share held on the Record Date.

2. Our Company was incorporated as "Capricorn Ventures Limited" on January 20, 2015, as a public limited company under the Companies Act, 2013, registered with the Registrar of Companies, Punjab and Chandigarh. The name of our Company was changed to "Max Ventures and Industries Limited" pursuant to which a fresh certificate of incorporation was issued on January 22, 2016. The name of our Company was changed pursuant to the demerger effected by the composite scheme of arrangement approved by the High Court of Punjab and Haryana between Max India Limited, Taurus Ventures Limited and our Company.

3. As on September 30, 2017, the net worth, as restated, of our Company, on a consolidated basis and on a standalone basis was ₹ 53,212.46 lakhs and ₹ 39,509.60 lakhs, respectively.

4. For details of our transactions with related parties, including with our Group Companies and Subsidiaries, during the Fiscal 2017 and six months period ended September 30, 2017 as per Ind AS 24, the nature of such transactions and the cumulative value of such transactions, see "*Related Party Transactions*" on page 175.

5. For information regarding the business or other interests of our Group Companies in our Company, see "*Group Companies*" and "*Related Party Transactions*" on pages 160 and 175, respectively.

6. No selective or additional information will be available for a section of investors in any manner whatsoever.

7. There has been no financing arrangement whereby our Promoters, the Promoter Group, the directors of our Corporate Promoters, the Directors or their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of this Draft Letter of Offer with the SEBI.

8. Any clarification or information relating to the Issue shall be made available by the Lead Manager and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. Investors may contact the Lead Manager who has submitted the due diligence certificate to SEBI for any complaints pertaining to the Issue.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

*The information in this section is obtained or extracted from "World Study BOPP Films 2016" released in 2016, prepared and issued by Grein-Consulting (the "**Grein Report**") and "India Real Estate Residential and Office – January – June 2017", prepared and issued by Knight Frank (the "**Knight Frank Report**"). In addition, the information in this section is also obtained or extracted from various publicly available information, data and statistics derived from various government publications and industry sources, including publications of the Reserve Bank of India ("**RBI**") and reports that have been prepared by the World Bank that have the following disclaimer: "This is an adaptation of an original work by The World Bank. Views and opinions expressed in the adaptation are the sole responsibility of the author or authors of the adaptation and are not endorsed by The World Bank." Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. The information in this section should be read in conjunction with the sections "Risk Factors" and "Our Business" on pages 12 and 105, respectively.*

OVERVIEW OF THE INDIAN ECONOMY

The Indian economy with a gross domestic product ("**GDP**") at current prices in fiscal 2017 is estimated at ₹ 151,840 billion, showing a growth rate of 11.0% over the estimates of GDP for fiscal 2016 of ₹ 136,820 billion (*Source: Press Note on Provisional Estimates of Annual National Income, 2016-2017 and Quarterly Estimates of Gross Domestic Product for the Fourth Quarter of 2016-2017, Central Statistics Officer, Ministry of Statistics and Programme Implementation, Government of India, May 31, 2017*). The Indian economy in fiscal 2017 was marked by moderate expansion and macroeconomic stability, low inflation, and improvement in current account and fiscal deficits due to negative impacts from the global slowdown and the transient impact of demonetization (*Source: RBI Annual Report 2016 - 2017*). Due to the slowdown in gross capital formation, the GDP growth in fiscal 2017 moderated, however, the Government and private consumption accelerated and held up aggregate demand. (*Source: RBI Annual Report 2016 - 2017*). The GDP at constant (fiscal 2012) prices in the second quarter of fiscal 2018 is estimated at ₹ 31,660 billion, showing a growth rate of 6.3% over the estimates of GDP in the second quarter of fiscal 2017 of ₹ 29,790 billion (*Source: Press Note on Estimates of Gross Domestic Product for the second quarter (July-September) 2017-2018, Central Statistics Office, Ministry of Statistics and Programme Implementation, Government of India, November 30, 2017).* India's GDP growth slowed in fiscal 2016 amid disruptions due to demonetization and uncertainty leading up to the implementation of the Goods and Services Tax ("**GST**") in July 2017. *(Source: World Bank. 2017. "Growth out of the Blue." South Asia Economic Focus (October), Washington, DC: World Bank. Doi: 10.1596/978-1-4648-1213-2. License: Creative Commons Attribution CC BY 3.0 IGO*)

However, the outlook for growth in India in fiscal 2018 has brightened, with the likelihood of another favorable monsoon and the implementation of major policy reforms which would help to unlock bottlenecks to growth. (*Source: RBI Annual Report 2016 - 2017*). India's economic activity is expected to stabilize and maintain an annual GDP growth at 7% in fiscal 2018. India's growth is projected to increase gradually to 7.4% by fiscal 2020, reinforced by a recovery in private investment, which is expected to increase due to rise in public capital expenditure and an improvement in the investment scenario partly due to the implementation of GST and the Insolvency and Bankruptcy Code, 2016, and favorable measures to attract foreign direct investment. (*Source: World Bank. 2017. "Growth out of the Blue." South Asia Economic Focus (October), Washington, DC: World Bank. Doi: 10.1596/978-1-4648-1213-2. License: Creative Commons Attribution CC BY 3.0 IGO*)

The Union Budget 2017 announcements and the expectations of accelerated reforms and political stability further reinforced the overall positive business sentiment in India. The Union Budget 2017 reduced fiscal deficit from 3.9% of GDP in fiscal 2016 to 3.5% in fiscal 2017. Retail inflation measured by year-on-year variation in consumer price index declined by 2.18% in May 2017. (*Source: RBI - Financial Stability Report, June 2017*). India's GDP growth rebounded to 6.3% in the second quarter of fiscal 2018 from 5.7% since the first quarter of fiscal 2018 after the initial delays associated with the rollout of nationwide GST, coming on the back of demonetization. Gross value added also posted 6.1% rise in the second quarter of fiscal 2017 – 2018 from 5.6% in previous quarter. (*Source: RBI - Financial Stability Report, December 2017*).

SPECIALITY PRODUCTS INDUSTRY

Flexible packaging typically includes materials such as plastic films, paper and aluminum foil. Over the years, bi-axially oriented polypropylene ("BOPP") films (forms of plastic-based flexible packaging film) have become the preferred choice for packaging consumer articles including food and clothing. The low ratio of weight of product to packaging along with high barrier properties, flexibility of production for end use based specifications and high-tech product protection make flexible packaging a popular and cost effective choice. As the thinnest, most lightweight form of packaging, it significantly reduces the volume and weight of packaging material to a minimum. This has led to large segments of rigid packaging to convert to flexible packaging such as shampoo sachets, milk pouches, grains, ready to eat food, detergents, oils, cigarettes and confectionery. Further, flexible packaging reduces packaging costs as well as transportation costs/ warehouse space. There are several benefits of the flexible packaging, including increased shelf life, convenience, lower handling and transportation costs, better printability and better gloss, which results in better aesthetics.

Flexible packaging will continue to develop new applications while supplementing rigid containers, supported by a favorable environmental profile and improvements in barrier properties and convenience. Plastics will benefit from a superior price/ performance profile and efforts to improve sanitation and enhance product shelf lives in the food, pharmaceutical and personal care markets. The most positive outcomes are expected in the world's emerging markets, including Eastern Asia, Latin America, Eastern Europe and Africa. China, India and Russia also hold sizable, largely untapped markets, with a potential for significant growth.

BOPP Films

BOPP films are widely used for packaging food and other consumer products. BOPP films have multi-dimensional stability, high tensile strength, good stiffness, good clarity, excellent printability and heat scalability. BOPP film provides barrier protection against moisture and reasonable protection against gas and oxygen.

BOPP films are generally produced as three or five layer films, with the middle layers aimed at stiffness, strength, capacity and moisture barrier, while the outer layers aimed at, among other properties, producing a gloss effect, enabling printability and lamination and permitting heat sealing. There are several types of BOPP films based on end use application, including flexible converting and/or metallising, print laminating, over wrap, textile wraps, release agents and capacitors.

Global Volume Ratio of BOPP Film Categories

BOPP films can be differentiated into three categories: (i) Commodities; (ii) Intermediates; and (iii) Specialties. Commodities category is the major BOPP film category and covers approximately 70% of the world market, while Intermediates category covers approximately 25% of the world market. Specialties category is a niche product and covers only 5% of the world market. (*Source: Grein Report*)

SUMMARY OF BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 11 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" on page 12 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Statements for Fiscal 2016 (January 20, 2015 to March 31, 2016), Fiscal 2017 (12 months ended March 31, 2017) and the six months period ended September 30, 2017 included in this Draft Letter of Offer. For further information, see "Financial Statements" on page 181.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Max Ventures and Industries Limited on a standalone basis, while any reference to "we", "us" or "our" is a reference to Max Ventures and Industries Limited on a consolidated basis.

OVERVIEW

Max Ventures and Industries Limited is one of the three listed flagship companies of the Max group, which is among the prominent business groups in India, and is promoted and founded by Mr. Analjit Singh. Our Company was incorporated in 2015. For further details, please refer to the section titled "*History and Certain Corporate Matters*" on page 123.

In Fiscal 2016, Fiscal 2017 and for the six months period ended September 30, 2017, our revenue from operations were ₹ 76,897.76 lakhs, ₹ 71,953.80 lakhs and ₹ 36,009.86 lakhs, respectively. While we recorded profit after tax of ₹ 2,017.40 lakhs in Fiscal 2016, we incurred a loss of ₹ 604.76 lakhs. For the six months period ended September 30, 2017, we incurred a loss of ₹ 148.67 lakhs.

Our primary business verticals are carried out through our Subsidiaries and include our specialty packaging film business, real estate development, our investment business and education related activities.

Specialty Packaging Films. The specialty packaging films business commenced operations in 1989 as a business division of erstwhile Max India Limited. The business division was transferred to Max Speciality Films Limited in 2012. With the restructuring of Max group, Max Speciality Films Limited became our Subsidiary with effect from April 1, 2015. Subsequently, towards the end of Fiscal 2017, pursuant to the sale of 49.00% of the equity shareholding in Max Speciality Films Limited to Toppan Printing Co. Ltd ("Toppan"), our Company currently holds 51.00% equity shareholding in Max Speciality Films Limited. Max Speciality Films Limited is among the leading manufacturers of value added bi-axially oriented polypropylene ("BOPP") films in India such as specialty packaging films, labels, metallized films, coating and thermal lamination coated films used in packaging, labelling and graphic lamination industries for Indian and overseas markets. Packaging films accounted for total revenue of ₹ 71,641.60 lakhs and ₹ 35,362.67 lakhs or 97.95% and 96.88% of our total income in Fiscal 2017 and for the six months period ended September 30, 2017, respectively.

We have established a manufacturing facility at Nawanshahr, Punjab, with an aggregate installed capacity of 46.35 kilo tonnes per annum ("KTPA"), 13.20 KTPA and 11.50 KTPA for BOPP film, metallised film and thermal laminated film, respectively, as at September 30, 2017. This facility is ISO 9001-2008, ISO 14001-2004, OHSAS 18001-2007 and HACCP certified and quality assurance lab accredited by NABL and BRC. We are currently in the process of expanding our production capacity by an aggregate capacity of 34.50 KTPA. We have been awarded the "World Star Award" for ultra-high barrier and strong-seal cavitated metalized BOPP film and barrier technology and anti-skid 20 micron-film in 2016 and 2017. We were also awarded the "India Star Award" for anti-skid 20 micron-film in 2015.

Real Estate Development. Our real estate development business is conducted through our wholly-owned Subsidiaries, Max Estates Limited and Wise Zone Builders Private Limited ("WZBPL"), which develops, sells, leases and licenses real estate in North India and also undertakes joint development of projects and construction activities. As at February 5, 2018, the real estate development business has a total land reserve aggregated to

6.70 lakhs square feet of estimated Developable Area and 8.11 lakhs square feet of estimated Saleable/ Leasable Area, which includes Ongoing Projects and Forthcoming Projects. Our Ongoing Projects and Forthcoming projects include 222Rajpur in Dehradun, Max Towers at Delhi one campus in Noida and Max House in Okhla, New Delhi.

Investment. We are engaged in investing in early stage businesses in certain identified sectors including healthcare, fintech, food and beverage services, hospitality, education, cyber security and real estate technology, through our wholly-owned subsidiary, Max I. Limited. As at September 30, 2017, we had non-current investments of ₹ 7,050.01 lakhs in Azure Hospitality Private Limited and ₹ 1,754.71 lakhs in FSN E-Commerce Ventures Private Limited. Recently, Max I. Limited made a partial exit of its investment in FSN E-Commerce Ventures Private Limited amounting to ₹ 1,866.74 lakhs. In addition, we also recently invested in IAN Fund I with a capital commitment amounting to ₹ 250.00 lakhs and as at February 5, 2018, we had invested ₹ 22.95 lakhs in IAN Fund I.

Education. We are in the process of evaluating and exploring opportunities in the education business through our wholly-owned subsidiary, Max Learning Limited. Currently, we are developing a strategic business plan for Max Learning Limited, elaborating its organisational design principles and are in the process of identifying the key capabilities required.

STRENGTHS

Established brand and prominent Promoter

We are part of the Max group, one of the leading Indian business conglomerate with a strong presence in life insurance and health and allied businesses. As at February 5, 2018, Max group had a total of 90.00 lakhs customers with 230 offices across India and 22,500 employees. With over three decades of experience, the Max group has become one of India's prominent corporate houses.

We believe our strong reputation provides customers across all of our businesses with the requisite value and comfort associated with the "Max" brand and allows our businesses to market their various products in a focused and efficient manner. We also believe that the "Max" brand provides us with competitive advantages in attracting talent, access to a global network, exploring potential business opportunities and corporate governance practices. We are able to leverage the "Max" brand through our strategic branding initiatives, consumer engagement programs and integrated marketing campaigns across our various businesses.

Our Chairman, Mr. Analjit Singh provides strategic direction and leadership to the Max group as a whole and is widely recognized as an industry statesman and has a long history of entrepreneurial ventures including in the insurance, healthcare and other lifestyle related ventures. He has been awarded the Ernst & Young Entrepreneur of the Year Award (Service Category) in 2011 and was also awarded the Padma Bhushan in 2011, one of India's top civilian honours.

Among leading manufacturers of specialty BOPP films

We are among India's leading manufacturers of value added BOPP films with an established presence in high barrier specialty films, with a capacity of 46.35 KTPA for BOPP films, as at September 30, 2017. We believe that our ability to serve our customers' requirements without capacity constraints, together with our ability to innovate and develop products that meet their specific requirements, distinguishes us from our competitors.

Our specialty films business has established several long-term relationships with fast-moving consumer goods ("FMCG") companies allowing us to generate repeat business from such customers and have enabled us to develop new, value-added specialty products focused on higher margins. In Fiscal 2017 and for the six months period ended September 30, 2017, we generated gross revenues outside India of ₹ 16,992.53 lakhs and ₹ 8,222.41 lakhs which accounted for 23.62% and 22.83% of our total income and such gross revenues were generated by Max Speciality Films Limited. As the market for BOPP films products continues to grow within India and internationally, we believe that we will be able to leverage our international client base to further grow our revenues and maintain our leading position in the specialty packaging films industry.

We are in the process of implementing certain capacity expansion plans at our manufacturing facility in Nawanshahr, Punjab, adding an additional capacity of 34.50 KTPA. We further intend to leverage our existing and expanded capacities to capitalize on the future growth opportunities in the BOPP films market. Our manufacturing capacity for BOPP films, metallised films and thermal laminated films was 46.35 KTPA, 13.20 KTPA and 11.50 KTPA, respectively, as at September 30, 2017. We also believe that the increased manufacturing capacities will enable us to achieve economies of scale resulting in decreased cost of production per unit. Our manufacturing capacities also enable us to cater to large orders to meet customer requirements at short notice at competitive prices.

Strong R&D capabilities in our specialty films business

We undertake dedicated R&D in our specialty films business primarily with a focus on innovation, improving the quality of our products and process efficiencies. Our existing facility at Nawanshahr, Punjab has a dedicated R&D centre that is focused on research and development to develop new and innovative products and applications. Our R&D efforts have resulted in us attaining accreditation from NABL and the BRC. In Fiscal 2016 and 2017, we incurred R&D related expenditure of ₹ 548.50 lakhs and ₹ 222.00 lakhs, respectively. We have over the years upgraded our manufacturing facility with imported equipment from well-known global manufacturers. In addition, we have also received the "Golden Peacock Innovative Product/Service Award" in 2011 in recognition of our R&D initiatives.

As at February 5, 2018, we had a 12 member R&D team. Our R&D team works with our sales and marketing team and our customers to develop new products or customize existing products to meet specific requirements of our customers. We have developed specific products to meet niche market requirements. For further information, see "- *Products – BOPP Films – Maximus (Value-Added Product)*" on page 111. As a result of our R&D efforts, we launched 42 new products between Fiscal 2015 and Fiscal 2017 and since April 1, 2018, we have introduced 14 new products as at February 5, 2018. Product innovations of our research and development team include high gloss cavitated *i.e.*, pearlised BOPP film, metallisable film for sandwich lamination, matt print lamination grade film, matt metallised film, low haze cigarette over wrap (haze less than 2%), wrinkle-free film for tobacco, thermal BOPP film and ultra high barrier metallised BOPP.

We believe that our emphasis on R&D has been critical to the success of our specialty films business. It enhances our ability to respond to latest market developments and sets us apart from our competitors.

Committed and experienced senior management team and employee base

The senior management team at each of our businesses has strong entrepreneurial orientation and significant experience. They are committed to the Max group, its values and the growth of our businesses and revenues. Our senior management have significant experience with the Max group. Our Chairman, Mr. Analjit Singh, an industry statesman, provides strategic direction and leadership to our Company. Mr. Sahil Vachani, our Managing Director and CEO has diverse experience across various sectors including consumer durables and real estate.

Our senior management team is supported by a qualified and motivated pool of managers and other employees. They have diverse experience in a range of businesses and functions across our operations. We believe that our senior management team is well placed to provide strategic leadership and direction to explore new emerging opportunities in identified sectors as well as constantly improve our current operations, which provides us with a competitive edge.

Our employee value proposition is based on a strong focus on employee development, an exciting work culture, empowerment and finally, competitive compensation, recognition and rewards. Our employee proposition includes organized talent management and career planning, in-house and sponsored training and counselling, in order to strengthen the skills of our employees. We believe the skills and diversity of our employees give us the flexibility to adapt to future needs of various businesses.

STRATEGIES

Expand our real estate operations

We plan to undertake real estate development in our current operating areas in North India and the National Capital Region across the commercial and residential sectors based on our experience to date and opportunities that become available in the market. Our focus will be to identify, acquire and develop high quality real estate assets in strategic locations in high growth urban areas located in or near prominent or growing cities across North India. We also intend on targeting commercial spaces in key business districts in such cities and offer corporates state of the art infrastructure and high quality amenities. Further, we aim to increase and add value to our Ongoing Projects and Forthcoming Projects by adding amenities such as, amongst others, auditoriums, swimming pools and gymnasiums. In addition, we are also evaluating options in relation to distressed assets and are planning for development of commercial use assets in distress.

We intend to increase the scale of our business while staying focused on quality. We will selectively outsource certain of our development operations including design, architecture and construction to skilled partners which we believe will enable us to optimally utilize our resources and undertake additional projects.

While expanding our operations we will continue to maintain a strong focus on sustainable development by meeting environmental parameters in site selection and planning, water efficiency, energy efficiency, material and indoor environmental quality. We endeavour to ensure that our commercial Ongoing Projects and Forthcoming Projects are planned in a manner that enables them to receive Leadership in Energy and Environmental Design ("LEED") green building certifications. In addition, we aim to provide high-quality services and hospitality in our real estate projects to our customers along with ensuring their safety by providing strict security at our real estate projects.

Develop portfolio of joint development projects and alternative asset classes

We intend to develop our projects through joint development agreements with land owners and by partnering with long-term investors. We believe this allows us to remain asset light while enabling us to focus on our core competency of project management, design and marketing as we expand our operations. Therefore, we are able to limit our risk through project diversification while maintaining significant management control over these projects.

We also plan to undertake the development of projects as a project development manager on a fee basis. In these projects, our intention is to have limited investments. The joint development models enables to follow an asset-light approach that helps reduce risk on our balance sheet.

We continue to evaluate opportunities in upcoming real estate segments which would integrate with our existing residential and commercial projects. We believe that there is significant unmet demand for co-living and co-working spaces, and accordingly, we intend to develop such spaces which we believe will generate consistent revenue.

Consolidate our leadership position in the specialty films business

We believe that our ability to serve our customers' requirements without capacity constraints coupled with our ability to innovate and develop products that meet their specific requirements distinguishes us from our competitors. We believe that we will be able to leverage our relationship with Toppan to expand our market share by exploring new markets outside of India and introducing new products with superior quality at relatively lower costs due to manufacturing being done in in India. Toppan serves as a strategic partner in Max Speciality Films Limited and provides us with their expertise in managing a global specialty films business, as well as, their global sales network.

We also intend to continue our focus on our R&D efforts in the specialty films business and employ the use of sustainable technology. With our proposed new products and focus on reducing our fixed costs, we believe that we will be able to increase our profitability while ensuring higher margins. Our EBITDA was ₹ 8,002.70 lakhs, ₹ 4,706.86 lakhs and ₹ 2,500.09 lakhs in Fiscal 2016 and 2017 and for the six months period ended September 30, 2017, respectively. For further details see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Reconciliation of EBITDA to restated consolidated profit/ (loss) for the period*" on page 325. In addition, our increase in manufacturing capacities aims to achieve economies of scale resulting in decreased cost of production per unit.

Focus on the education sector

With the current world population expected to reach 8.6 billion in 2030, 9.8 billion in 2050 and 11.2 billion in 2100 (*Source: United Nations, Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision, Key Findings and Advance Tables. Working Paper No. ESA/P/WP/248.*), we believe that with this growing population, the education sector will also continue to grow across India and other jurisdictions. The number of English-medium international schools in Europe, North and

South America, Africa, Asia and Oceania is anticipated to grow from 8,653 with approximately 4.48 million students in 2016 to 24,659 with approximately 14.23 million students in 2031 (*Source: International Schools, The Global Opportunities Report 2016-17, ISC Research Limited*). We anticipate significant opportunities in the private education sector in the developed economies as well as the emerging economies. We aim to develop a holistic and original curricular offering and school design principles and focus on providing high-quality international curriculum in domestic and international schools. We will look to create or offer management services to flagship schools in India and across jurisdictions, and are also exploring management services agreements to existing schools, along with acquisition of existing schools and construction of greenfield projects.

We, through Max Learning Limited, our wholly owned Subsidiary, propose to develop and manage schools that will be academically rigorous and have a strong ethos rooted in high-quality teaching, innovative curriculum, world-class facilities, programmes for character formation, non-denominational spirituality and secular ethics. We are also in the process of creating a team of professionals experienced in strategic planning and in delivering educational innovation and further, recruiting professional faculty led by experienced educationists. In addition, Max Learning Limited is exploring an asset-light business model, including a management services entity, and opportunities to develop educational technology and other intellectual property, and aims to monetize its curricular offerings through licensing arrangements.

Identify investment opportunities

Our investment vertical, Max I. Limited will look for investment opportunities by leveraging our Promoter, Mr. Analjit Singh's experience and credibility in certain identified sectors including insurance, healthcare and other lifestyle related ventures, cyber security and real estate technology. We intend to invest in entrepreneurial ventures including the Government of India's initiatives of 'Start-Up India', 'Digital India' and 'Make in India', and facilitate intellectual and financial capital to proven early-stage organizations across identified sectors. As part of our investment business, we intend to ensure the standards of corporate governance that are synonymous with the Max group. We also intend to tap into the experience of our senior management team that has extensive experience across the various businesses of the Max group, and leverage their expertise in the investment business to ensure strategic investment decisions. We believe we are able to increase value and guide our investments by providing strategic and financial guidance, resulting in profitable returns for our investments as well as for us. In addition, we aim to focus on industries which will help in providing synergy to the Max group businesses and as a result, help us in adding strategic value to our businesses in addition to the financial benefits.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our Company's Restated Standalone Financial Statements and Restated Consolidated Financial Statements for Fiscal 2016 and Fiscal 2017 and the six months period ended September 30, 2017 and the related notes and annexures thereto. These financial statements have been prepared in accordance with the Ind AS, the Companies Act and the SEBI ICDR Regulations and presented under "*Financial Information*" on page 177. The summary financial information presented below should be read in conjunction with our Restated Standalone Financial Statements and Restated Consolidated Financial Statements, the notes thereto and "*Financial Information*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 177 and 312, respectively.

Restated Statement of Assets and Liabilities

Annexure- I
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Restated Standalone Summary Statement of Assets and Liabilities as at September 30, 2017

(Rs. in Lakhs)

	Notes of Annexure V	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
ASSETS				
Non-current assets				
Property, plant and equipment	3	72.20	39.12	14.41
Intangible assets	4	3.74	4.09	-
Financial assets				
(i) Investments	5	23,913.47	23,061.40	16,704.95
(ii) Other financial assets	6a	35.20	33.26	550.06
(iii) Other bank balances	6b	0.25	0.25	-
Deferred tax assets	13	32.21	-	10.56
Non-Current tax assets	7	94.27	137.74	20.40
		24,151.33	**23,275.86**	**17,300.38**
Current assets				
Financial assets	8			
(i) Investments		11,224.14	12,293.42	-
(ii) Trade receivables		453.98	177.55	328.28
(iii) Cash and cash equivalents		63.21	51.33	1,126.37
(iv) Loans		4,796.77	1,164.84	149.38
(v) Other financial assets		60.29	106.00	47.29
Other current assets	9	82.12	72.14	23.07
		16,680.51	**13,865.28**	**1,674.39**
TOTAL ASSETS		**40,831.84**	**37,141.14**	**18,974.77**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	7,264.81	6,897.79	5,339.68
Other equity	10	32,244.79	23,566.07	13,337.31
Money received against share warrants		-	672.53	-
Total equity		**39,509.60**	**31,136.39**	**18,676.99**
Non-current liabilities				
Financial liabilities				
(i) Borrowings	11	5.74	5.63	-
Long term provisions	12	22.35	11.82	2.96
Deferred tax liabilities	13	-	19.52	-
		28.09	**36.97**	**2.96**
Current liabilities				
Financial liabilities	14			
(i) Borrowings		-	5,600.00	-
(ii) Trade payables		254.27	262.87	253.65
(iii) Other financial liabilities		47.73	13.05	-
Other current liabilities	16	18.70	64.59	32.59
Short term provisions	15	973.45	27.27	8.58
		1,294.15	**5,967.78**	**294.82**
TOTAL LIABILITIES		**1,322.24**	**6,004.75**	**297.78**
TOTAL EQUITY AND LIABILITIES		**40,831.84**	**37,141.14**	**18,974.77**

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

As per our report of even date

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

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

per Atul Seksaria
Partner
Membership Number: 086370

Dinesh Kumar Mittal
(Director)
DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)
DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Gurugram
Date: February 14, 2018

Place : Delhi
Date: February 14, 2018

Restated Statement of Profit and Loss

Annexure- II
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Restated Standalone Summary Statement of profit and loss for the six months period ended September 30, 2017

(Rs. in Lakhs)

	Notes	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
INCOME				
Revenue from operations	17	1,508.69	1,486.38	980.43
Other income	18	7,502.43	3.02	-
Total income		9,011.12	1,489.40	980.43
EXPENSES				
Employee benefits expense	19	348.19	596.90	217.17
Finance costs	20	0.54	208.61	-
Depreciation and amortization expense	21	5.74	5.21	7.34
Other expenses	22	676.94	919.15	459.04
Total expenses		1,031.41	1,729.87	683.55
Profit/(Loss) before tax		**7,979.71**	**(240.47)**	**296.88**
Tax expenses	23			
- Current tax		1,723.99	-	36.92
Less: MAT credit entitlement		(122.81)	-	-
- Deferred tax		71.67	29.61	(10.55)
Total tax expense		**1,672.85**	**29.61**	**26.37**
Profit/(Loss) after tax		**6,306.86**	**(270.08)**	**270.51**
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement losses on defined benefit plans	24	(2.79)	1.32	-
Income tax effect		0.59	(0.46)	-
Other comprehensive income for the year, net of tax		(2.20)	0.86	-
Total comprehensive income for the year, net of tax		6,304.66	(269.22)	270.51
Earnings per equity share (Nominal Value of share Rs.10/-)	25			
Basic (Rs.)		8.83	(0.49)	0.51
Diluted (Rs.)		8.65	(0.48)	0.50

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

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

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

per Atul Seksaria
Partner
Membership Number: 086370

Dinesh Kumar Mittal
(Director)
DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)
DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Gurugram
Date: February 14, 2018

Place : Delhi
Date: February 14, 2018

Restated Statement of cash flows

Annexure- IV
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Restated Standalone Summary Statement of cash flows for the six months period ended September 30, 2017

(Rs. in Lakhs)

	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Cash flow from operating activities			
Profit/(Loss) before tax	7,979.71	(240.47)	296.88
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	5.25	4.67	7.34
Amortization of intangible assets	0.49	0.54	-
Profit on sale of current investment	(251.87)	(13.67)	(24.99)
Fair value gain on financial instruments at fair value through profit or loss	(280.86)	(94.09)	-
Gain on stake sale of subsidiary	(7,500.32)	-	-
Unwinding of interest on zero coupon non-convertible debentures	(239.18)	(191.45)	-
Unwinding of discount on security deposit	(1.86)	(3.02)	-
Interest income	(124.28)	(105.78)	(126.84)
Dividend income	-	-	(334.50)
Finance costs (including fair value change in financial instruments)	0.54	208.61	-
Operating profit before working capital changes	**(412.38)**	**(434.66)**	**(182.11)**
Working capital adjustments:			
Movements in provisions	27.33	28.87	11.54
(Increase)/decrease in trade and other receivables and prepayments	(193.27)	12.72	(351.35)
Increase/(decrease) in trade and other payables	(55.16)	57.53	282.76
Cash generated from operations	**(633.48)**	**(335.54)**	**(239.16)**
Income tax paid	(747.41)	(117.36)	(57.31)
Net cash flows used in operating activities	**(1,380.89)**	**(452.90)**	**(296.47)**
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment	-	-	47.29
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(10.08)	(34.02)	(14.58)
Loan repaid by subsidiaries	-	1,160.24	-
Loan given to subsidiaries	(3,713.72)	(1,552.23)	-
Interest received	158.57	32.37	25.45
Dividend received	-	-	334.50
Purchase of current investments in mutual funds	(22,240.00)	(14,261.12)	(1,046.39)
Proceeds from redemption of mutual funds	23,842.00	2,075.50	1,071.37
Proceeds from sale of stake in subsidiary	14,187.44	-	-
Acquisition of a subsidiary/investment in subsidiary	(7,300.00)	(6,165.00)	-
Net cash flows from/(used) in investing activities	**4,924.21**	**(18,744.26)**	**417.64**
Cash flow from financing activities			
Proceeds from issuance of equity share capital including security premium	2,017.60	12,043.70	5.00
Proceeds from issuance of ESOP's including security premium	48.73	5.72	
Proceeds from money received from share warrants	-	672.53	-
Interest paid	(0.54)	(208.61)	-
Repayments of short-term borrowings	(5,600.00)	(500.00)	-
Proceeds from short-term borrowings	-	6,100.00	-
Proceeds from long-term borrowings	5.09	10.00	-
Repayment of long-term borrowings	(2.32)	(1.22)	-
Net cash flows from/(used) in financing activities	**(3,531.44)**	**18,122.12**	**5.00**
Net increase/(decrease) in cash and cash equivalents	11.88	(1,075.04)	126.17
Cash and cash equivalents at the beginning of the year/period	51.33	1,126.37	-
Cash and cash equivalents transferred on demerger	-	-	1,000.20
Cash and cash equivalents at year/period end	**63.21**	**51.33**	**1,126.37**

Components of cash and cash equivalents :-

(Rs. in Lacs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Balances with banks:			
On current accounts	62.70	50.86	326.02
Cheques/ drafts on hand	-	-	-
Deposits with remaining maturity for less than 3 months			800.00
Cash on hand	0.51	0.47	0.35
	63.21	**51.33**	**1,126.37**

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

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

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

per Atul Seksaria
Partner

Membership Number: 086370

Dinesh Kumar Mittal
(Director)

DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Gurugram
Date: February 14, 2018

Place : Delhi
Date: February 14, 2018

Consolidated Restated Statement of Assets and Liabilities

Annexure- I
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Consolidated Restated Summary Statement of Assets and Liabilities as at September 30, 2017

(Rs. in Lakhs)

	Note of Annexure V	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
ASSETS				
Non-current assets				
Property, plant and equipment	3	31,620.15	31,752.05	26,667.68
Capital work-in-progress	3	11,712.84	1,590.77	2,161.45
Goodwill	4	167.09	167.09	222.79
Other Intangible assets	4	334.33	353.40	272.78
Intangible assets under development	4	69.87	43.41	-
Financial assets	5			
(i) Investments		8,804.72	5,104.72	-
(ii) Other non- current financial assets		1,151.32	356.29	299.99
(iii) Other bank balances		0.25	0.25	-
Non-current tax assets	6	191.28	311.40	20.39
Other non current assets	7	3,101.35	239.35	1,956.60
		57,153.20	**39,918.73**	**31,601.68**
Current assets				
Inventories	8	66,223.66	12,860.50	5,807.05
Financial assets	9			
(i) Investments		12,059.39	12,293.43	-
(ii) Trade receivables		12,334.49	11,400.56	14,643.43
(iii) Cash and cash equivalents		457.89	193.08	1,288.01
(iv) Other bank balances		5.18	4.88	1.24
(v) Loans		42.99	93.56	67.66
(vi) Derivative instruments		-	41.91	18.63
(vii) Other current financial assets		114.90	182.40	140.22
Other current assets	10	4,827.48	2,166.15	2,223.08
		96,065.98	**39,236.47**	**24,189.32**
TOTAL ASSETS		**153,219.18**	**79,155.20**	**55,791.00**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	7,264.81	6,897.79	5,339.68
Other equity	12	33,531.57	25,499.08	15,674.28
Money received against share warrants		-	672.53	-
Non-controlling interest		12,415.64	197.62	192.54
Total equity		**53,212.02**	**33,267.02**	**21,206.50**
Non-current liabilities				
Financial liabilities				
(i) Borrowings	13	17,226.53	18,870.53	17,300.28
(ii) Trade payables	14	484.93	2,033.42	-
Long term provisions	15	533.61	470.13	353.26
Deferred tax liabilities (net)	16	11.20	48.26	142.58
Government grant	17	1,071.91	441.36	286.31
		19,328.18	**21,863.70**	**18,082.43**
Current liabilities				
Financial liabilities	18			
(i) Borrowings		16,013.81	12,045.62	7,724.36
(ii) Trade payables		21,114.10	8,459.69	5,397.64
(iii) Derivative instruments		12.63	-	-
(iv) Other current financial liabilities		3,041.50	2,021.20	2,629.59
Short term provisions	19	1,246.01	273.38	242.20
Other current liabilities	20	39,250.92	1,224.58	508.28
		80,678.97	**24,024.47**	**16,502.07**
TOTAL LIABILITIES		**100,007.16**	**45,888.18**	**34,584.50**
TOTAL EQUITY AND LIABILITIES		**153,219.18**	**79,155.20**	**55,791.00**

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VI.

As per our report of even date

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

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

per Atul Seksaria
Partner
Membership Number: 086370

Dinesh Kumar Mittal
(Director)
DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)
DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Gurugram
Date: February 14, 2018

Place : Delhi
Date: February 14, 2018

Consolidated Restated Statement of Profit and Loss

Annexure- II
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Restated Consolidated Summary Statement of profit and loss for the six months period ended September 30, 2017

(Rs. in Lakhs)

	Note of Annexure V	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
INCOME				
Revenue from operations	21	36,009.86	71,953.80	76,897.76
Other income	22	492.95	1,184.25	917.36
Total income		**36,502.81**	**73,138.05**	**77,815.12**
EXPENSES				
Cost of materials consumed	23	26,799.07	52,635.83	48,522.09
Change in inventories of finished goods and work in progress	24	(2,137.42)	(6,089.89)	22.82
Excise duty on sale of goods		1,419.43	5,808.50	6,131.11
Employee benefits expense	25	2,085.65	4,146.47	3,962.09
Finance costs	26	1,220.79	3,275.97	3,448.48
Depreciation and amortization expense	27	1,131.78	2,028.43	1,869.73
Other expenses	28	5,835.99	11,930.28	11,174.32
Total expenses		**36,355.29**	**73,735.59**	**75,130.64**
Restated Profit/(Loss) before tax		**147.52**	**(597.54)**	**2,684.48**
Tax expenses	30			
Current income tax charge		263.03	99.80	638.52
Mat Credit Entitlement				
- Current year		(144.66)	(99.80)	(346.07)
Deferred Tax		177.82	7.22	374.63
Total Tax expenses		**296.19**	**7.22**	**667.08**
Restated Profit/(Loss) after tax		**(148.67)**	**(604.76)**	**2,017.40**
Attributable to:				
Equity holders of the parent		(311.93)	(609.91)	1,996.59
Non-controlling interests		163.26	5.15	20.81
		(148.67)	**(604.76)**	**2,017.40**
Other comprehensive income				
Items not to be reclassified to profit or loss in subsequent periods:				
Re-measurement of defined benefit plans	31	(10.59)	(9.37)	(23.11)
Income tax effect		(2.26)	(1.72)	(4.71)
		(8.33)	(7.65)	(18.40)
Restated Other comprehensive income		(8.33)	(7.65)	(18.40)
Restated Total comprehensive income		**(157.00)**	**(612.41)**	**1,999.00**
Attributable to:				
Equity holders of the parent		(317.06)	(617.50)	1,978.35
Non-controlling interests		160.06	5.08	20.65
Earnings per equity share (Nominal Value of share Rs.10/-)	32			
Basic (Rs.)		(0.44)	(1.10)	3.74
Anti Diluted/Diluted (Rs.)		(0.44)	(1.10)	3.70

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VI.

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

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

per Atul Seksaria
Partner
Membership Number: 086370

Dinesh Kumar Mittal
(Director)
DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)
DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Gurugram
Date: February 14, 2018

Place : Delhi
Date: February 14, 2018

Consolidated Restated Statement of cash flows

Annexure- IV
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Restated Consolidated Summary Statement of cash flows for the six months period ended September 30, 2017

(Rs. in Lakhs)

	for the six months period ended September 30, 2017	For the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Cash flow from operating activities			
Restated Net Profit/(Loss) before tax and non- controlling interest	147.52	(597.54)	2,684.48
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	1,072.94	1,915.56	1,776.12
Amortization of intangible assets	58.84	112.87	93.61
Provision for doubtful debts	-	-	100.36
Bad debts written off	-	182.39	0.29
(Gain) on fair valuation of investments	-	-	-
(Gain) \ Loss on disposal of property, plant and equipment	(5.70)	(2.79)	290.40
Gain on mutual fund investments	(267.12)	(13.67)	(24.99)
Liabilities/provisions no longer required written back	-	-	(16.81)
Interest income	(94.63)	(143.84)	(186.05)
Unwinding of discount on security deposit	(4.67)	(3.19)	-
Finance costs (including fair value change in financial instruments)	1,220.79	3,275.97	3,448.48
Operating profit before working capital changes	**2,127.97**	**4,725.76**	**8,165.89**
Working capital adjustments:			
Movements in provisions, gratuity and government grant	729.47	297.49	(361.14)
(Increase)/decrease in trade and other receivables and prepayments	(4,234.22)	2,986.81	(1,867.53)
(Increase)/decrease in inventories	(53,363.16)	(7,053.45)	437.23
Increase in trade and other payables	49,107.16	5,842.68	990.61
Cash generated (used in)/from operations	**(5,632.77)**	**6,799.30**	**7,365.06**
Income tax paid	(783.67)	(390.81)	(715.04)
Net cash flows (used in)/from operating activities	**(6,416.45)**	**6,408.49**	**6,650.01**
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment	20.13	52.91	227.64
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(14,143.89)	(4,904.35)	(5,152.46)
Interest received	107.29	146.10	159.19
Purchase of current investments	(23,075.20)	(14,355.25)	(1,046.39)
Proceeds from redemption of mutual funds	23,576.35	2,075.50	1,071.37
Proceeds from sale of stake in subsidiary	14,187.44	-	-
Purchase of non-current investments	(3,700.00)	(5,104.97)	-
Net cash flows used in investing activities	**(3,027.88)**	**(22,090.06)**	**(4,740.65)**
Cash flow from financing activities			
Proceeds from issuance of equity share capital including security premium, net of expenses incurred for shares issued	7,328.64	12,043.70	5.00
Proceeds from issuance of ESOP's including security premium	48.73	5.72	-
Proceeds from money received from share warrants	-	672.53	-
Proceeds/(Repayments) from short term borrowings	3,968.19	4,321.26	(1,382.52)
Proceeds from long-term borrowings	408.65	2,903.44	3,063.08
Repayment of long-term borrowings	(824.28)	(2,084.05)	(536.19)
Interest paid	(1,220.79)	(3,275.97)	(2,939.33)
Dividend paid	-	-	(3.38)
Net cash flows from/(used in) financing activities	**9,709.14**	**14,586.63**	**(1,793.34)**
Net increase/(decrease) in cash and cash equivalents	264.82	(1,094.93)	116.02
Cash and cash equivalents at the beginning of the period/year	193.08	1,288.01	-
Cash and cash equivalents transferred on demerger	-	-	1,171.99
Cash and cash equivalents at period/year end	**457.89**	**193.08**	**1,288.01**

Components of cash and cash equivalents :-

(Rs. in Lacs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Balances with banks:			
On current accounts	453.41	191.25	485.80
Deposits with remaining maturity for less than 3 months	-	-	800.00
Cash on hand	4.48	1.83	2.21
	457.89	**193.08**	**1,288.01**

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VI.

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

per Atul Seksaria
Partner

Membership Number: 086370

Place : Gurugram
Date: February 14, 2018

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)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Delhi
Date: February 14, 2018

THE ISSUE

The following is a summary of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, more detailed information in the section titled "*Terms of the Issue*" on page 385.

Issue Details in Brief	
Equity Shares being offered pursuant to the Issue	[●]
Rights Entitlement	[●] Equity Share for every [●] fully paid-up Equity Share held on the Record Date
Record Date	[●]
Issue Price per Equity Share	₹ [●]
Face value per Equity Share	₹ 10
Issue Size	[●]
Equity Shares subscribed and paid-up prior to the Issue	7,26,48,105 Equity Shares
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and Allotment of the Rights Entitlement)	[●] Equity Shares
Terms of the Issue	For more information see the section titled "*Terms of the Issue*" on page 385
Use of Issue Proceeds	For more information see the section titled "*Objects of the Issue*" on page 79
Terms of Payment	The full amount is payable on application

GENERAL INFORMATION

Our Company was incorporated as "Capricorn Ventures Limited" on January 20, 2015, as a public limited company under the Companies Act, 2013, registered with the Registrar of Companies, Punjab and Chandigarh. The name of our Company was changed to "Max Ventures and Industries Limited" pursuant to which a fresh certificate of incorporation was issued on January 22, 2016. For details, including reasons for the change in the name of our Company, see "*History and Certain Corporate Matters*" on page 123.

Registered Office of our Company

Max Ventures and Industries Limited
419, Bhai Mohan Singh Nagar
Village Railmajra
Tehsil Balachaur
District – Nawanshahr
Punjab – 144 533
Tel: +91 1881 462000
Fax: +91 1881 273607
Website: www.maxvil.com
CIN**:** L85100PB2015PLC039204
Email: rights.issue@maxvil.com

Corporate Office of our Company

Max House, A-81
Sector-2
Noida
Uttar Pradesh – 201 301
Tel.: + 91 120 4743222
Fax: + 91 120 4743250
Email: rights.issue@maxvil.com

Listing

The Equity Shares of our Company are presently listed on the BSE and the NSE.

Registrar of Companies

Our Company is registered with the Registrar of Companies described below:

Registrar of Companies, Punjab and Chandigarh
The Registrar of Companies
Corporate Bhawan, Plot no- 4B
Sector – 27B, Madhya Marg
Chandigarh – 160 019

Board of Directors

Under the Articles of Association, the number of directors of our Company shall not be less than 3 (three) or more than 15 (fifteen), excluding any debenture-holder director or alternate director, provided that any increase in the number of directors in office beyond 15(fifteen), would require the approval of the shareholders of our Company in a general meeting by way of special resolution under Section 149 of the Companies Act, 2013. Our Company currently has 8 (eight) Directors on the Board, 4 (four) of which are independent Directors including 1 (one) woman Director.

The following table sets forth details regarding our Board as of the date of filing the Draft Letter of Offer:

Name, Designation and Occupation	Age	DIN	Address
Mr. Analjit Singh *Designation*: Chairman *Occupation*: Industrialist	64	00029641	15, Dr. A.P.J. Abdul Kalam Road, New Delhi - 110 011
Mr. Mohit Talwar *Designation*: Vice Chairman *Occupation*: Service	58	02394694	Flat No. - 1518-B, Building No. - 4, Tower - 15, The Magnolias, DLF Golf Links, Golf Course Road, Gurgaon, 122 009, Haryana
Mr. Sahil Vachani *Designation*: Managing Director and Chief Executive Officer *Occupation*: Service	34	00761695	S - 43, Panchsheel Park, New Delhi- 110 017
Mr. Arthur Seter Harutyun *Designation*: Non - Executive Director *Occupation*: Service	59	07440880	One Merion Drive, Purchase, New York- 10577 US
Mr. D.K. Mittal *Designation*: Independent Director *Occupation*: Professional	65	00040000	B - 71, Sector 44, Noida, 201 301, Uttar Pradesh
Mr. Ashok Brijmohan Kacker *Designation*: Independent Director *Occupation*: Professional	66	01647408	B – 602/702, Beaumonde, A M Marg, Prabhadevi, Mumbai – 400025, Maharashtra
Mr. K. Narasimha Murthy *Designation*: Independent Director *Occupation*: Professional	60	00023046	1-2-593/29, Gaganmahal Colony, Domalguda, Hyderabad - 500029, Andhra Pradesh
Ms. Sujata Keshavan Guha *Designation*: Independent Director *Occupation*: Professional	57	01714766	22A, Brunton Road, Bangalore, 560025 Karnataka

All the Directors are Indian nationals except Mr. Arthur Seter Harutyun, who is a national of the United States of America. For further details and profile of our Directors, see the section titled "*Our Management*" on page 132.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Mr. Gopalakrishnan Ramachandran. His contact details are as follows:

Max House, A-81
Sector-2, Noida
Uttar Pradesh – 201 301
Tel: + 91 120 4743222 Ext: 235
Fax: +91 120 4743250
Email: rights.issue@maxvil.com

Registrar to the Issue

MAS Services Limited
T-34, Second Floor, Okhla Industrial Area, Phase II, New Delhi 110020
Telephone: +91 (11) 2638 7281-82-83
Facsimile: +91 (11) 2638 7384
Email: sm@masserv.com
Investor Grievance Email: info@masserv.com
Website: www.masserv.com
Contact person: Mr. Shravan Mangla
SEBI Registration Number: INR000000049

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer for any pre-Issue/post-Issue related matter. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the Applicant, number of Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the Application Form was submitted by the ASBA Investors.

Lead Manager to the Issue

Axis Capital Limited
1st Floor, Axis House,
C 2, Wadia International Centre
P.B. Marg, Worli, Mumbai – 400 025
Telephone: +91 (22) 4325 2183
Facsimile: +91 (22) 4325 3000
Email: mvil.rights@axiscap.in
Website: www.axiscapital.co.in
Investor Grievance Email: complaints@axiscap.in
Contact Person: Kanika Sarawgi Goyal
SEBI Registration Number: INM000012029

Legal Counsel to the Issue

AZB & Partners
Plot No. A8, Sector 4
Noida - 201 301
Uttar Pradesh, India
Tel: +91 (120) 4179 999
Fax: +91 (120) 4179 900

International Legal Counsel to the Issue

Squire Patton Boggs Singapore LLP
10 Collyer Quay
#03-01/03 Ocean Financial Centre
Singapore 049 315
Tel: +65 6922 8668
Fax: +65 6922 8650

Self-Certified Syndicate Banks ("SCSBs")

The list of banks that have been notified by SEBI to act as SCSBs for the Applications Supported by Blocked Amount ("**ASBA**") Process are available at the SEBI website (URL reference: http:// www.sebi.gov.in/pmd/scsb.html). Details relating to designated branches of SCSBs collecting the ASBA forms, are available at the above mentioned link. On allotment, the amount would be unblocked and the account would be debited only to the extent required to pay for the Rights Equity Shares allotted.

Please note that in accordance with the provisions of the SEBI circular bearing number CIR/CFD/DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs or Non Institutional Investors shall mandatorily make use of ASBA facility.

Retail Individual Investors may optionally apply through the ASBA process provided that they are eligible ASBA Investors (as per the conditions of the SEBI circular dated December 30, 2009). The Equity Shareholders are required to fill the ASBA Form and submit the same to their Self Certified Syndicate Banks ("**SCSB**") which in turn will block the amount as per the authority contained in the ASBA Form and undertake other tasks as per the specified procedure.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Rights Equity Shares applied for, Amount blocked, ASBA Account number and the Designated Branch of the SCSB where the CAF was submitted by the ASBA Investors. For more details on the ASBA process, please refer to the details given in CAF and also please refer to the section titled "*Terms of the Issue*" on page 385.

Bankers to the Issue

[●]

Refund Banker

[●]

Auditor to our Company

S.R. Batliboi & Co. LLP
Golf View Corporate Tower B
Sector 42, Sector Road
Gurgaon 122 002, Haryana, India
Tel: +91 124 464 4000
Fax: +91 124 464 4050
ICAI Firm Registration No: 301003E/E300005
Email: srbc@in.ey.com

Bankers to our Company

HDFC Bank Limited Vatika Atrium 'A' Block, 4th Floor, Golf Course Road, Sector 53, Gurgaon – 122 002 Tel: +91 124 466 4526 Fax: NA Email: Sandeepsingh.sethi@hdfcbank.com Website: www.hdfcbank.com Contact Person: Sandeep Singh Sethi	**Yes Bank Limited** G1, G2, G3 Ground Floor, 43 Chiranjiv Tower, Nehru Place, New Delhi – 110 019 Tel: +91 11 4954 1857 Fax: NA Email: adityaraj.sehgal@yesbank.in Website: www.yesbank.in Contact Person: Adityaraj Sehgal

Statement of inter-se allocation of responsibilities of the Lead Manager

As there is only one Lead Manager, inter-se allocation of responsibilities is not applicable. However, the list of major responsibilities of the Axis Capital Limited in relation to the Issue, *inter alia*, is as follows:

S. No.	Activities	Responsibility
1.	Capital structuring with the relative components and formalities such as composition of debt and equity, type of instruments, etc.	Axis Capital Limited
2.	Drafting and design of the offer document and of the advertisement or publicity material including newspaper advertisement and brochure or memorandum containing salient features of the offer document.	Axis Capital Limited
3.	Selection of various agencies connected with issue, such as registrars to the issue, printers, advertising agencies, etc and co-ordination for	Axis Capital Limited

S. No.	Activities	Responsibility
	execution of related agreements with such agencies.	
4.	Co-ordinating and liaisoning with the Stock Exchanges and SEBI, including for obtaining in-principle listing approval and completion of prescribed formalities with the Stock Exchanges and SEBI.	Axis Capital Limited
5.	Arrangements for selection of (i) bankers to the issue, (iii) collection centres, and (iii) underwriters and underwriting arrangement, distribution of publicity and issue material including application form, letter of offer and brochure and deciding upon the quantum of issue material.	Axis Capital Limited
6.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks, etc.	Axis Capital Limited
7.	Co-ordination for submission of 1% security deposit to the Designated Stock Exchange	Axis Capital Limited

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Issue Opening Date:	**[●]**
Last date for receiving requests for SAFs:	**[●]**
Issue Closing Date:	**[●]**

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

> "*Any person who:*
>
> *(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*
>
> *(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
>
> *(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,*
>
> *shall be liable for action under section 447*".

Section 447 of the Companies Act, 2013 provides for punishment for fraud which *inter alia* states punishment of imprisonment for a term which shall not be less than six months but which may extend to ten years and shall be liable to a fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Credit Rating

As this is an Issue comprising only Equity Shares, credit rating is not required.

Listing of Securities

The Equity Shares of our Company are presently listed on the BSE and the NSE.

Trustee

As this is an Issue of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

Our Company will appoint a monitoring agency, in accordance with Regulation 16 of the SEBI ICDR Regulations, prior to filing of the Letter of Offer with the Stock Exchanges.

Underwriters

The Issue is not being underwritten.

Expert

Our Company has received written consent from the Auditors namely, S.R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 and as "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an auditor and in respect of their examination report dated February 14, 2018 on Restated Standalone Financial Statements and Restated Consolidated Financial Statements and their report dated February 14, 2018 on the Statement of Tax Benefits included in this DLOF, and such consent has not been withdrawn as of the date of this DLOF. However, the term "expert" shall not be construed to mean an "expert" as defined under U.S. Securities Act.

Except as stated above, our Company has not obtained any expert opinion.

Project Appraisal

None of the purposes for which the Net Proceeds are proposed to be utilised have been financially appraised by any bank or financial institution.

Declaration by Board on creation of separate account

The Board of Directors declare that the moneys received pursuant to this Issue will be kept in a separate bank account as per the provisions of Section 40 of the Companies Act and that such moneys will be released by the said bank in terms of applicable laws.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, or the subscription level falls below 90%, after the Issue Closing Date on account of cheques being returned unpaid or withdrawal of applications, our Company shall refund the entire subscription amount received within 15 days from the Issue Closing Date. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under "*Terms of the Issue – Basis of Allotment*" on page 412.

Subscription by the Promoters and Promoter Group

Our Promoters alongwith Mr. Ravi Vachani, a member of our Promoter Group, have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue. In addition to subscription to their Rights Entitlements, the Promoters have further confirmed that they intend to subscribe to additional Rights Equity Shares for any unsubscribed portion in the Issue, subject to aggregate shareholding of the Promoters and Promoter Group not exceeding 75% of the post Issue capital of our Company.

For further details of under-subscription and allotment to the Promoter and Promoter Group, please refer to "*Basis of Allotment*" below under the section titled "*Terms of the Issue*" on page 412.

CAPITAL STRUCTURE

The share capital of our Company as of the date of this Draft Letter of Offer is set forth below:

(All amounts in ₹)

	Particulars	Aggregate Value at Nominal Value (In ₹)	Aggregate Value at Issue Price (In ₹)
A)	**AUTHORISED SHARE CAPITAL***		
	15,00,00,000 Equity Shares of ₹ 10 each	1,50,00,00,000	-
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
	7,26,48,105 Equity Shares of ₹ 10 each	72,64,81,050	-
C)	**PRESENT ISSUE****		
	[●] Equity Shares of ₹ 10 each	[●]	[●]
D)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE*****		
	[●] Equity Shares of ₹ 10 each	[●]	-
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	1,28,75,83,432	-
	After the Issue	[●]	-

* *For details in relation to the changes in the authorized share capital of our Company, see section titled "History and Certain Corporate Matters - Amendments to our Memorandum of Association" on page 126.*

** *The Issue has been authorized by the Board at its meeting held on January 15, 2018.*

*** *Assuming full subscription for and allotment of the Rights Entitlement.*

Notes to Capital Structure

1. ***Share Capital History of our Company:***

(a) The following is the history of the Equity Share capital of our Company:

Date of allotment/ transaction	Number of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)
January 20, 2015	50,000	10	10	Cash	Subscription to Memorandum#	50,000^	500,000^
Issue of Equity Shares in the last one year							
March 7, 2016	5,33,96,800	10	10	Other than Cash	Issued to the shareholders of Max India Limited pursuant to the Scheme of Arrangement##	5,33,96,800 ^	53,39,68,000^
December 13, 2016	57,208	10	10	Cash	Allotment to employees under ESOP 2016 (pursuant to stock options granted under ESOP 2006, which was adopted by our Board on May 10, 2016)	5,34,54,008	53,45,40,080
February 17, 2017	1,55,23,870	10	78	Cash	Preferential allotment to New York Life International Holdings Ltd	6,89,77,878	68,97,78,780

Date of allotment/ transaction	Number of Equity Shares	Face value (₹)	Issue price (₹)	Nature of consideration	Reasons for allotment	Cumulative number of Equity Shares	Cumulative paid up Equity Share capital (₹)
April 20, 2017	6,780	10	10	Cash	Allotment to employees under ESOP 2016	6,89,84,658	68,98,46,580
May 25, 2017	34,48,894	10	78	Cash	Conversion of share warrants*	7,24,33,552	7,243,35,520
August 21, 2017	1,77,300	10	25	Cash	Allotment to employees under ESOP 2016	7,26,10,852	72,61,08,520
August 21, 2017	37,253	10	10	Cash	Allotment to employees under ESOP 2016	7,26,48,105	72,64,81,050

 # 45,000 Equity Shares allotted to Mr. Kuldeep Singh Bisht, 4,995 Equity Share allotted to Mr. Kanhaiya Prasad and one Equity Share each to Mr. Harish Bhardwaj, Mr. Bhushan Lal Bhat, Mr. Raj Dutta, Mr. Narayan Padhi and Mr. Krishan Kumar Sharma.

^ 50,000 Equity Shares initially allotted were subsequently cancelled pursuant to the Scheme of Arrangement.

5,33,96,800 Equity Shares allotted to the shareholders of Max India Limited in the ratio of 1:5, i.e., one Equity Share of ₹ 10 each of our Company for every five equity shares of ₹ 2 each held in Max India Limited.

** 34,48,894 Equity Shares Allotted to Siva Enterprises Private Limited consequent upon conversion of warrants allotted on preferential basis.*

(b) **Shares Issued for Consideration other than cash or out of revaluation of reserves**

Date of allotment/ transaction	Name of Allottees	Number of Equity Shares	Face value (₹)	Nature of consideration	Reasons for allotment	Benefits accrued to our Company
March 7, 2016	Shareholders of Max India Limited (renamed MFSL)	5,33,96,800	10	Other than Cash	Issued to the shareholders of Max India Limited pursuant to the Scheme of Arrangement#	N.A

 # 5,33,96,800 Equity Shares allotted to the shareholders of Max India Limited in the ratio of 1:5, i.e., one Equity Share of ₹ 10 each of our Company for every five equity shares of ₹ 2 each held in Max India Limited.

(c) **Equity Shares issued pursuant to the Scheme of Arrangement**

Pursuant to the Scheme of Arrangement, 5,33,96,800 Equity Shares of ₹10 each were allotted to the shareholders of Max India Limited in the ratio of 1:5, i.e., one Equity Share of ₹10 each of our Company for every five equity shares of ₹2 each held in Max India Limited on March 7, 2016. For further details of the Scheme of Arrangement, please refer "*History and Certain Corporate Matters*" on page 67.

(d) **Issue of Equity Shares during the preceding two years:**

Except as disclosed in paragraph (a) above, our Company has not any made issuances of Equity Shares since its incorporation.

(e) The table below sets out details of the Equity Shares issued by our Company at a price which may be lower than the Issue Price during a period of one year preceding the date of this Draft Letter of Offer.

Date of allotment/ transaction	Number of Equity Shares	Name of allottee(s)	Face value (₹)	Issue price (₹)	Reasons for allotment	Whether allotment to Promoter(s) and/or members of the Promoter Group
February 17, 2017	1,55,23,870	New York Life International Holdings Ltd	10	78	Preferential allotment of Equity Shares to raise funds in order to meet growing business requirements	No
April 20, 2017	6,780	Eligible employees under ESOP 2016	10	10	Exercise of stock options under ESOP 2016	No

Date of allotment/ transaction	Number of Equity Shares	Name of allottee(s)	Face value (₹)	Issue price (₹)	Reasons for allotment	Whether allotment to Promoter(s) and/or members of the Promoter Group
May 25, 2017	34,48,894	Siva Enterprises Private Limited	10	78	Consequent upon conversion of warrants allotted on preferential basis	Yes
August 21, 2017	1,77,300	Eligible employees under ESOP 2016	10	25	Exercise of stock options under ESOP 2016	No
August 21, 2017	37,253	Eligible employees under ESOP 2016	10	10	Exercise of stock options under ESOP 2016	No

2. **Promoters' Contribution and Lock-in**

The present Issue being a rights issue, as per Regulation 34(c) of the SEBI (ICDR) Regulations, the requirement of promoters' contribution and lock-in are not applicable.

3. **Build-up of Promoters' Shareholding**

(a) The aggregate shareholding of the Promoters and details of the allotment/purchase/sale in the course of the build-up of the Promoters' shareholding from the inception of our Company is set forth in the table below:

Nature of Issue	Date of Allotment/ Purchase/Sale/ Transfer/making Shares Fully Paid up	Number of shares allotted / purchased / sold/ transferred	Consideration (Cash/Consideration other than Cash)	Issue / Purchase/sale price	Face Value (₹)	Cumulative Number of Shares held by Promoter
A. Mr. Analjit Singh						
Allotment under Scheme of Arrangement	March 7, 2016	11,75,357	Consideration - other than cash	-	10	11,75,357
B. Ms. Neelu Analjit Singh						
Allotment under Scheme of Arrangement	March 7, 2016	20,000	Consideration - other than cash	-	10	20,000
C. Ms. Piya Singh						
Allotment under Scheme of Arrangement	March 7, 2016	22,066	Consideration - other than cash	-	10	22,066
D. Mr. Veer Singh						
Allotment under Scheme of Arrangement	March 7, 2016	20,100	Consideration - other than cash	-	10	20,100
E. Ms. Tara Singh Vachani						
Allotment under Scheme of Arrangement	March 7, 2016	20,000	Consideration - other than cash	-	10	20,000
F. Liquid Investment and Trading Company Private Limited						
Allotment under Scheme of Arrangement	March 7, 2016	47,63,774	Consideration - other than cash	-	10	47,63,774
G. Mohair Investment and Trading Company Private Limited						
Allotment under Scheme of Arrangement	March 7, 2016	16,17,312	Consideration - other than cash	-	10	16,17,312
Acquired under scheme of amalgamation of Boom Investments Private Limited (with shareholding in the Company at the time) with Mohair Investment	December 2, 2016	11,20,802	Consideration - other than cash	-	10	27,38,114

Nature of Issue	Date of Allotment/ Purchase/Sale/ Transfer/making Shares Fully Paid up	Number of shares allotted / purchased / sold/ transferred	Consideration (Cash/Consideration other than Cash)	Issue / Purchase/sale price	Face Value (₹)	Cumulative Number of Shares held by Promoter
and Trading Company Private Limited						
H. Max Ventures Investment Holdings Private Limited						
Allotment under Scheme of Arrangement	March 7, 2016	35,09,233	Consideration - other than cash	-	10	35,09,233
Acquired under composite scheme of capital reduction and amalgamation of Medicare Investments Limited, Maxopp Investments Limited, Cheminvest Limited, Pen Investments Limited, P.V.T. Investment Limited, Pivet Finances Limited, Maxpak Investment Limited and Moav Investment Limited (all with shareholding in the Company at the time) with Max Ventures Investment Holdings Private Limited	September 30, 2016	93,05,907	Consideration - other than cash	-	10	1,28,15,140
Open market purchase	December 1, 2016	2,90,360	Cash	55.74	10	1,31,05,500
I. Siva Enterprises Private Limited						
Acquired through open offer	October 21, 2016	573	Cash	55.40	10	573
Open market purchase	November 30, 2016	17,78,940	Cash	50.50	10	17,79,513
Open market purchase	November 30, 2016	35,018	Cash	49.93	10	18,14,531
Open market purchase	November 30, 2016	1,05,000	Cash	48.81	10	19,19,531
Open market purchase	November 30, 2016	1,710	Cash	50.00	10	19,21,241
Open market purchase	December 2, 2016	3,00,000	Cash	55.37	10	22,21,241
Open market purchase	March 27, 2017	1,12,363	Cash	88.00	10	23,33,604
Open market purchase	March 27, 2017	100	Cash	87.95	10	23,33,704
Open market purchase	March 29, 2017	28,000	Cash	92.97	10	23,61,704
Conversion of warrants	May 25, 2017	34,48,894	Cash	78.00	10	58,10,598

(b) No Equity Shares have been pledged by the Promoters. 34,48,894 Equity Shares held by Siva Enterprises Private Limited, one of our Promoters are locked-in upto August 1, 2020.

4. **Pre and post Issue shareholding of Promoters:**

Name of Shareholder	Pre-Issue		Post-Issue*	
	Number of Equity shares	Percentage (in %)	Number of Equity Shares	Percentage (in %)
Mr. Analjit Singh	11,75,357	1.62	[●]	[●]
Ms. Neelu Analjit Singh	20,000	0.03	[●]	[●]
Ms. Piya Singh	22,066	0.03	[●]	[●]
Mr. Veer Singh	20,100	0.03	[●]	[●]
Ms. Tara Singh Vachani	20,000	0.03	[●]	[●]
Mr. Sahil Vachani	Nil	Nil	[●]	[●]
Liquid Investment and Trading Company Private Limited	47,63,774	6.56	[●]	[●]

Name of Shareholder	Pre-Issue		Post-Issue*	
	Number of Equity shares	Percentage (in %)	Number of Equity Shares	Percentage (in %)
Mohair Investment and Trading Company Private Limited	27,38,114	3.77	[●]	[●]
Max Ventures Investment Holdings Private Limited	1,31,05,500	18.04	[●]	[●]
Siva Enterprises Private Limited	58,10,598	8.00	[●]	[●]
Total	**2,76,75,509**	**38.10**	**[●]**	**[●]**

** To be determined at the time of filing of the Letter of Offer.*

5. **Shareholding Pattern**

(a) The table below presents our equity shareholding patterns as per the provisions of Regulation 31 of SEBI Listing Regulations as on February 9, 2018:

(I)(a)	**Statement Showing Shareholding Pattern**									
	Name of the Company:	**MAX VENTURES AND INDUSTRIES LIMITED**								
Category code (I)	**Category of Shareholder (II)**	**Number of Shareholders (III)**	**Total number of shares (IV)**	**Number of shares held in dematerialized form (V)**	**Total shareholding as a percentage of total number of shares**		**Shares pledged or otherwise encumbered**			
					As a percentage of(A+B) (VI)	**As a percentage of (A+B+C) (VII)**	**No. of shares pledged**	**No. of shares encumbered**	**Total (VIII)**	**As a percentage (IX)= (VIII)/(IV)* 100**
(A)	**Shareholding of Promoter and Promoter Group**									
1	**Indian**									
(a)	Individuals/ Hindu Undivided Family	6	12,89,023	12,89,023	1.78	1.78	-	-	-	-
(b)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	4	2,64,17,986	2,64,17,986	36.36	36.36	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-	-	-	-
(e)	Any Others	-	-	-	-	-	-	-	-	-
(e-i)		-	-	-	-	-	-	-	-	-
(e-ii)		-	-	-	-	-	-	-	-	-
	Sub Total(A)(1)	10	2,77,07,009	2,77,07,009	38.14	38.14	-	-	-	-
2	**Foreign**									
a	Individuals (Associates of Labroo Family) (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-	-	-	-
b	Bodies Corporate	-	-	-	-	-	-	-	-	-
c	Institutions	-	-	-	-	-	-	-	-	-
d	Any Others(Specify)	-	-	-	-	-	-	-	-	-
d-i		-	-	-	-	-	-	-	-	-
d-ii		-	-	-	-	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of	10	2,77,07,009	2,77,07,009	38.14	38.14	-	-	-	-

(I)(a)	Statement Showing Shareholding Pattern									
	Name of the Company:	MAX VENTURES AND INDUSTRIES LIMITED								
Category code (I)	Category of Shareholder (II)	Number of Shareholders (III)	Total number of shares (IV)	Number of shares held in dematerialized form (V)	Total shareholding as a percentage of total number of shares		Shares pledged or otherwise encumbered			
					As a percentage of(A+B) (VI)	As a percentage of (A+B+C) (VII)	No. of shares pledged	No. of shares encumbered	Total (VIII)	As a percentage (IX)= (VIII)/(IV)* 100
	Promoter and Promoter Group (A)= (A)(1)+(A)(2)									
(B)	**Public shareholding**									
1	**Institutions**									
(a)	Mutual Funds/ UTI	7	1195493	1195413	1.65	1.65	-	-	-	-
(b)	Financial Institutions / Banks	12	213230	210580	0.29	0.29	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors	15	2215255	2215255	3.05	3.05				
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Any Others (Foreign Banks)	2	16005970	16005970	22.03	22.03				
(h-i)	Trusts	-	-	-	-	-	-	-	-	-
(h-ii)		-	-	-	-	-	-	-	-	-
	Sub-Total (B)(1)	36	19629948	19627218	27.02	27.02	-	-	-	-
B 2	**Non-institutions**									
(a)	Bodies Corporate	834	3504866	3493271	4.82	4.82	-	-	-	-
(b)	Individuals									
I	Individuals -i. Individual shareholders holding nominal share capital up to ₹ 2 lakh	37420	13111072	12814743	18.05	18.05	-	-	-	-
II	ii. Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	112	7172592	7055433	9.87	9.87	-	-	-	-
(c)	Any Other									
(c-i)	Director & Relatives (Not in control of the Company)	2	57167	56167	0.08	0.08	-	-	-	-
(c-ii)	Trusts	4	5481	5481	0.01	0.01	-	-	-	-
(c-iii)	NRI's/ OCB	769 1	1458670 1300	1455206 1300	2.01 0.00	2.01 0.00	-	-	-	-
	Sub-Total (B)(2)	39142	25311148	24881601	34.84	34.84	-	-	-	-
(B)	**Total Public Shareholding (B)=**	39178	44941096	44508819	61.86	61.86	-	-	-	-

(I)(a)	Statement Showing Shareholding Pattern									
	Name of the Company:	**MAX VENTURES AND INDUSTRIES LIMITED**								
Category code (I)	**Category of Shareholder (II)**	**Number of Shareholders (III)**	**Total number of shares (IV)**	**Number of shares held in dematerialized form (V)**	**Total shareholding as a percentage of total number of shares**		**Shares pledged or otherwise encumbered**			
					As a percentage of(A+B) (VI)	**As a percentage of (A+B+C) (VII)**	**No. of shares pledged**	**No. of shares encumbered**	**Total (VIII)**	**As a percentage (IX)= (VIII)/(IV)* 100**
	(B)(1)+(B)(2)									
	TOTAL (A)+(B)	39188	72648105	72215828	100.00	100.00	-	-	-	-
(C)	Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	39188	72648105	72215828	100.00	100.00	-	-	-	-

(b) The aggregate holding of the Promoters and Promoter Group of our Company as on February 9, 2018 is as under:

S. No.	Name	Number of equity shares held	Percentage (%) of the current paid up capital of our Company
Promoters			
1.	Mr. Analjit Singh	11,75,357	1.62
2.	Ms. Neelu Analjit Singh	20,000	0.03
3.	Ms. Piya Singh	22,066	0.03
4.	Mr. Veer Singh	20,100	0.03
5.	Ms. Tara Singh Vachani	20,000	0.03
6.	Mr. Sahil Vachani	Nil	Nil
7.	Liquid Investment and Trading Company Private Limited	47,63,774	6.56
8.	Mohair Investment and Trading Company Private Limited	27,38,114	3.77
9.	Max Ventures Investment Holdings Private Limited	1,31,05,500	18.04
10.	Siva Enterprises Private Limited	58,10,598	8.00
	TOTAL (A)	**2,76,75,509**	**38.10**
Promoter Group			
1	Mr. Ravi Vachani	31,500	0.04
	TOTAL (B)	31,500	0.04
	TOTAL (A+B)	**2,77,07,009**	**38.14**

6. The table below sets forth the Equity Shares held in our Company by our Directors or Key Managerial Personnel or the directors of our Promoters as on February 9, 2018 is as under:

S. No.	Name	Number of Equity Shares	Percentage of the Equity Share capital
Directors			
1.	Mr. Analjit Singh	11,75,357	1.62
2.	Mr. Mohit Talwar	56,167	0.08
3.	Mr. K. Narasimha Murthy	1,000	Negligible
Key Managerial Personnel			
1.	NIL	NIL	NIL
Directors of Mohair Investment and Trading Company Private Limited			
1.	Mr. Analjit Singh	11,75,357	1.62
2.	Ms. Piya Singh	22,066	0.03
3.	Mr. Bishwajit Das	21	Negligible

S. No.	Name	Number of Equity Shares	Percentage of the Equity Share capital
Directors of Max Ventures Investment Holdings Private Limited			
1.	Mr. Analjit Singh	11,75,357	1.62
2.	Ms. Piya Singh	22,066	0.03
Directors of Siva Enterprises Private Limited			
1.	Ms. Tara Singh Vachani	20,000	0.03
Directors of Liquid Investment and Trading Company Private Limited			
1.	Mr. Analjit Singh	11,75,357	1.62

7. None of our Directors, immediate relatives of Directors, Promoter Group and directors of our Promoters have, during the period of six months preceding the date on which this Draft Letter of Offer is filed with SEBI, have sold or purchased any Equity Shares.

8. During the period of 6 (six) months immediately preceding the date of filing of this Draft Letter of Offer with SEBI, our Promoters, Promoter Group, our Directors and their relatives and directors of our Promoters have not financed the purchase of Equity Shares by any other person.

9. **Top ten (10) shareholders**

   The list of our top 10 shareholders and the number of Equity Shares held by them is provided below:

   (a) Our top 10 shareholders as on February 9, 2018 are as follows:

S. No.	Name of shareholder	No. of Equity Shares	Percentage of pre-Issue equity share capital (in %)
1.	New York Life International Holdings Ltd	1,55,23,870	21.37
2.	Max Ventures Investment Holdings Private Limited	1,31,05,500	18.04
3.	Siva Enterprises Private Limited	58,10,598	8.00
4.	Liquid Investment and Trading Company Private Limited	47,63,774	6.56
5.	Mohair Investment and Trading Company Private Limited	27,38,114	3.77
6.	Mr. Analjit Singh	11,75,357	1.62
7.	New York Life Insurance Company	10,30,821	1.42
8.	Mauryan First	4,82,100	0.66
9.	India Insight Value Fund	4,80,000	0.66
10.	Reliance Capital Trustee Company Limited	4,60,000	0.63
Total		**4,55,70,134**	**62.73**

   (b) Our top 10 shareholders as on February 2, 2018 are as follows:

S. No.	Name of shareholder	No. of Equity Shares	Percentage of pre-Issue equity share capital (in %)
1.	New York Life International Holdings Ltd	1,55,23,870	21.37
2.	Max Ventures Investment Holdings Private Limited	1,31,05,500	18.04
3.	Siva Enterprises Private Limited	58,10,598	8.00
4.	Liquid Investment and Trading Company Private Limited	47,63,774	6.56
5.	Mohair Investment and Trading Company Private Limited	27,38,114	3.77
6.	Mr. Analjit Singh	11,75,357	1.62
7.	New York Life Insurance Company	10,30,821	1.42
8.	Mauryan First	4,82,100	0.66
9.	India Insight Value Fund	4,80,000	0.66
10.	Reliance Capital Trustee Company Limited	4,60,000	0.63
Total		**4,55,70,134**	**62.73**

   (c) Our top shareholders as on February 14, 2016 were as follows:

S. No.	Name of shareholder	No. of Equity Shares	Percentage of Equity Share capital

S. No.	Name of shareholder	No. of Equity Shares	Percentage of Equity Share capital
1.	Max Financial Services Limited (Formerly known as Max India Limited)	49,994	99.99
2.	Rahul Ahuja *	1	Negligible
3.	Pradeep Pal Chadha*	1	Negligible
4.	Jatin Khanna*	1	Negligible
5.	Dilbhagh Singh Narang *	1	Negligible
6.	Venkataraman Krishnan *	1	Negligible
7.	M.G. Rajagopalan *	1	Negligible
Total		**50,000**	**100.00**

** Equity Shares held as nominees of Max Financial Services Limited.*

10. As on February 9, 2018, details of public shareholders holding more than 1% of pre-Issue share capital of our Company are set out below:

S. No.	Name of the shareholder	No. of Equity Shares	Percentage of the paid up capital
1.	New York Life International Holdings Ltd	1,55,23,870	21.36
2.	New York Life Insurance Company	10,30,821	1.42
Total		**1,65,54,691**	**22.78**

11. Other than as disclosed above, none of the entities with which our Directors are associated as promoters, directors, partners, proprietors or trustees, hold any Equity Shares.

12. Our Company, the Promoters, the Directors and the Lead Manager have not entered into any buy-back and/or standby and/or safety net arrangements for the purchase of Equity Shares through this Issue from any person.

13. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Letter of Offer with SEBI until the Equity Shares to be issued pursuant to the Issue have been listed, except for any issuance of Equity Shares under ESOP 2016.

14. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

15. We shall comply with such disclosures and accounting norms as may be specified by SEBI from time to time.

16. As on February 9, 2018, there are 39,188 Equity shareholders.

17. There are no partly paid up Equity Shares in our Company. All the Equity Shares are fully paid up. Further, the Rights Equity Shares, when issued, shall be fully paid-up.

18. We have not issued any Equity Shares out of revaluation reserves.

19. **Employee Stock Option Plan**

    The Composite Scheme of Arrangement, *inter alia*, provided that with respect to the stock options granted by the MFSL to its employees under its then existing ESOP 2006 (irrespective of whether the said employees continue to be employees of MFSL or not or become the employees of the Company upon the demerger), the said employees of MFSL were issued one stock option by our Company with a face value of ₹ 10 each under the new scheme for every five (5) stock options held in MFSL with a face value of ₹ 2 each, whether the same are vested or not, on the terms and conditions similar to ESOP 2006. Accordingly, the Board in its meeting held on May 10, 2016, approved and adopted the existing employee stock option scheme of MFSL as an employee stock option scheme of our Company and named it as "MAX VENTURES AND INDUSTRIES EMPLOYEE STOCK PLAN – 2016" ("**ESOP 2016**"). For details of ESOP 2006, see "*Financial Statements*" on page 276.

The shareholders of our Company in the meeting held on September 27, 2016, effective April 1, 2016, approved ESOP 2016 which is aimed at attracting key employees of the Company and inducing key employees to remain with the Company, and encourage them to increase their efforts to make the Company's business more successful, by rewarding the eligible employees with equity based stock options ("Options"). The ESOP 2016 provides for grant of Options to eligible employees as identified by the Nomination and Remuneration Committee ("NR Committee") from time to time, at a price to be determined by the NR Committee. The ESOP 2016 is administered directly by the Company

The eligible employees under the ESOP 2016 are all employees of our Company, except employees who are part of the Promoter or Promoter Group or a Director who either himself or through his relative or through anybody corporate, directly or indirectly, holds more than 10% of the outstanding shares of our Company.

For details of number of Equity Shares allotted pursuant to the Scheme, please see section titled "*Capital Structure*" on page 65.

S.R. Batliboi & Co. LLP pursuant to their certificate dated February 14, 2018, have confirmed that ESOP 2016 is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

The details of ESOP 2016 are as follows:

Particulars	**Details for Period/Fiscal year,**		**During the period April 1, 2017 to September 30, 2017**	**Cumulative till September 30, 2017**
	2016	**2017**		
Options granted	Nil	Nil	Nil	Nil
Pricing formula	As determined by Nomination and Remuneration Committee from time to time			
Options vested (excluding options that have been exercised)	2,130	1,130	Nil	Cumulative till 30th Sep. 2017 3,260
Options exercised	Nil*	57,208	2,21,333	2,78,541
Total number of Equity Shares arising as a result of exercise of options	Nil	57,208	2,21,333	2,78,541
Options forfeited/ lapsed/ cancelled	Nil**	Nil	Nil	Nil
Variation of terms of options	NA	NA	NA	NA
Money realised by exercise of options (in Rs.)	Nil	572,080	48,72,830	54,44,910
Total number of options in force	5,00,711	4,43,503	2,22,170	
Employee-wise details of options granted to:				
(i) Senior managerial personnel, i.e., Directors and key management personnel	Refer Note 1			
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	Nil	Nil	Nil	Nil
(iii) Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant	Nil	Nil	Nil	Nil

Particulars	Details for Period/Fiscal year,		During the period April 1, 2017 to September 30, 2017	Cumulative till September 30, 2017
	2016	2017		
Fully-diluted EPS on a pre-Issue basis on exercise of options calculated in accordance with Ind AS – 33 " Earnings Per Share"	Nil	Nil	Nil	Nil
Difference, if any, between employee compensation cost calculated using the intrinsic value of the stock options and the employee compensation cost calculated on the basis of fair value of stock options and impact on:	Nil	Nil	Nil	Nil
Profits of the Company (Rs. In lakhs) (as per Restated Standalone Financial Statements)	270.51	(270.08)	6306.86	
Basic EPS (Rs.)	0.51	(0.49)	8.83	
Anti-Diluted/ Diluted EPS (Rs.)	0.50	(0.49)	8.65	
Weighted average exercise price of options as on the date of grant whose:			NA	
Exercise price equals market price of stock	NA	NA	NA	
Exercise price exceeds market price of stock	NA	NA	NA	
Exercise price is less than market price of stock	NA	NA	NA	
Weighted average fair values of options as on the date of grant whose:	NA	NA	NA	
Exercise price equals market price of stock	NA	NA	NA	
Exercise price exceeds market price of stock	NA	NA	NA	
Exercise price is less than market price of stock	NA	NA	NA	
A description of the method and significant assumptions used during the year to estimate the fair values of options, including weighted average information, namely,	NA	NA	NA	
Risk free interest rate	NA	NA	NA	
Expected life	NA	NA	NA	
Expected volatility	NA	NA	NA	
Expected dividends				
Price of underlying share in the market at the time of grant of option (Rs.)	NA	NA	NA	
Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the SEBI ESOP Regulations in respect of options granted in the last three years	NA	NA	NA	
Pursuant to issuance of Equity Shares under ESOP 2016:				
Anti-Diluted/ Diluted EPS (Rs.)	0.50	(0.49)	8.65	
Consideration received against issuance of shares (Rs. Lakhs)	Nil	5.72	48.73	54.45

Particulars	Details for Period/Fiscal year,		During the period April 1, 2017 to September 30, 2017	Cumulative till September 30, 2017
	2016	2017		
Aggregate number of Equity Shares intended to be sold by the holders of Equity Shares allotted on exercise of options granted under ESOP 2016, within three months after the date of listing of the Equity Shares pursuant to the Issue.	NA	NA	NA	NA
Quantum of Equity shares arising out of or allotted under the ESOP Scheme intended to be sold within three months after the date of listing, by Directors, senior managerial personnel and employees having Equity shares issued under the ESOP 2016 amounting to more than 1% of the issued capital of our Company	NA	NA	NA	NA

** 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.*
***Arising from the Composite Scheme of Arrangement involving Max Financial Services Limited, Max India Limited and Max Ventures and Industries Limited approved by the High Court of Punjab and Haryana on December 14, 2015.*

Note 1: The details of stock options granted to our Director is as follows:

Name of the Director	Date of grant by Max Financial Services Limited	No. of Options in the Company	Exercise price per option for per equity share of ₹ 10 each	Original Vesting Schedule
Mr. Mohit Talwar	August 18, 2012	2,286	10	2,286 options on August 18, 2016
	April 1, 2013	3,800	10	1,900 options on April 1, 2016 1,900 options on April 1, 2017
	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
	December 12, 2014	88,600	25	Bullet vesting on March 31, 2020*
	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

* Nomination and remuneration committee by circular resolution dated August 9, 2017 approved the acceleration of the vesting of 88,600 unvested options as per revised schedule detailed hereunder:

Immediate vesting on August 9, 2017	44,300
Vesting on December 1, 2018	22,150
Vesting on December 1, 2019	22,150

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

b) During the period ended September 30, 2017, the Nomination and remuneration committee by circular resolution passed on April 20, 2017 and August 21, 2017 has allotted 4,780 equity shares of ₹ 10 at an exercise price of ₹ 10 per equity share and 44,300 equity shares of ₹ 10 at an exercise price of ₹ 25 per equity share, respectively to Mr. Mohit Talwar.

Details of number of Equity Shares issued in ESOP 2016:

S. No	Name	Designation	Number of Equity Shares issued	Issue price
Senior managerial personnel				
1.	Refer note 1 above			
Any other employee who is issued Equity Shares in any one year amounting to 5% or more Equity Shares during that year				
1.	NIL			
Identified employees who were issued Equity Shares during any one year equal to or exceeding 1% of the issued capital of our Company at the time of issuance				
1.	NIL			

Following are the details of all options granted in the three years preceding September 30, 2017:

Scheme	Grant	Number of Options Vested			Number of shares allotted on exercise of Options		
		Period/Fiscal Year ended on 2016	Fiscal Year ended on 2017	During the period April 1, 2017 to September 30, 2017	Fiscal Year ended on 2016	Fiscal Year ended on 2017	During the period April 1, 2017 to September 30, 2017
ESOP Scheme	5,00,711	2,130	56,208	220,203	-	57,208	221,333

Following are the details of all Equity Shares issued pursuant to the ESOP 2016 since the date of first issuance of Equity Shares pursuant to the ESOP Scheme, being 2,78,541 until September 30, 2017:

Year/Period	Aggregate Number of Equity Shares Issued pursuant to ESOP Scheme	Highest Price at which Equity Shares Issued for Year	Lowest Price at which Equity Shares Issued for Year
During the period April 1, 2017 to September 30, 2017	221,333	25	10
Fiscal Year ended on 2017	57,208	10	10
Fiscal Year ended on 2016	Nil	Nil	Nil

20. We do not have any intention, proposal, negotiations or consideration to alter our capital structure by way of split / consolidation of the denomination of the Equity Shares, or issue of Equity Shares on a preferential basis or issue of bonus or stock options under ESOP 2016 or further public issue of shares or any other securities or qualified institutional placement, within a period of six months from completion of Issue except ESOPs. However, in the event we enter into acquisitions or joint ventures or enter into strategic or new investments, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares for participation in such acquisitions or joint ventures or to use such shares as consideration for such joint ventures.

21. Neither the Lead Manager nor its associates hold any Equity Shares.

22. There are no outstanding financial instruments or any other right that may entitle any person to receive any Equity Shares in our Company, except for the stock options granted under ESOP 2016.

23. All preferential allotments of securities made by our Company after being listed are in accordance with applicable laws and regulations.

24. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

25. The ex-rights price of the Equity Shares as per Regulation 10(4)(b)(ii) of the Takeover Regulations is ₹ [●].

26. The Issue will remain open for at least 15 days. The Board or a duly authorized committee thereof will have

the right to extend the Issue period as it may determine from time to time, provided that the Issue will not be kept open in excess of 30 days from the Issue Opening Date.

27. Our Promoters alongwith Mr. Ravi Vachani, a member of our Promoter Group, have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue. In addition to subscription to their Rights Entitlements, the Promoters have further confirmed that they intend to subscribe to additional Rights Equity Shares for any unsubscribed portion in the Issue, subject to aggregate shareholding of the Promoters and Promoter Group not exceeding 75% of the post Issue capital of our Company.

OBJECTS OF THE ISSUE

We intend to utilize the Net Proceeds towards funding the following objects:

1. Investment in Max Estates Limited, one of our Subsidiaries, for pre-payment / repayment of loan availed by WZBPL, one of our Subsidiaries;

2. Investment in Max Estates Limited, one of our Subsidiaries, for further investment in WZBPL, one of our Subsidiaries, for construction and completion of Max Towers in the Delhi One Project;

3. Investment in Max Estates Limited, one of our Subsidiaries, for purchase of interest in property and a portion of the land at Max House ("**Okhla Project**") from Pharmax Corporation Limited; and

4. General corporate purposes.

The main objects of our Memorandum of Association and the objects incidental or ancillary to the main objects enable our Company to undertake its existing activities. The purpose for which the funds are being raised through the Issue fall within the main objects of our Memorandum of Association.

Proceeds of the Issue

The details of the Issue Proceeds are as follows:

Particular	Estimated Amount (₹ Lakhs)
Gross proceeds to be raised through the Issue ("**Issue Proceeds**")	45,000.00
Issue expenses	[●]*
Net proceeds of the Issue after deducting the Issue related expenses from the Issue Proceeds ("**Net Proceeds**")	[●]*

**To be determined on finalization of the Issue Price and updated at the time of filling of Letter of Offer with the Stock Exchanges.*

Utilization of Net Proceeds

Our Company intends to utilize the Net Proceeds in accordance with the table given below:

S. No.	Particulars	Total Estimated Amount (₹ Lakhs)
1.	Investment in Max Estates Limited, one of our Subsidiaries, for pre-payment / repayment of loan availed by WZBPL, one of our Subsidiaries	25,000.00
2.	Investment in Max Estates Limited, one of our Subsidiaries, for further investment in WZBPL, one of our Subsidiaries, for construction and completion of Max Towers in the Delhi One project	7,525.00
3.	Investment in Max Estates Limited, one of our Subsidiaries, for purchase of interest in property and a portion of the land at Max House (Okhla Project) from Pharmax Corporation Limited	2,475.00
4.	General corporate purposes	[●]*
	Total	[●]*

**To be determined on finalization of the Issue Price and updated at the time of filling of Letter of Offer with the Stock Exchanges.*

Proposed Schedule of Implementation, Deployment of Funds and Means of Finance

We propose to deploy the Net Proceeds in accordance with the estimated schedule of implementation and deployment of funds set forth in the table below. As on the date of this Draft letter of Offer, our Company has not deployed any funds towards the Objects of this Issue, except for the object on 'investment in Max Estates Limited, one of our Subsidiaries, for further investment in WZBPL, one of our Subsidiaries, for construction and completion of Max Towers in the Delhi One Project', wherein ₹ 7,728.45 lakhs has already been incurred as on February 5, 2018.

S. No.	Particulars	Total Estimated Cost	Amount deployed till February 5, 2018	Amount to be financed from existing identifiable internal accrual**	Amount to be financed from secured loans	Amount proposed to be funded from Net Proceeds	Proposed Schedule for deployment of the Net Proceeds (₹ Lakhs)	Proposed Schedule for deployment of the Net Proceeds (₹ Lakhs)	Proposed Schedule for deployment of the Net Proceeds (₹ Lakhs)
							FY 2018-19	FY 2019-20	FY 2020-21
1.	Investment in Max Estates Limited, one of our Subsidiaries, for pre-payment / repayment of loan availed by WZBPL, one of our Subsidiaries	25,000.00	Nil	Nil	Nil	25,000.00	25,000.00	Nil	Nil
2.	Investment in Max Estates Limited, one of our Subsidiaries, for further investment in WZBPL, one of our Subsidiaries, for construction and completion of Max Towers in the Delhi One Project	34,629.14	7,728.45	4,375.69	15,000.00	7,525.00	5,000.00	2,525.00	Nil
3.	Investment in Max Estates Limited, one of our Subsidiaries, for purchase of interest in property and a portion of the land at Max House (Okhla Project) from Pharmax Corporation Limited	2,750.00	Nil	275.00	Nil	2,475.00	825.00	825.00	825.00
4.	General corporate	[●]	Nil	Nil	Nil	[●]	[●]	[●]	[●]

S. No.	Particulars	Total Estimated Cost	Amount deployed till February 5, 2018	Amount to be financed from existing identifiable internal accrual**	Amount to be financed from secured loans	Amount proposed to be funded from Net Proceeds	Proposed Schedule for deployment of the Net Proceeds (₹ Lakhs)	Proposed Schedule for deployment of the Net Proceeds (₹ Lakhs)	Proposed Schedule for deployment of the Net Proceeds (₹ Lakhs)
							FY 2018-19	FY 2019-20	FY 2020-21
	purposes*								
	Total	**[●]**				**[●]**	**[●]**	**[●]**	**[●]**

**To be determined on finalization of the Issue Price and updated at the time of filling of Letter of Offer with the Stock Exchanges.*
****** *As per the certificate dated February 14, 2018 from K. K. Mankeshwar & Co., Chartered Accountants.*

The above-stated fund requirements and the proposed deployment of funds for pre-payment and/or repayment of loans and other general corporate purposes from the Net Proceeds are based on internal management estimates based on current market conditions and have not been appraised by any bank or financial institution or other independent agency. For details, see "*Risk Factors – Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised, and may be subject to change based on various factors, some of which are beyond our control*" on page 28.

Given the nature of our business, we may have to revise our fund deployment and requirements on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions and competitive environment, which may not be within the control of our management. In view of the dynamic and competitive business environment in which our Company and our Subsidiaries operate, we may have to revise our capital infusion plans. This may include rescheduling of our investments or increasing or decreasing the capital allocation out of the Net Proceeds to our Subsidiaries, in line with the requirements of the business and at the discretion of our management, in accordance with applicable laws.

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects of the Issue, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the aforementioned objects. In case of a shortfall of Net Proceeds, our management may explore alternate means for shortfall, including utilization of internal accruals or further financing, subject to applicable laws.

Details of the Objects of the Issue:

The details in relation to the objects of the Issue are set forth herein below.

1. Investment in Max Estates Limited, one of our Subsidiaries, for pre-payment / repayment of loan availed by WZBPL, one of our Subsidiaries

We intend to utilise a part of the Net Proceeds amounting to ₹ 25,000 lakhs to make an investment in Max Estates Limited, one of our Subsidiaries. It is proposed that Max Estates Limited will thereafter invest ₹ 25,000 lakhs in WZBPL, one of our Subsidiaries. The investment by our Company in Max Estates Limited shall be either in the form of debt or equity, and will be finalized prior to the filing of the Letter of Offer. The investment in WZBPL will be used for pre-payment / repayment of a loan of ₹ 25,000 lakhs availed by WZBPL from IDFC Bank Limited to repay Piveta Estates Private Limited towards the cancellation agreement for commercial towers situated at Max Towers located in the Delhi One campus, Noida. WZBPL has utilised the loan to refund ₹ 24,510 lakhs pursuant to agreement.

The following table sets down the details of the loan availed by WZBPL:

S.	Lender	Nature /	Repayment	Security	Prepayment	Rate of	Amount (₹ Lakhs)

No.		Purpose of the loan[1]			Penalty	Interest *(per annum)*	Sanctioned	Outstanding as on February 5, 2018
1.	IDFC Bank Limited	Sanction letter dated January 19, 2018 (Term loan agreement dated January 30, 2018) to finance its payment made for the transfer of rights for certain commercial towers as part of the Max Towers of the Delhi One project	To be repaid before August 14, 2018. WZBPL has the option to prepay the loan by giving at least 30 days' prior notice	1. First *pari passu* charge on WZBPL's immovable and movable fixed assets for the Delhi One project; 2. Corporate guarantee by our Company; 3. Corporate guarantee by Max Estates Limited; and 4. Pledge on 30% of the equity shares of WZBPL and non-disposal undertaking for another 21% of the equity shares of WZBPL.	Nil	Spread (1.05% *per annum*) plus IDFC Bank 6 months MCLR, amounting to 9.30% *per annum* presently	25,000	25,000

[1] *As per the certificate dated February 5, 2018 from Progressive Designs.*

Given the nature of the borrowing and the terms of repayment / pre-payment, the aggregate outstanding loan amount may vary from time to time.

Our Company is yet to enter into agreements, if any, with Max Estates Limited to make the equity or debt investment in this regard, and will finalize the mode of investment prior to the filing of the Letter of Offer. In the event of an equity investment is made by our Company in Max Estates Limited, our Company will benefit in the form of shareholding and dividend payments. In the event of a debt investment is made by our Company in Max Estates Limited, the details of the debt instrument, including rate of interest, nature of security and terms of payment will be decided and agreed between our Company and Max Estates Limited at the time of making such loan.

Our Company will remain interested in Max Estates Limited and will derive benefits from it, to the extent of its shareholding and any interest payments on such loan, as applicable. We believe that repayment / pre-payment of the loan will help reduce our consolidated outstanding indebtedness, debt servicing costs and leverage ratio and enable utilization of our accruals for further investment in business growth and expansion.

Means of Finance

Our Company proposes to meet the entire requirement of funds for this proposed object of the Issue from the Net Proceeds. Accordingly, the Company confirms that there is no requirement to make firm arrangements of finance through verifiable means for this object towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

2. Investment in Max Estates Limited, one of our Subsidiaries, for further investment in WZBPL, one of our Subsidiaries, for construction and completion of Max Towers in the Delhi One project

We intend to utilise a part of the Net Proceeds amounting to ₹ 7,525 lakhs to make an investment in Max Estates Limited, one of our Subsidiaries. It is proposed that Max Estates Limited will thereafter invest ₹ 7,525 lakhs in WZBPL, one of our Subsidiaries. The investment by our Company in Max Estates Limited shall be either in the form of debt or equity, and will be finalized prior to the filing of the Letter of Offer. The investment in WZBPL will be used for construction activities and completion to be carried out for Max Towers in Delhi One project. For details with respect to our Delhi One project, see "*Our Business*" on page 105.

Our Company is yet to enter into agreements, if any, with Max Estates Limited to make the investment in this regard, and will finalize the mode of investment prior to the filing of the Letter of Offer. In the event of an equity investment is made by our Company in Max Estates Limited, our Company will benefit in the form of shareholding and dividend payments. In the event of a debt investment is made by our Company in Max Estates Limited, the details of the debt instrument, including rate of interest, nature of security and terms of payment will be decided and agreed between our Company and Max Estates Limited at the time of making such loan. Our Company will remain interested in Max Estates Limited and will derive benefits from it, to the extent of its shareholding and any interest payments on such loan, as applicable.

Means of Finance

The project cost for this object is estimated to be ₹ 34,629.14 lakhs. Out of the ₹ 34,629.14 lakhs, our Company has already deployed ₹ 7,728.45 lakhs as on February 5, 2018, as certified by Progressive Designs by their certificate dated February 5, 2018. Further, Axis Bank has provided a sanction letter dated December 6, 2017 to our Company to finance ₹ 15,000 lakhs towards this project. ₹ 7,525 lakhs is proposed to be financed from Net Proceeds. Accordingly, the Company confirms that it has made firm arrangements of finance through verifiable means for this object towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

The following table provides a break-up of the project cost estimated to be ₹ 34,629.14 lakhs and an activity-wise schedule of completion of the project, as certified by Progressive Designs by their certificate dated February 5, 2018.

(in ₹ lakhs)

Activity / cost	Estimated cost to complete	Actual cost paid till February 5, 2018**	Balance cost to complete as on February 5, 2018	Estimated completion date*
Trade payables	13,611.26	4,488.15	9,123.11	Recognized as liabilities in the books of account, to be repayed from issue proceeds
Completion of Civil, MEP and Finishing	8,382.61	862.39	7,520.22	Quarter 4 – Fiscal 2019
Installation of Façade and equipment	7,834.42	1,741.27	6,093.15	Quarter 4 – Fiscal 2019
Finance and other costs	4,800.85	636.63	4,164.22	Quarter 4 – Fiscal 2019
Total	**34,629.14**	**7,728.45**	**26,900.70**	

* *The estimated timeline is mentioned for completion of activity. However, actual deployment of fund may be different due to retention money held or credit period availed by our Company.*
*** As per the certificate dated February 14, 2018 from K. K. Mankeshwar & Co., Chartered Accountants.*

Except as stated in the section titled "*Government and Other Approvals*" on page 368, no other regulatory approvals are pending at this stage for the completion of this object.

3. Investment in Max Estates Limited, one of our Subsidiaries, for purchase of interest in property and a portion of the land at Max House (Okhla Project) from Pharmax Corporation Limited

Max Estates Limited, one of our Subsidiaries, has entered into an agreement to sell dated July 14, 2017 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. Pharmax Corporation Limited is one of our Group Companies. The conveyance agreement is intended to be entered in to after the completion of the Issue. For details of the Okhla project, see

"*Our Business*" on page 105. We intend to utilise a part of the Net Proceeds amounting to ₹ 2,475 lakhs towards this object by making an investment in Max Estates Limited, one of our Subsidiaries. It is proposed that Max Estates Limited will thereafter invest ₹ 2,475 lakhs as per the terms of the agreement to sell dated July 14, 2017. Max Estates Limited, one of our Subsidiaries, intends to purchase the 50% portion of the building alongwith an undivided interest equivalent to 50% of the underlying land for the re-construction, development, planning and designing of the building. The investment by our Company in Max Estates Limited shall be either in the form of debt or equity, and will be finalized prior to the filing of the Letter of Offer. Except as stated in the section titled "*Government and Other Approvals*" on page 368, no other regulatory approvals are pending at this stage in this regard. Based on the valuation report as of March 31, 2017 and dated April 5, 2017 issued by CBRE South Asia Pvt. Ltd., the entire property and land is valued at approximately ₹ 5,270 lakhs.

Our Company is yet to enter into agreements, if any, with Max Estates Limited to make the investment in this regard, and will finalize the mode of investment prior to the filing of the Letter of Offer. In the event of an equity investment is made by our Company in Max Estates Limited, our Company will benefit in the form of shareholding and dividend payments. In the event of a debt investment is made by our Company in Max Estates Limited, the details of the debt instrument, including rate of interest, nature of security and terms of payment will be decided and agreed between our Company and Max Estates Limited at the time of making such loan. Our Company will remain interested in Max Estates Limited and will derive benefits from it, to the extent of its shareholding and any interest payments on such loan, as applicable.

Means of Finance

The cost for this object is estimated to be ₹ 2,750 lakhs. Out of the ₹ 2,750 lakhs, our Company intends to finance ₹ 275 lakhs towards this cost from its existing identifiable internal accruals. ₹ 2,475 lakhs is proposed to be financed from Net Proceeds. Accordingly, the Company confirms that it has made firm arrangements of finance through verifiable means for this object towards at least 75% of the stated means of finance, excluding the amount to be raised from the Issue and existing identifiable internal accruals.

4. General Corporate Purposes

We, in accordance with the policies set up by our Board, will have flexibility in utilizing the balance Net Proceeds, if any, for general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds, including but not restricted towards strategic initiatives and acquisitions, working capital requirements, investments into our Subsidiaries, strengthening of the marketing capabilities, as may be applicable, meeting ongoing general corporate exigencies or any other purposes as approved by our Board of Directors subject to compliance with the necessary regulatory provisions.

The quantum of utilization of funds towards the aforementioned purposes will be determined by our Board based on the amount actually available under the head 'General Corporate Purposes' and the business requirement of our Company, from time to time.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, which are not applied to the other purposes set out above.

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object, *i.e.*, the utilization of Net Proceeds. In case of a shortfall in Net Proceeds, our management may explore a range of options including utilizing our existing identifiable internal accruals or seeking debt from future lenders, subject to compliance with applicable laws. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes.

Interim use of funds

Pending utilization for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds only in scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as amended, in compliance with the investment policies approved by the Board from time to time. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the funds from the Net Proceeds for trading or dealing in the equity or equity linked securities of other listed companies pending utilization of Net Proceeds.

Issue Related Expenses

The estimated Issue related expenses are as under:

Activity	Amount (₹ Lakhs)	% of the Estimated Issue Expenses	% of total Issue Size
Lead management fees (including underwriting fee)	[●]	[●]	[●]
Fees to the legal advisor	[●]	[●]	[●]
Registrar's fees	[●]	[●]	[●]
Printing and distribution expenses	[●]	[●]	[●]
Others (SEBI and Stock Exchanges' filing fees, depository charges, listing fees, *etc.*)	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

**Amount will be finalized at the time of filing the Letter of Offer and determination of Issue Price and other details.*

Appraisal

None of the Objects have been appraised by any bank or financial institution or any other independent third-party organization. The funding requirements of our Company and the deployment of the Net Proceeds are currently based on management estimates. The funding requirements of our Company are dependent on a number of factors which may not be in the control of our management, including variations in interest rate structures, changes in our financial condition and current commercial conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy.

Bridge Financing Facilities

The Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds. However, depending upon business requirements, the Company may consider raising bridge financing facilities including any other short-term instrument like NCDs, commercial papers, *etc.*, pending receipt of the Net Proceeds.

Monitoring Utilization of Funds

Our Company shall appoint a monitoring agency for the Issue prior to the filing of the Letter of Offer. Our Board will monitor the utilisation of the proceeds of the Issue. We will disclose the utilisation of the proceeds of the Issue under a separate head along with details, for all such proceeds of the Issue that have not been utilised, as is required under applicable laws. We will indicate investments, if any, of unutilised proceeds of the Issue in the balance sheet of our Company for the relevant Fiscal subsequent to the listing.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to our Board.

Further, according to Regulation 32(1)(a) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement on material deviations, if any, in the utilization of the proceeds of the Issue from the objects of the Issue as stated above. This information will also be published in newspapers simultaneously with the interim or annual financial results after review by the Audit Committee and its explanation in the Director's report in the Annual Report.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and applicable rules, our Company shall not vary the objects of the Offer without our Company being authorised to do so by the Shareholders through a special resolution undertaken by a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution (the "**Postal Ballot Notice**") shall specify the prescribed details as required under the Companies Act and applicable rules. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in the vernacular language of the jurisdiction where the Registered Office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the proposal to vary the objects, in accordance with such terms and conditions, including in respect of pricing of Equity Shares, as prescribed in the Companies Act, 2013 and Chapter VI-A of the SEBI ICDR Regulations.

Other confirmations

Except for the payment of ₹ 2,475 lakhs to Pharmax Corporation Limited, one of our Group Companies, as part of our object "*Investment in Max Estates Limited, one of our Subsidiaries, for purchase of interest in property and a portion of the land at Max House (Okhla Project) from Pharmax Corporation Limited*" detailed above and any other payment in the usual course of business, no part of the proceeds from the Issue will be paid by the Company to its Promoters, Directors, members of Promoter Group, Group Companies or key managerial employees.

No funds have been brought in as Promoter's contributions.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Lead Manager on the basis of assessment of market conditions and on the basis of the following qualitative and quantitative factors. Some of the information presented in this section for financial years/period ended March 31, 2017 and March 31, 2016 (period beginning from January 20, 2015) and for the six months period ended September 30, 2017 is derived from our Company's Restated Standalone Financial Statements and Restated Consolidated Financial Statements, prepared in accordance with Ind AS and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

The face value of the Equity Shares is ₹ 10 per share and the Issue Price is [●] times the face value.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the price are:

- Established brand and prominent Promoter
- Among leading manufacturers of specialty BOPP films
- Strong R&D capabilities in our specialty films business
- Committed and experienced senior management team and employee base

For details of qualitative factors which form the basis of computing the price see the sections titled "*Our Business*" and "*Risk Factors*" on pages 105 and 12, respectively.

Quantitative Factors

Some of the information presented in this section is based on the Restated Financial Statements of our Company. For more details on the financial information, see the section titled "*Financial Statements*" on page 181.

1. Basic and Diluted Earnings per Share ("EPS"):

As per our Restated Standalone Financial Statements (except for weighted average):

Period	**Basic EPS (₹ Per Equity Share)**	**Diluted EPS (₹ Per Equity Share)**	**Weight**
Fiscal 2017	(0.49)	(0.49)	2
Fiscal 2016	0.51	0.50	1
Weighted Average	**0.50**	**0.49**	
For the six months period ended September 30, 2017*	8.83	8.65	

Not annualized

As per our Restated Consolidated Financial Statements (except for weighted average):

Period	**Basic EPS (₹ Per Equity Share)**	**Diluted EPS (₹ Per Equity Share)**	**Weight**
Fiscal 2017	(1.10)	(1.10)	2
Fiscal 2016	3.74	3.70	**1**
Weighted Average	**0.51**	**0.50**	
For the six months period ended September 30, 2017*	(0.44)	(0.44)	

Not annualized

Note:

1. EPS calculations are in accordance with Indian Accounting Standard 33 'Earnings per Share', notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

2. The face value of each Equity Share is ₹ 10 per share.

$$\text{Basic Earnings per share (Rs.)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$$

$$\text{Diluted Earnings per share (Rs.)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$$

Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.

3. The above EPS includes one time income primarily relating to capital gains resulting from the sale of shareholding in Max Speciality Films Limited to Toppan

4. The potential equity shares are anti-dilutive and hence have been ignored in computation of dilutive EPS

2. ***Price Earning Ratio (P/E) in relation to the Issue Price of ₹ [●] per Equity Share of ₹ [●] each***

Particulars	P/E at Issue Price
Based on EPS of ₹ [●] per Equity Share for the Fiscal Year [●] on standalone basis	[●]
Based on EPS of ₹ [●] per Equity Share for the Fiscal Year [●] on consolidated basis	[●]

3. Return on Net worth ("RoNW")

As per our Restated Standalone Financial Statements (except for weighted average):

Period	RoNW (%)	Weight
Fiscal 2017	(0.89)%	2
Fiscal 2016	1.45%	1
Weighted Average	(0.11)%	
For the six months period ended September 30, 2017*	15.96%	[●]

**not annualized*

As per our Restated Consolidated Financial Statements:

Period	RoNW (%)	Weight
Fiscal 2017	(1.87)%	2
Fiscal 2016	9.41%	1
Weighted Average	1.89%	
For the six months period ended September 30, 2017*	(0.59)%	[●]

**not annualized*

$$\text{Returns on net worth (\%)} = \frac{\text{Net profit after tax, as restated}}{\text{Net worth at the end of the year/period}}$$

Net worth = Equity share capital + Other equity (including Securities premium and Surplus/(Deficit))

4. Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for Fiscal Year [●]***:***

Minimum RoNW required for maintaining pre-Issue EPS of ₹ [●] on the basis of Restated Standalone Financial Statements for the Fiscal Year [●] is [●].

Minimum RoNW required for maintaining pre-Issue EPS of ₹ [●] on the basis of Restated Consolidated Financial Statements for the Fiscal Year [●] is [●].

5. Net Asset Value per Equity Share ("NAV")

As per our Restated Standalone Financial Statements:

	Amount (₹ per share)
NAV as at September 30, 2017	54.38
NAV as at March 31, 2017	44.16
NAV as at March 31, 2016	34.98
NAV after the Issue	[●]
Issue Price	[●]

As per our Restated Consolidated Financial Statements:

	Amount (₹ per share)
NAV as at September 30, 2017	73.25
NAV as at March 31, 2017	47.25
NAV as at March 31, 2016	39.71
NAV after the Issue	[●]

$$\text{NAV per Share} = \frac{\text{Net worth, as restated, at the end of the year /period}}{\text{Number of equity shares outstanding at the year/period end}}$$

Net worth = Equity share capital + Other equity (including securities premium and surplus/(Deficit))

6. Comparison with other listed companies

Our primary business verticals are carried out through our Subsidiaries and include our specialty packaging film business, real estate development, our investment business and education related activities. We believe none of the listed companies in India are exclusively engaged in the portfolio of business similar to ours. Accordingly, it is not possible to provide an industry comparison in relation to our Company.

The Issue Price of ₹ [•] has been determined by our Company, in consultation with the Lead Manager and is justified based on the above accounting ratios. For further details, see the section titled "*Risk Factors"* on page 12 and the financials of our Company including important profitability and return ratios, as set out in the section titled "*Financial Statements*" on page 181.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

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

Dear Sirs,

Statement of Possible Tax Benefits available to Max Ventures and Industries Limited and its shareholders under the Indian tax laws

1. We hereby confirm that the enclosed Annexure, prepared by Max Ventures and Industries Limited ("Company"), provides the possible tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 ("Act") as amended by the Finance Act 2017, i.e. applicable for the Financial Year 2017-18 relevant to the Assessment Year 2018-19, presently in force in India. All these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and /or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the nature of individual tax consequences and the changing tax laws, each of the investor is advised to consult his or her or their own tax consultant with respect to the specific tax implications arising out of their participation in the Rights issue of equity shares of the Company.

3. We do not express any opinion or provide any assurance as to whether:

   (i) the Company or its shareholders will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

4. The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

For S.R. Batliboi & Co. LLP
Chartered Accountants
ICAI Firm Registration Number:

per Atul Seksaria
Partner
Membership Number: 086730
Place of Signature: Gurugram
Date: February 14, 2018

ANNEXURE TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible tax benefits available to the Company and its shareholders under the Act as amended by the Finance Act 2017, i.e. applicable for the Financial Year 2017-18 relevant to the assessment year 2018-19, presently in force in India.

1. Special tax benefits available to the Company

There are no special tax benefits available to the Company.

2. Special tax benefits available to Shareholders

There are no special tax benefits available to the shareholders for investing in the shares of the Company.

However, following tax benefits are available to the Shareholders under the Act due to their specified status

2.1. Special tax benefits to Foreign Institutional Investors ("FIIs")

- **Dividends exempt under Section 10(34) of the Act**

Dividend (whether interim or final) received by FIIs from its investment in shares of a domestic company would be exempt in the hands of the FIIs as per the provisions of Section 10(34) read with Section 115-O of the Act.

Section 14A of the Act read with Rule 8D of the Income Tax Rules, 1962 ("Rules") restricts claim for deduction of expenses incurred in relation to income which does not form part of the total income under the Act. Thus, any expenditure incurred to earn the said tax free income will not be tax deductible expenditure.

- **Long term capital gains exempt under Section 10(38) of the Act**

As per the provisions of Section 10(38) of the Act, Long term capital gains ("LTCG") arising to the FIIs from transfer of a long-term capital asset being an equity share in a company listed on a recognized stock exchange in India or unit of equity oriented mutual fund or a unit of business trust shall be exempt from tax, if the transaction is chargeable to STT or if such transaction is undertaken on a recognised stock exchange located in an IFSC and consideration is paid in foreign currency.

However, Finance Act 2017 has inserted third proviso to Section 10(38) of the Act, providing that exemption under section 10(38) is not available in respect of LTCG arising from transfer of a long term capital asset being an equity share in a company wherein such shares were acquired on or after 1 October 2004 and the transaction was not chargeable to STT (unless the acquisition is notified by Central Government).

- **Capital gains**

As per the provisions of Section 2(14) of the Act, any securities held by FII which have invested in such securities in accordance with the Securities and Exchange Board of India regulations, will be treated as capital asset and accordingly any income from transfer of such capital asset will be chargeable under the head 'Capital Gains'.

As per the provisions of Section 115AD of the Act, FIIs are taxed on the capital gains income at the following rates:

Nature of Income	Rate of Tax
Long term capital gain	10 %
Short term capital gains covered under Section 111A	15%
Other Short term capital gains	30%

For corporate FIIs, the tax rates mentioned above stand increased by a surcharge as under:

Taxable income	Rate of surcharge
Exceeds INR 1,00,00,000	2%
Exceeds INR 10,00,00,000	5%

In case of an individual, AOP, BOI or AJP the surcharge is payable as under:

Taxable income	Rate of surcharge
Exceeds INR 50,00,000	10%
Exceeds INR 1,00,00,000	15%

For the shareholders, not being those mentioned above, the surcharge is payable at the rate of 12% where the taxable income exceeds INR 1,00,00,000.

In addition, education cess and secondary and higher education cess on the tax on total income and surcharge at the rate of 2% and 1% respectively is payable.

The benefits of foreign currency fluctuation protection and indexation as provided by Section 48 of the Act are not available to FIIs.

As per the provisions of Section 10(38) of the Act, long-term capital gain arising to a FII from transfer of a long-term capital asset being an equity share in a company listed on a recognized stock exchange in India or unit of equity oriented mutual fund or a unit of business trust shall be exempt from tax, if the transaction is chargeable to STT or if such transaction is undertaken on a recognised stock exchange located in an IFSC and consideration is paid in foreign currency.

However, Finance Act 2017 has inserted third proviso to Section 10(38) of the Act, providing that exemption under Section 10(38) is not available in respect of LTCG arising from transfer of a long term capital asset being an equity share in a company wherein such shares were acquired on or after 1 October 2004 and the transaction was not chargeable to STT (unless the acquisition is notified by Central Government).

As per provisions of Section 111A of the Act, short-term capital gains arising from transfer of short-term capital asset, being an equity share in a company or a unit of an equity oriented mutual fund shall be taxable at the rate of 15%, if the transaction is chargeable to STT, or if such transaction is undertaken on a recognised stock exchange located in an IFSC and consideration is paid in foreign currency.

As per the provisions of Section 54EC of the Act and subject to the conditions specified therein capital gains arising to a FII on transfer of a long-term capital asset (other than those covered under Section 10(38) of the Act) shall not be chargeable to tax to the extent such capital gains are invested in certain notified bonds within six months from the date of transfer subject to maximum of INR 50,00,000. If only part of such capital gain is invested, the exemption shall be proportionately reduced.

However, if the FII transfers or converts the notified bonds into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable in such year. The bonds specified for this Section are bonds issued on or after 1 April 2007 by NHAI, REC, or any other bond notified by Central Government in this behalf. The Act has restricted the maximum investment in such bonds up to INR 50,00,000 per assessee during the financial year in which LTCG arises and the subsequent financial year.

Finance Act 2016 has introduced a new Section 54EE with effect from FY 2016-17. As per the provisions of Section 54EE of the Act and subject to the conditions specified therein capital gain arising to a FII on transfer of a long term capital asset (other than those covered under Section 10(38)) shall not be chargeable to tax to the extent such capital gains are invested in units, issued before 1 April 2019, of such fund as may be notified by Central Government within six months from the date of transfer subject to maximum of INR 50,00,000. If only part of such capital gain is invested, the exemption shall be proportionately reduced.

However, if the FII transfers or converts the notified units into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable in such year. The Act has restricted the maximum investment in such bonds up to INR 50,00,000 per assessee during the financial year in which LTCG arises and the subsequent financial year.

2.2. Special tax benefits to Non-Resident Indians

NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

Specified foreign exchange assets include shares of an Indian company which are acquired/ purchased/ subscribed by NRI in convertible foreign exchange.

As per provisions of Section 115E of the Act, LTCG arising to a NRI from transfer of specified assets as duly mentioned in Section 115C(f) of the Act is taxable at the rate of 10%. As per the Finance Act 2017, a surcharge at the rate of 10% is applicable where the taxable income exceeds INR 50,00,000 but does not exceed INR 1,00,00,000 and surcharge at the rate of 15% is applicable where taxable income exceeds INR 1,00,00,000. Further, education cess and secondary & higher education cess of 2% and 1% respectively will be applicable on taxable payable including surcharge applicable, if any.

As per provisions of Section 115E of the Act, income (other than dividend which is exempt under Section 10(34)) from investments and LTCG (other than gain exempt under Section 10(38)) from assets (other than specified assets under Section 115C(f)) arising to a NRI is taxable at the rate of 20%. As per the Finance Act 2017, a surcharge at the rate of 10% is applicable where the taxable income exceeds INR 50,00,000 but does not exceed INR 1,00,00,000 and surcharge at the rate of 15% is applicable where taxable income exceeds INR 1,00,00,000. Further, education cess and secondary & higher education cess of 2% and 1% respectively will be applicable on tax payable including surcharge applicable, if any. No deduction is allowed from such income in respect of any expenditure or allowance or deductions under Chapter VI-A of the Act.

As per provisions of Section 115F of the Act, LTCG arising to a NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is invested in the specified assets or savings certificates within six months from the date of such transfer, subject to the extent and conditions specified in that Section. If only part of the net consideration is so reinvested, the exemption will be proportionately reduced. However the amount so exempted will be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

As per provisions of Section 115G of the Act, where the total income of a NRI consists only of investment income/ long-term capital gains from such foreign exchange asset/ specified asset and tax thereon has been deducted at source in accordance with the Act, the NRI is not required to file a return of income.

As per provisions of Section 115H of the Act, where a person who is a NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he/ she may furnish a declaration in writing to the assessing officer, along with his/ her return of income under Section 139 of the Act for the assessment year in which he/ she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him/ her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.

As per provisions of Section 115I of the Act, a NRI can opt to not be governed by the provisions of Chapter XII-A for any assessment year by furnishing return of income for that assessment year under Section 139 of the Act, declaring therein that the provisions of the chapter shall not apply for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and tax liability arising thereon.

2.3. Special tax benefits available to Mutual Funds

As per the provisions of Section 10(23D) of the Act, any income of the Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made thereunder, Mutual Funds set up by public sector banks or public financial institutions or Mutual Funds authorised by the Reserve Bank of India, would be exempt from income tax, subject to the prescribed conditions. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the Act.

2.4. Special tax benefits available to Venture Capital Companies/ Funds

In terms of Section 10(23FB) of the Act, any income of Venture Capital Company/ Fund (set up to raise funds for investment in venture capital undertaking) registered with Securities and Exchange Board of India would be exempt from income tax, subject to the conditions specified therein. As per Section 115U of the Act, any income derived by a person from his investment in Venture Capital Company/Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income derived by such person had the investments been made directly in the venture capital undertaking.

2.5. Special tax benefits available to Investment Fund

The Finance Act 2015 introduced a new Section 10(23FBA) to exempt any income of an "Investment Fund", other than the income chargeable under the head "Profit and gains of business or profession". As per Section 115UB of the Act, any income derived by a person from his investment in Investment Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income derived by such person had the investments made by investment fund been made directly by him.

SECTION IV – ABOUT US

INDUSTRY OVERVIEW

*The information in this section is obtained or extracted from "World Study BOPP Films 2016" released in 2016, prepared and issued by Grein-Consulting (the "**Grein Report**") and "India Real Estate Residential and Office – January – June 2017", prepared and issued by Knight Frank (the "**Knight Frank Report**"). In addition, the information in this section is also obtained or extracted from various publicly available information, data and statistics derived from various government publications and industry sources, including publications of the Reserve Bank of India ("**RBI**") and reports that have been prepared by the World Bank that have the following disclaimer: "This is an adaptation of an original work by The World Bank. Views and opinions expressed in the adaptation are the sole responsibility of the author or authors of the adaptation and are not endorsed by The World Bank." Neither we nor any other person connected with the Issue have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. The information in this section should be read in conjunction with the sections "Risk Factors" and "Our Business" on pages 12 and 105, respectively.*

OVERVIEW OF THE INDIAN ECONOMY

The Indian economy with a gross domestic product ("**GDP**") at current prices in fiscal 2017 is estimated at ₹ 151,840 billion, showing a growth rate of 11.0% over the estimates of GDP for fiscal 2016 of ₹ 136,820 billion (*Source: Press Note on Provisional Estimates of Annual National Income, 2016-2017 and Quarterly Estimates of Gross Domestic Product for the Fourth Quarter of 2016-2017, Central Statistics Officer, Ministry of Statistics and Programme Implementation, Government of India, May 31, 2017*). The Indian economy in fiscal 2017 was marked by moderate expansion and macroeconomic stability, low inflation, and improvement in current account and fiscal deficits due to negative impacts from the global slowdown and the transient impact of demonetization (*Source: RBI Annual Report 2016 - 2017*). Due to the slowdown in gross capital formation, the GDP growth in fiscal 2017 moderated, however, the Government and private consumption accelerated and held up aggregate demand. (*Source: RBI Annual Report 2016 - 2017*). The GDP at constant (fiscal 2012) prices in the second quarter of fiscal 2018 is estimated at ₹ 31,660 billion, showing a growth rate of 6.3% over the estimates of GDP in the second quarter of fiscal 2017 of ₹ 29,790 billion (*Source: Press Note on Estimates of Gross Domestic Product for the second quarter (July-September) 2017-2018, Central Statistics Office, Ministry of Statistics and Programme Implementation, Government of India, November 30, 2017).* India's GDP growth slowed in fiscal 2016 amid disruptions due to demonetization and uncertainty leading up to the implementation of the Goods and Services Tax ("**GST**") in July 2017. *(Source: World Bank. 2017. "Growth out of the Blue." South Asia Economic Focus (October), Washington, DC: World Bank. Doi: 10.1596/978-1-4648-1213-2. License: Creative Commons Attribution CC BY 3.0 IGO*)

However, the outlook for growth in India in fiscal 2018 has brightened, with the likelihood of another favorable monsoon and the implementation of major policy reforms which would help to unlock bottlenecks to growth. (*Source: RBI Annual Report 2016 - 2017*). India's economic activity is expected to stabilize and maintain an annual GDP growth at 7% in fiscal 2018. India's growth is projected to increase gradually to 7.4% by fiscal 2020, reinforced by a recovery in private investment, which is expected to increase due to rise in public capital expenditure and an improvement in the investment scenario partly due to the implementation of GST and the Insolvency and Bankruptcy Code, 2016, and favorable measures to attract foreign direct investment. (*Source: World Bank. 2017. "Growth out of the Blue." South Asia Economic Focus (October), Washington, DC: World Bank. Doi: 10.1596/978-1-4648-1213-2. License: Creative Commons Attribution CC BY 3.0 IGO*)

The Union Budget 2017 announcements and the expectations of accelerated reforms and political stability further reinforced the overall positive business sentiment in India. The Union Budget 2017 reduced fiscal deficit from 3.9% of GDP in fiscal 2016 to 3.5% in fiscal 2017. Retail inflation measured by year-on-year variation in consumer price index declined by 2.18% in May 2017. (*Source: RBI - Financial Stability Report, June 2017*). India's GDP growth rebounded to 6.3% in the second quarter of fiscal 2018 from 5.7% since the first quarter of fiscal 2018 after the initial delays associated with the rollout of nationwide GST, coming on the back of demonetization. Gross value added also posted 6.1% rise in the second quarter of fiscal 2017 – 2018 from 5.6% in previous quarter. (*Source: RBI - Financial Stability Report, December 2017*).

SPECIALITY PRODUCTS INDUSTRY

Flexible packaging typically includes materials such as plastic films, paper and aluminum foil. Over the years, bi-axially oriented polypropylene ("BOPP") films (forms of plastic-based flexible packaging film) have become the preferred choice for packaging consumer articles including food and clothing. The low ratio of weight of product to packaging along with high barrier properties, flexibility of production for end use based specifications and high-tech product protection make flexible packaging a popular and cost effective choice. As the thinnest, most lightweight form of packaging, it significantly reduces the volume and weight of packaging material to a minimum. This has led to large segments of rigid packaging to convert to flexible packaging such as shampoo sachets, milk pouches, grains, ready to eat food, detergents, oils, cigarettes and confectionery. Further, flexible packaging reduces packaging costs as well as transportation costs/ warehouse space. There are several benefits of the flexible packaging, including increased shelf life, convenience, lower handling and transportation costs, better printability and better gloss, which results in better aesthetics.

Flexible packaging will continue to develop new applications while supplementing rigid containers, supported by a favorable environmental profile and improvements in barrier properties and convenience. Plastics will benefit from a superior price/ performance profile and efforts to improve sanitation and enhance product shelf lives in the food, pharmaceutical and personal care markets. The most positive outcomes are expected in the world's emerging markets, including Eastern Asia, Latin America, Eastern Europe and Africa. China, India and Russia also hold sizable, largely untapped markets, with a potential for significant growth.

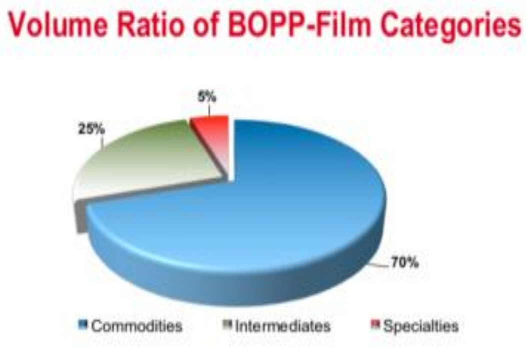
BOPP Films

BOPP films are widely used for packaging food and other consumer products. BOPP films have multi-dimensional stability, high tensile strength, good stiffness, good clarity, excellent printability and heat scalability. BOPP film provides barrier protection against moisture and reasonable protection against gas and oxygen.

BOPP films are generally produced as three or five layer films, with the middle layers aimed at stiffness, strength, capacity and moisture barrier, while the outer layers aimed at, among other properties, producing a gloss effect, enabling printability and lamination and permitting heat sealing. There are several types of BOPP films based on end use application, including flexible converting and/or metallising, print laminating, over wrap, textile wraps, release agents and capacitors.

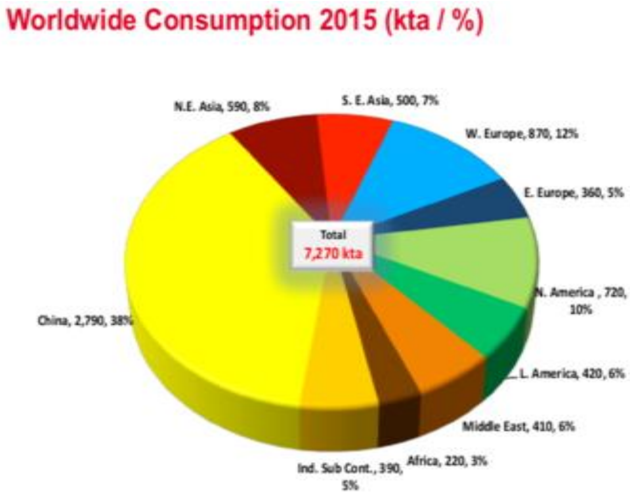
Global Volume Ratio of BOPP Film Categories

BOPP films can be differentiated into three categories: (i) Commodities; (ii) Intermediates; and (iii) Specialties. Commodities category is the major BOPP film category and covers approximately 70% of the world market, while Intermediates category covers approximately 25% of the world market. Specialties category is a niche product and covers only 5% of the world market. (*Source: Grein Report*)



(*Source: Grein Report*)

Global Consumption of BOPP Films



(*Source: Grein Report*)

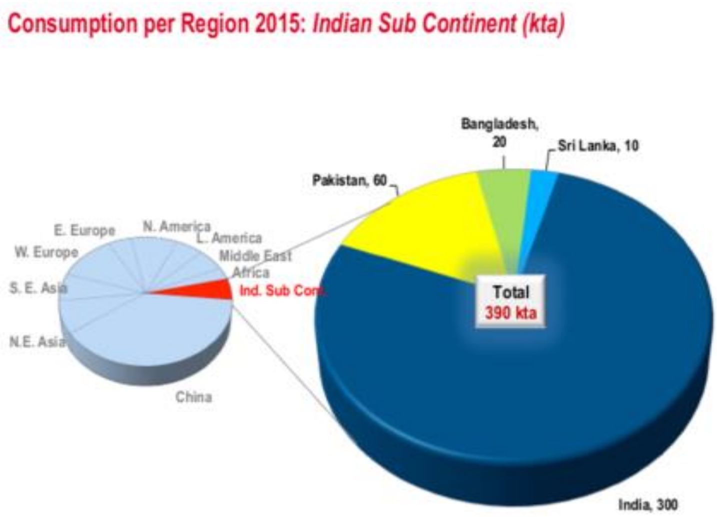
Historical and Future Consumption Figures (kta)

Region	1990	1995	2000	2005	2010	2015	2020	Growth (%) 2015 - 2020
Western Europe	300	430	600	720	800	870	970	2
Eastern Europe	20	50	80	160	280	360	460	5
North America*	220	330	440	550	650	720	800	2
Latin America	50	100	170	240	320	420	560	6
Middle East	30	60	100	200	310	410	510	5
Africa	10	30	50	90	150	220	310	8
Indian Sub Cont.	20	40	80	150	260	390	520	8
China	70	200	600	1,180	1,900	2,790	3,560	5
North-East-Asia	240	310	390	460	520	590	670	2
South-East-Asia	70	110	170	270	370	500	660	6
Total	1,030	1,660	2,680	4,020	5,560	7,270	9,020	4 - 5

* NAFTA

(*Source: Grein Report*)

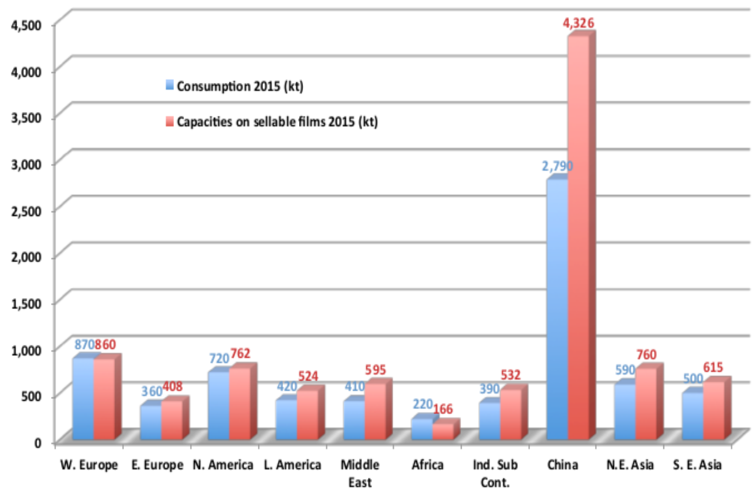
BOPP films use is spread across throughout the world. In 2015, the overall worldwide consumption of BOPP films was approximately 7.3 million tones. The Chinese demand has been the highest with 40%, followed by Western Europe and North America with approximately 10% each in 2015. However, the per capita consumption of BOPP films in Africa and Indian sub-region has been very low at 0.20 kg per capita. (*Source: Grein Report*)



(*Source: Grein Report*)

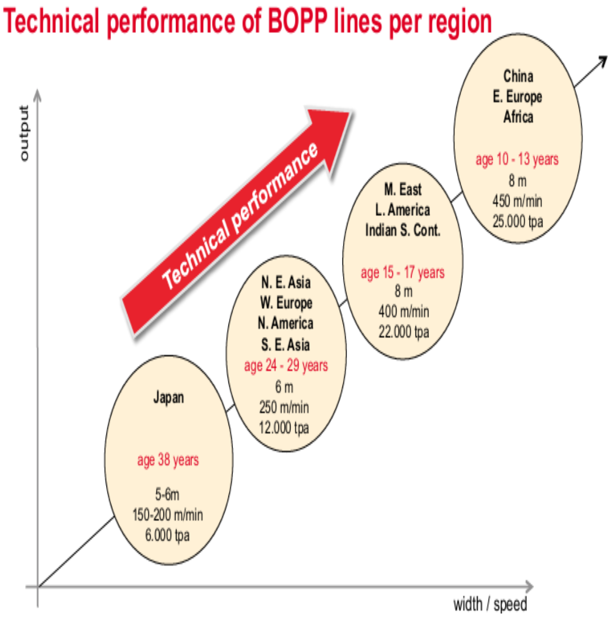
Supply/ Demand of BOPP Films

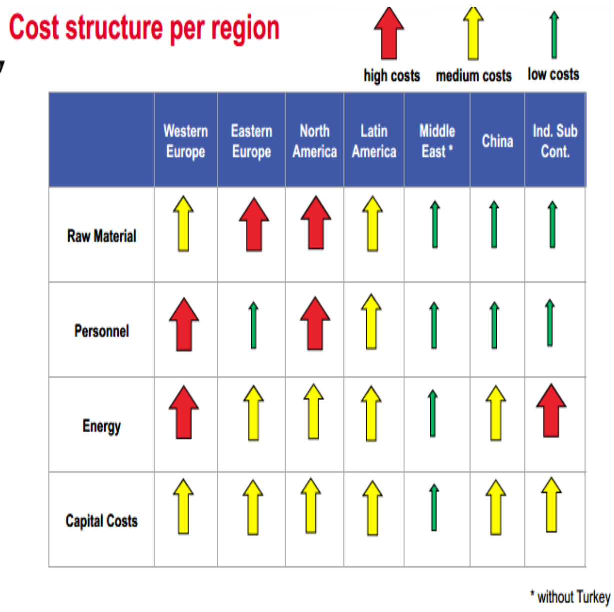
The BOPP films business is significantly impacted by the supply/ demand ratio. China and Middle East have extremely high overcapacity of 50% and 45%, respectively. Latin America, Indian sub-region, North-east Asia and South-east Asia also have high overcapacity of 25%, 35%, 28% and 23%, respectively. However, Eastern Europe and North America have low overcapacity of 13% and 6%, respectively, while Western Europe does not have overcapacity and Africa has a capacity lower than the demand. (*Source: Grein Report*)



(*Source: Grein Report*)

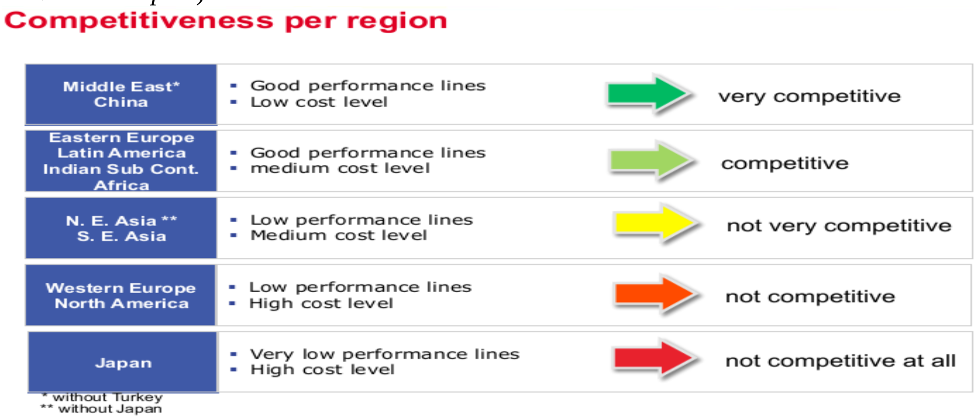
Competitiveness of BOPP Film Lines per Region



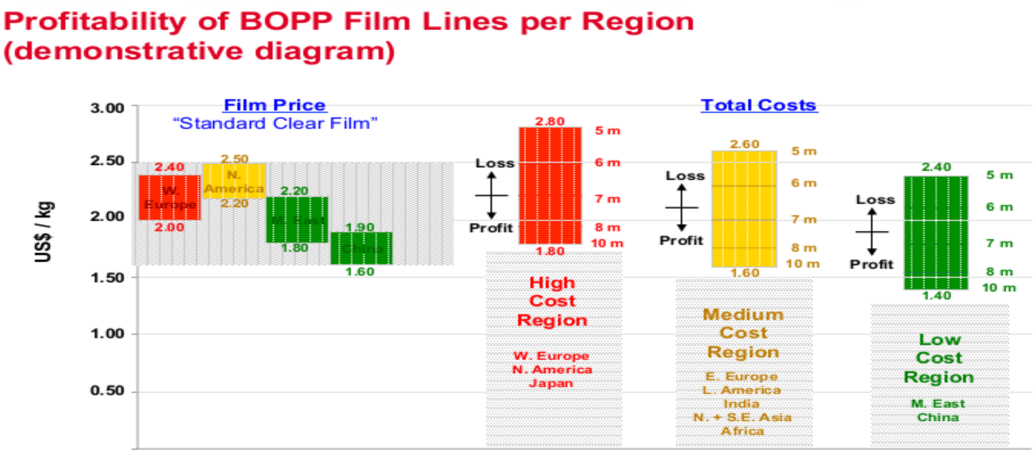


(*Source: Grein Report*)

Competitiveness of BOPP Film Lines depends upon the performance of the line as well as the cost structure of the region. The four main cost elements that form part of the cost structure of a region are raw material, personnel, energy and capital cost. Raw material being the most important element constitutes 70% of the total cost. (*Source: Grein Report*)



(*Source: Grein Report*)



(*Source: Grein Report*)

Growth Outlook

The global BOPP industry is dominated by China. The BOPP per capita consumption in India is low as compared to the world average and specifically China. Packaging growth is linked to GDP growth and middle class population seeking better quality products. India and China have strong GDP growth, which makes them an attractive market. Various growth drivers for India's growing BOPP industry include, amongst others, cost reduction/ down gauging - rigid packaging to flexible; changing urban life styles such as, the need for easy opening and easy cooking products, the importance of hygiene and the ready to eat packing and snacks, foods and increased shelf life requirements.

In the future, the growth figures for the consumption of BOPP films will be higher than the average growth of the economy. While the Indian sub-continent and Africa will have the highest growth figures of approximately 8%, Western Europe, North America and North East Asia will have the lowest growth figures of approximately 2% each. The average growth figure is estimated to be in the range of approximately 4% to 5%. While there is likely to be no tremendous change in the relation between commodities and specialities categories, some intermediaries are expected to become commodities. In addition, the development of new, high value specialities such as battery separator films, high barrier films, bank notes and thin capacitor films is likely to be a challenge. (*Source: Grein Report*)

Metallised Films

Metallising BOPP films with aluminum deposition on its surface enhances barrier properties of the film and make it comparable to metal films. Metallising makes the film suitable for uses where moisture and aroma retention are especially important, such as food articles, and where durability is important, such as industrial applications. Metallised films find application in laminates, cup lids, industrial ducting, decoratives and other high barrier applications. Due to their attractive appearance these films are also used for gift wrapping and other decorative applications.

Thermal Lamination (Coated) films

Thermal lamination (coated) film is a pre-adhered BOPP (or polyester) film used for publishing applications such as print finishing, digital printing and encapsulation. Thermal film is targeted for high-end quality application of lamination and encapsulation to add value, to enhance appearance and document protection. It is laminated to board by heat and pressure process also known as hot lamination.

REAL ESTATE DEVELOPMENT

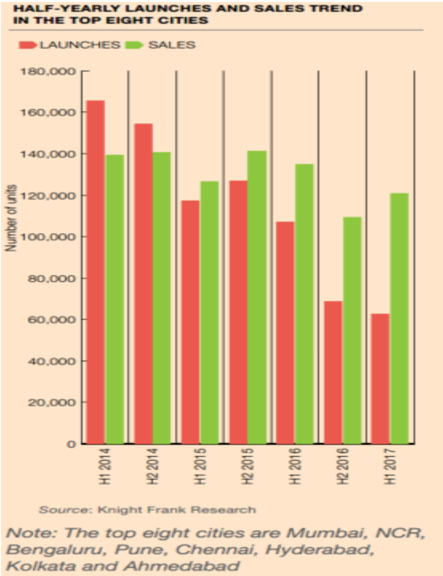
The Real Estate Sector in India

The Indian real estate sector is currently witnessing a structural transformation towards being a complete organized sector. The transformation is due to multiple initiatives by the GoI such as the Real Estate (Regulation and Development) Act, 2016 ("**RERA**"), increased incentives for affordable housing such as the Pradhan Mantri Awas Yojana, Credit-Linked Subsidy Scheme and the Real Estate Investment Trust ("**REIT**") Regulations, 2014.

The real estate sector has been witnessing enhanced interest from institutional capital owing to greater transparency and the GoI reforms such as RERA and REIT Regulations. The commercial sector continues to demonstrate immense potential while the residential sector is undergoing a short-term unpredictable disruption attributed to various reforms. However, it is expected that these reforms are projected to be beneficial for the real estate industry in the long run. Interest rates are softening and the banks have started to pass this benefit to the customers. The real estate sector will witness enhanced demand flowing in after the complete benefit is transferred to the customers.

Residential Segment

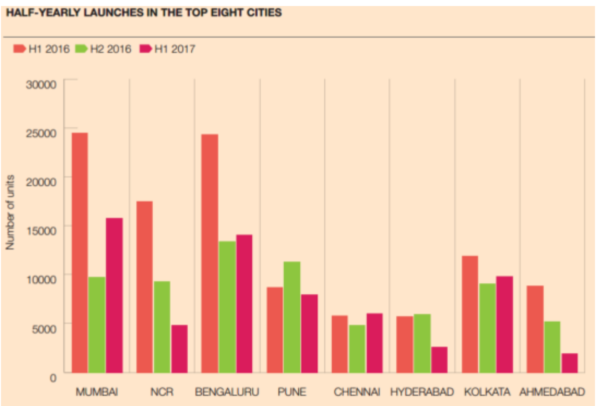
Demonetization resulted in the market pulling down residential sales and launches by 46% and 23%, respectively. However, in 2017 real estate activity again picked up. On May 1, 2017, the most significant change took place in the Indian real estate industry through the implementation of RERA. In the framework of these events, the Indian real estate significantly comprised of unsold inventory. However, as "ready for possession" projects are kept outside the ambit of RERA and developers have been focusing heavily on sales of their ready possession stock. (*Source: Knight Frank Report*)

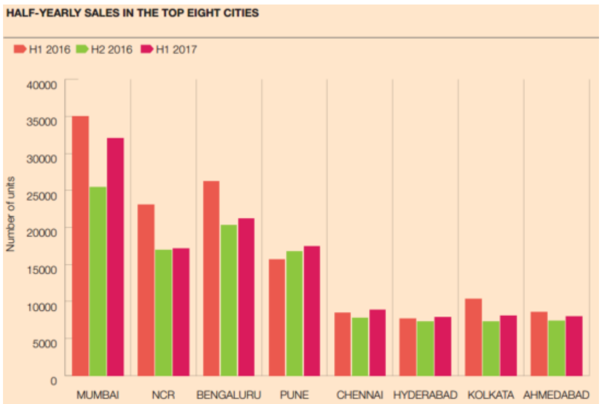


(*Source: Knight Frank Report*)

GoI has announced various measures to revive the real estate sector. The push to the realty market particularly the residential market has come with GoI's focused attention to the affordable housing segment. Further, the focus on affordable housing is a structural change and the supply side response to this focus area implies that it is going to be a sustainable theme going forward. In the first half of 2016, less than ₹ 2.5 million ticket size housing had risen from 17% to 20% in the second half of 2016 and further, increased to 36% in the first half of 2017. The category of housing valued at less than ₹ 5 million is now as much as 71% across the top eight cities (comprising of Mumbai, National Capital Region, Bengaluru, Pune, Chennai, Hyderabad, Kolkata and Ahmedabad), which is substantially higher than their 52% share in the first half of 2016. (*Source: Knight Frank Report*)

Residential launches in the top eight cities (comprising of Mumbai, National Capital Region, Bengaluru, Pune, Chennai, Hyderabad, Kolkata and Ahmedabad) declined by 41% to 62,738 units in the first half of 2017 compared to 1,07,120 units in the first half of 2016. The decline was 9% compared to the demonetization period of 2016 when 68,702 units were launched. Ahmedabad and the National Capital Region were worst hit with launches falling by 79% and 73%, respectively. With the positive outlook due to RERA and GoI measures towards affordable housing, sales decline was not as severe as noticed in launches. Sales during the first half of 2017 declined by 11% to 1,20,756 units compared to 1,35,016 units in the first half of 2016. Sequentially, however, the sales are 11% better compared to the demonetization period of 2016 when 1,09,159 units were sold. (*Source: Knight Frank Report*)



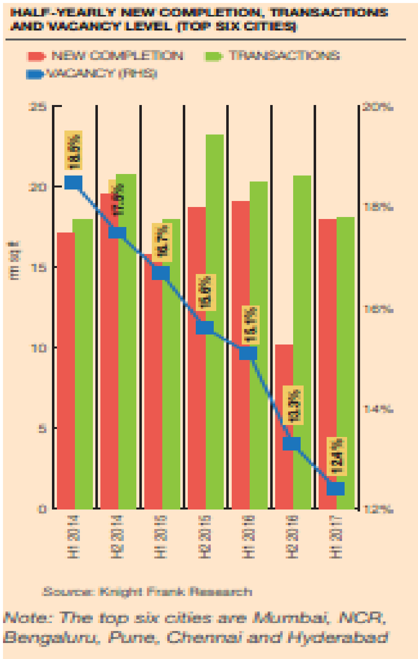


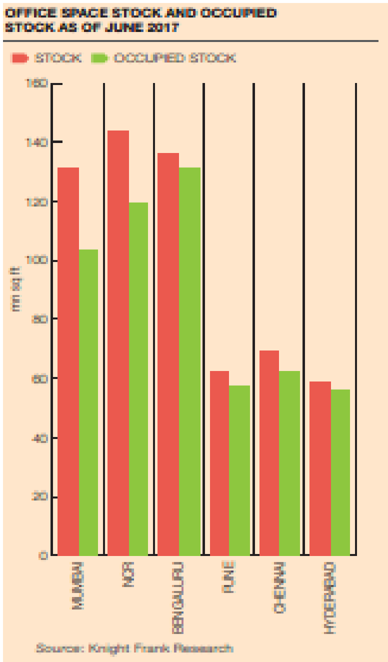
(*Source: Knight Frank Report*)

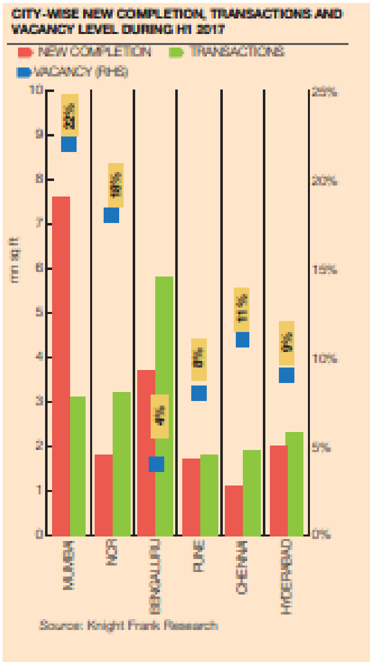
Commercial Segment

Office market fundamentals across the country remain constricted with vacancy levels reduced as the supply crisis did not reduce. The supply crisis that has constrained the market and the slowdown in the IT/ ITeS spending by Europe and the United States has weighed down office space demand and caused a 10% decline year-on-year in transaction levels during the first half of 2017 compared to a 13% growth in the previous reference period. The 10% decline in transaction levels translates to 18.1 million square feet of office space being taken up across the six office space markets during the first half of 2017. A similar 5% decline in supply saw 17.9 million square feet come online in the same period. Consistently falling since 2012, the vacancy level now stands at 12% which is the lowest level in recent recorded history. (*Source: Knight Frank Report*)

The lack of fresh office space is most visible in the IT/ITeS sector dominated markets of Bengaluru, Pune and Hyderabad that currently have vacancy levels at 4%, 8% and 9%, respectively. The IT/ ITeS sectors share in transactions has been showing signs of weakening in recent periods but it continues to be the largest driver of office space in India, accounting for nearly 40% of the transactions during the first half of 2017. This was followed by other services sectors, which include sectors such as consulting, media, telecom and infrastructure, at 28%. Average rental values across these six cities grew at 7% year-on-year during the second half of 2016. While Mumbai saw flat year-on-year rental growth, Hyderabad and Bengaluru experienced the strongest rental growth at 14% and 8% year-on-year respectively. (*Source: Knight Frank Report*)







(*Source: Knight Frank Report*)

Co-working spaces is emerging with firms in Bengaluru, Pune and NCR. The concept of co-working spaces essentially involves groups of start-ups, creative consultants, freelancers and small and medium enterprises who share workspace and ideas, expand their business horizon and gain a fresh standpoint on their own businesses by sharing workspaces. Across the top six cities (comprising of Mumbai, National Capital Region, Bengaluru, Pune, Chennai and Hyderabad), such co-working space providers have taken up around 0.5 million square feet of office space during the first half of 2017. (*Source: Knight Frank Report*)

Indian Real Estate Regulatory Framework

The real estate industry is governed by a number of laws in respect of acquisition of land and development of real estate in India, including, amongst other, the Urban Land (Ceiling and Regulation) Act, 1976, Real Estate (Regulation and Development) Act, 2016, the Transfer of Property Act, 1882, the Land Acquisition Act, 2013, the Indian Stamp Act, 1899, the Environment (Protection) Act, 1986, the Special Economic Zone, Act, 2005, the Indian Easements Act, 1882, the Indian Registration Act, 1908, the Water (Prevention and Control of Pollution) Act 1974, the Air (Prevention and Control of Pollution) Act, 1981 and the Environment Protection Act, 1986; and various labour laws including the Contract Labour (Regulation and Abolition) Act, 1970 and the Minimum Wages Act, 1948.

Real Estate (Regulation and Development) Act, 2016

RERA has been enacted by the GoI and the State Governments have to enact their own laws and frame rules therein as the land is a state subject. Certain salient features of RERA are that: (i) a developer cannot make any changes to the plan without the written consent of the buyer; (ii) the property will have to be sold to buyers on the basis of carpet area; (iii) registration is mandatory for all commercial and residential real estate projects where the land is over 500 square meters or includes eight apartments and which are under construction; (iv) if the project gets delayed, the developer will have to pay interest on the amount paid by the buyer; (v) it is compulsory for a state to establish a State Real Estate Regulatory Authority; (vi) failing to register a property will attract penalty up to 10% of project cost; (vii) every phase of the project can be considered a standalone real estate project and will need to obtain separate registration; (viii) the developer will have to place 70% of the money collected from the buyer in a separate escrow account to meet the construction cost of the project; and (ix) if the buyer finds any shortcomings in the project, that the buyer can contact the developer in writing within one year of taking possession. RERA aims for greater transparency, accountability and higher standards of governance and is designed to protect the inherent interests of the consumers.

Real Estate Investment Trust Regulations, 2014

Real Estate Investment Trust ("REIT") is an investment vehicle that invests in rent-yielding completed real estate properties. REIT provides an asset light model and helps unbundle the development and investment activities of the property development business. Currently, developers incur huge capital expenditure especially in commercial real estate, on land, construction, interior fit-outs, which remains locked, even after the asset is complete, until the asset generates returns to break-even. Through REIT, the developers can exit from the completed asset, and focus on development activity, which has a different risk-return profile. This is possible as REIT helps attract investment from local and global investors who prefer a recurring, safe and moderate-yield income.

Goods and Services Tax ("GST")

GST has been implemented with effect from July 1, 2017 and has replaced the indirect taxes on goods and services such as central excise duty, service tax, central sales tax, state VAT and surcharge currently being collected by the central and state governments. Earlier, the real estate industry was involved in disputes due to ambiguity in provisions as well as multiple taxation. GST is expected to simplify taxation compliance and have a positive impact on the industry as a whole.

Demonetisation

On November 8, 2016, the Government of India and the RBI, declared the ₹ 500 and ₹ 1,000 denominations of banknotes of then existing series issued by the RBI to cease to be legal tender. (*Source: Government of India, Gazette Notification No. 2652 dated November 08, 2016 and RBI notification (RBI/2016-17/112) dated November 8, 2016*) They were immediately replaced with new ₹ 500 and ₹ 2,000 currency notes. The withdrawal from circulation started immediately and ended on December 30, 2016. Demonetisation weighed on growth in the third quarter of fiscal 2017. (*Source: World Bank Group. 2017. Global Economic Prospects, January 2017 Weak Investment in Uncertain Times. Washington, DC: World Bank. doi:10.1596/978-1-4648-1016-9. License: Creative Commons Attribution CC BY 3.0 IGO. Available at http://www.worldbank.org/en/publication/global-economic-prospects*).

For fiscal 2018, it is expected that the growth would return to normal as the new currency notes in required quantities come back into circulation and as follow up actions to demonetization are taken. Factors such as monsoons, an increase in the level of exports following the projected increase in global growth and various reform measures taken by the GoI to strengthen the economy will help in maintain the momentum of such growth. However, there are few challenges to growth forecast, for example, the prices of crude oil have started rising and are projected to increase further in the next year. (*Source: Economic Survey 2016-2017 – Ministry of Finance*).

While demonetization initially affected the liquidity in the capital-intensive real estate sector, the impact was only short-term as the developers who were following transparent and fair practices were not affected by demonetisation. Moreover, demonetisation has boosted foreign funding and the transparency brought in by demonetisation, aided by RERA, GST reforms and liberalisation of FDI norms, has further increased the confidence of foreign investors. The entire demonetisation exercise undertaken by the GoI and aided by other reforms, such as, Benami Property Act, RERA and GST, are expected to make real estate more organised, transparent, credible and affordable, thereby making the sector investor and consumer friendly.

Market Outlook and Future Trends

Real estate has been a key driver for the economy. However, poor transparency in the sector and declining consumer confidence had put the industry under strain in the past three to four years. The recent introduction of RERA has helped in removing the unorganized players from the industry and increase the buyers' confidence. Another factor to help growth in the real estate sector is the GoI push towards 'affordable housing'. By giving it infrastructure status the GoI would attract private developers towards these projects and home loans and interest subsidies under the Pradhan Mantri Awas Yojna would help the demand for these homes. The expected increase in transparency due to implementation of RERA and formalisation of sector with the implementation of GST, would aid the sector in getting access to variety of formal sources of finance. These reforms will help in enticing the institutional investors to invest in this sector. (*Source: Knight Frank Report*)

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

OUR BUSINESS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 11 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" on page 12 for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Statements for Fiscal 2016 (January 20, 2015 to March 31, 2016), Fiscal 2017 (12 months ended March 31, 2017) and the six months period ended September 30, 2017 included in this Draft Letter of Offer. For further information, see "Financial Statements" on page 181.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Max Ventures and Industries Limited on a standalone basis, while any reference to "we", "us" or "our" is a reference to Max Ventures and Industries Limited on a consolidated basis.

OVERVIEW

Max Ventures and Industries Limited is one of the three listed flagship companies of the Max group, which is among the prominent business groups in India, and is promoted and founded by Mr. Analjit Singh. Our Company was incorporated in 2015. For further details, please refer to the section titled "*History and Certain Corporate Matters*" on page 123.

In Fiscal 2016, Fiscal 2017 and for the six months period ended September 30, 2017, our revenue from operations were ₹ 76,897.76 lakhs, ₹ 71,953.80 lakhs and ₹ 36,009.86 lakhs, respectively. While we recorded profit after tax of ₹ 2,017.40 lakhs in Fiscal 2016, we incurred a loss of ₹ 604.76 lakhs. For the six months period ended September 30, 2017, we incurred a loss of ₹ 148.67 lakhs.

Our primary business verticals are carried out through our Subsidiaries and include our specialty packaging film business, real estate development, our investment business and education related activities.

Specialty Packaging Films. The specialty packaging films business commenced operations in 1989 as a business division of erstwhile Max India Limited. The business division was transferred to Max Speciality Films Limited in 2012. With the restructuring of Max group, Max Speciality Films Limited became our Subsidiary with effect from April 1, 2015. Subsequently, towards the end of Fiscal 2017, pursuant to the sale of 49.00% of the equity shareholding in Max Speciality Films Limited to Toppan Printing Co. Ltd ("Toppan"), our Company currently holds 51.00% equity shareholding in Max Speciality Films Limited. Max Speciality Films Limited is among the leading manufacturers of value added bi-axially oriented polypropylene ("BOPP") films in India such as specialty packaging films, labels, metallized films, coating and thermal lamination coated films used in packaging, labelling and graphic lamination industries for Indian and overseas markets. Packaging films accounted for total revenue of ₹ 71,641.60 lakhs and ₹ 35,362.67 lakhs or 97.95% and 96.88% of our total income in Fiscal 2017 and for the six months period ended September 30, 2017, respectively.

We have established a manufacturing facility at Nawanshahr, Punjab, with an aggregate installed capacity of 46.35 kilo tonnes per annum ("KTPA"), 13.20 KTPA and 11.50 KTPA for BOPP film, metallised film and thermal laminated film, respectively, as at September 30, 2017. This facility is ISO 9001-2008, ISO 14001-2004, OHSAS 18001-2007 and HACCP certified and quality assurance lab accredited by NABL and BRC. We are currently in the process of expanding our production capacity by an aggregate capacity of 34.50 KTPA. We have been awarded the "World Star Award" for ultra-high barrier and strong-seal cavitated metalized BOPP film and barrier technology and anti-skid 20 micron-film in 2016 and 2017. We were also awarded the "India Star Award" for anti-skid 20 micron-film in 2015.

Real Estate Development. Our real estate development business is conducted through our wholly-owned Subsidiaries, Max Estates Limited and Wise Zone Builders Private Limited ("WZBPL"), which develops, sells, leases and licenses real estate in North India and also undertakes joint development of projects and construction activities. As at February 5, 2018, the real estate development business has a total land reserve aggregated to

6.70 lakhs square feet of estimated Developable Area and 8.11 lakhs square feet of estimated Saleable/ Leasable Area, which includes Ongoing Projects and Forthcoming Projects. Our Ongoing Projects and Forthcoming projects include 222Rajpur in Dehradun, Max Towers at Delhi one campus in Noida and Max House in Okhla, New Delhi.

Investment. We are engaged in investing in early stage businesses in certain identified sectors including healthcare, fintech, food and beverage services, hospitality, education, cyber security and real estate technology, through our wholly-owned subsidiary, Max I. Limited. As at September 30, 2017, we had non-current investments of ₹ 7,050.01 lakhs in Azure Hospitality Private Limited and ₹ 1,754.71 lakhs in FSN E-Commerce Ventures Private Limited. Recently, Max I. Limited made a partial exit of its investment in FSN E-Commerce Ventures Private Limited amounting to ₹ 1,866.74 lakhs. In addition, we also recently invested in IAN Fund I with a capital commitment amounting to ₹ 250.00 lakhs and as at February 5, 2018, we had invested ₹ 22.95 lakhs in IAN Fund I.

Education. We are in the process of evaluating and exploring opportunities in the education business through our wholly-owned subsidiary, Max Learning Limited. Currently, we are developing a strategic business plan for Max Learning Limited, elaborating its organisational design principles and are in the process of identifying the key capabilities required.

STRENGTHS

Established brand and prominent Promoter

We are part of the Max group, one of the leading Indian business conglomerate with a strong presence in life insurance and health and allied businesses. As at February 5, 2018, Max group had a total of 90.00 lakhs customers with 230 offices across India and 22,500 employees. With over three decades of experience, the Max group has become one of India’s prominent corporate houses.

We believe our strong reputation provides customers across all of our businesses with the requisite value and comfort associated with the “Max” brand and allows our businesses to market their various products in a focused and efficient manner. We also believe that the “Max” brand provides us with competitive advantages in attracting talent, access to a global network, exploring potential business opportunities and corporate governance practices. We are able to leverage the “Max” brand through our strategic branding initiatives, consumer engagement programs and integrated marketing campaigns across our various businesses.

Our Chairman, Mr. Analjit Singh provides strategic direction and leadership to the Max group as a whole and is widely recognized as an industry statesman and has a long history of entrepreneurial ventures including in the insurance, healthcare and other lifestyle related ventures. He has been awarded the Ernst & Young Entrepreneur of the Year Award (Service Category) in 2011 and was also awarded the Padma Bhushan in 2011, one of India’s top civilian honours.

Among leading manufacturers of specialty BOPP films

We are among India’s leading manufacturers of value added BOPP films with an established presence in high barrier specialty films, with a capacity of 46.35 KTPA for BOPP films, as at September 30, 2017. We believe that our ability to serve our customers’ requirements without capacity constraints, together with our ability to innovate and develop products that meet their specific requirements, distinguishes us from our competitors.

Our specialty films business has established several long-term relationships with fast-moving consumer goods (“FMCG”) companies allowing us to generate repeat business from such customers and have enabled us to develop new, value-added specialty products focused on higher margins. In Fiscal 2017 and for the six months period ended September 30, 2017, we generated gross revenues outside India of ₹ 16,992.53 lakhs and ₹ 8,222.41 lakhs which accounted for 23.62% and 22.83% of our total income and such gross revenues were generated by Max Speciality Films Limited. As the market for BOPP films products continues to grow within India and internationally, we believe that we will be able to leverage our international client base to further grow our revenues and maintain our leading position in the specialty packaging films industry.

We are in the process of implementing certain capacity expansion plans at our manufacturing facility in Nawanshahr, Punjab, adding an additional capacity of 34.50 KTPA. We further intend to leverage our existing and expanded capacities to capitalize on the future growth opportunities in the BOPP films market. Our manufacturing capacity for BOPP films, metallised films and thermal laminated films was 46.35 KTPA, 13.20 KTPA and 11.50 KTPA, respectively, as at September 30, 2017. We also believe that the increased manufacturing capacities will enable us to achieve economies of scale resulting in decreased cost of production per unit. Our manufacturing capacities also enable us to cater to large orders to meet customer requirements at short notice at competitive prices.

Strong R&D capabilities in our specialty films business

We undertake dedicated R&D in our specialty films business primarily with a focus on innovation, improving the quality of our products and process efficiencies. Our existing facility at Nawanshahr, Punjab has a dedicated R&D centre that is focused on research and development to develop new and innovative products and applications. Our R&D efforts have resulted in us attaining accreditation from NABL and the BRC. In Fiscal 2016 and 2017, we incurred R&D related expenditure of ₹ 548.50 lakhs and ₹ 222.00 lakhs, respectively. We have over the years upgraded our manufacturing facility with imported equipment from well-known global manufacturers. In addition, we have also received the "Golden Peacock Innovative Product/Service Award" in 2011 in recognition of our R&D initiatives.

As at February 5, 2018, we had a 12 member R&D team. Our R&D team works with our sales and marketing team and our customers to develop new products or customize existing products to meet specific requirements of our customers. We have developed specific products to meet niche market requirements. For further information, see "- *Products – BOPP Films – Maximus (Value-Added Product)*" on page 111. As a result of our R&D efforts, we launched 42 new products between Fiscal 2015 and Fiscal 2017 and since April 1, 2018, we have introduced 14 new products as at February 5, 2018. Product innovations of our research and development team include high gloss cavitated *i.e.*, pearlised BOPP film, metallisable film for sandwich lamination, matt print lamination grade film, matt metallised film, low haze cigarette over wrap (haze less than 2%), wrinkle-free film for tobacco, thermal BOPP film and ultra high barrier metallised BOPP.

We believe that our emphasis on R&D has been critical to the success of our specialty films business. It enhances our ability to respond to latest market developments and sets us apart from our competitors.

Committed and experienced senior management team and employee base

The senior management team at each of our businesses has strong entrepreneurial orientation and significant experience. They are committed to the Max group, its values and the growth of our businesses and revenues. Our senior management have significant experience with the Max group. Our Chairman, Mr. Analjit Singh, an industry statesman, provides strategic direction and leadership to our Company. Mr. Sahil Vachani, our Managing Director and CEO has diverse experience across various sectors including consumer durables and real estate.

Our senior management team is supported by a qualified and motivated pool of managers and other employees. They have diverse experience in a range of businesses and functions across our operations. We believe that our senior management team is well placed to provide strategic leadership and direction to explore new emerging opportunities in identified sectors as well as constantly improve our current operations, which provides us with a competitive edge.

Our employee value proposition is based on a strong focus on employee development, an exciting work culture, empowerment and finally, competitive compensation, recognition and rewards. Our employee proposition includes organized talent management and career planning, in-house and sponsored training and counselling, in order to strengthen the skills of our employees. We believe the skills and diversity of our employees give us the flexibility to adapt to future needs of various businesses.

STRATEGIES

Expand our real estate operations

We plan to undertake real estate development in our current operating areas in North India and the National Capital Region across the commercial and residential sectors based on our experience to date and opportunities that become available in the market. Our focus will be to identify, acquire and develop high quality real estate assets in strategic locations in high growth urban areas located in or near prominent or growing cities across North India. We also intend on targeting commercial spaces in key business districts in such cities and offer corporates state of the art infrastructure and high quality amenities. Further, we aim to increase and add value to our Ongoing Projects and Forthcoming Projects by adding amenities such as, amongst others, auditoriums, swimming pools and gymnasiums. In addition, we are also evaluating options in relation to distressed assets and are planning for development of commercial use assets in distress.

We intend to increase the scale of our business while staying focused on quality. We will selectively outsource certain of our development operations including design, architecture and construction to skilled partners which we believe will enable us to optimally utilize our resources and undertake additional projects.

While expanding our operations we will continue to maintain a strong focus on sustainable development by meeting environmental parameters in site selection and planning, water efficiency, energy efficiency, material and indoor environmental quality. We endeavour to ensure that our commercial Ongoing Projects and Forthcoming Projects are planned in a manner that enables them to receive Leadership in Energy and Environmental Design ("LEED") green building certifications. In addition, we aim to provide high-quality services and hospitality in our real estate projects to our customers along with ensuring their safety by providing strict security at our real estate projects.

Develop portfolio of joint development projects and alternative asset classes

We intend to develop our projects through joint development agreements with land owners and by partnering with long-term investors. We believe this allows us to remain asset light while enabling us to focus on our core competency of project management, design and marketing as we expand our operations. Therefore, we are able to limit our risk through project diversification while maintaining significant management control over these projects.

We also plan to undertake the development of projects as a project development manager on a fee basis. In these projects, our intention is to have limited investments. The joint development models enables to follow an asset-light approach that helps reduce risk on our balance sheet.

We continue to evaluate opportunities in upcoming real estate segments which would integrate with our existing residential and commercial projects. We believe that there is significant unmet demand for co-living and co-working spaces, and accordingly, we intend to develop such spaces which we believe will generate consistent revenue.

Consolidate our leadership position in the specialty films business

We believe that our ability to serve our customers' requirements without capacity constraints coupled with our ability to innovate and develop products that meet their specific requirements distinguishes us from our competitors. We believe that we will be able to leverage our relationship with Toppan to expand our market share by exploring new markets outside of India and introducing new products with superior quality at relatively lower costs due to manufacturing being done in in India. Toppan serves as a strategic partner in Max Speciality Films Limited and provides us with their expertise in managing a global specialty films business, as well as, their global sales network.

We also intend to continue our focus on our R&D efforts in the specialty films business and employ the use of sustainable technology. With our proposed new products and focus on reducing our fixed costs, we believe that we will be able to increase our profitability while ensuring higher margins. Our EBITDA was ₹ 8,002.70 lakhs, ₹ 4,706.86 lakhs and ₹ 2,500.09 lakhs in Fiscal 2016 and 2017 and for the six months period ended September 30, 2017, respectively. For further details see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Reconciliation of EBITDA to restated consolidated profit/ (loss) for the period*" on page 325. In addition, our increase in manufacturing capacities aims to achieve economies of scale resulting in decreased cost of production per unit.

Focus on the education sector

With the current world population expected to reach 8.6 billion in 2030, 9.8 billion in 2050 and 11.2 billion in 2100 (*Source: United Nations, Department of Economic and Social Affairs, Population Division (2017). World Population Prospects: The 2017 Revision, Key Findings and Advance Tables. Working Paper No. ESA/P/WP/248.*), we believe that with this growing population, the education sector will also continue to grow across India and other jurisdictions. The number of English-medium international schools in Europe, North and

South America, Africa, Asia and Oceania is anticipated to grow from 8,653 with approximately 4.48 million students in 2016 to 24,659 with approximately 14.23 million students in 2031 (*Source: International Schools, The Global Opportunities Report 2016-17, ISC Research Limited*). We anticipate significant opportunities in the private education sector in the developed economies as well as the emerging economies. We aim to develop a holistic and original curricular offering and school design principles and focus on providing high-quality international curriculum in domestic and international schools. We will look to create or offer management services to flagship schools in India and across jurisdictions, and are also exploring management services agreements to existing schools, along with acquisition of existing schools and construction of greenfield projects.

We, through Max Learning Limited, our wholly owned Subsidiary, propose to develop and manage schools that will be academically rigorous and have a strong ethos rooted in high-quality teaching, innovative curriculum, world-class facilities, programmes for character formation, non-denominational spirituality and secular ethics. We are also in the process of creating a team of professionals experienced in strategic planning and in delivering educational innovation and further, recruiting professional faculty led by experienced educationists. In addition, Max Learning Limited is exploring an asset-light business model, including a management services entity, and opportunities to develop educational technology and other intellectual property, and aims to monetize its curricular offerings through licensing arrangements.

Identify investment opportunities

Our investment vertical, Max I. Limited will look for investment opportunities by leveraging our Promoter, Mr. Analjit Singh's experience and credibility in certain identified sectors including insurance, healthcare and other lifestyle related ventures, cyber security and real estate technology. We intend to invest in entrepreneurial ventures including the Government of India's initiatives of 'Start-Up India', 'Digital India' and 'Make in India', and facilitate intellectual and financial capital to proven early-stage organizations across identified sectors. As part of our investment business, we intend to ensure the standards of corporate governance that are synonymous with the Max group. We also intend to tap into the experience of our senior management team that has extensive experience across the various businesses of the Max group, and leverage their expertise in the investment business to ensure strategic investment decisions. We believe we are able to increase value and guide our investments by providing strategic and financial guidance, resulting in profitable returns for our investments as well as for us. In addition, we aim to focus on industries which will help in providing synergy to the Max group businesses and as a result, help us in adding strategic value to our businesses in addition to the financial benefits.

BUSINESS OPERATIONS

Our operations can broadly be divided into the following principal business verticals: (i) specialty packaging films, (ii) real estate development, (iii) investment, and (iv) education.

Specialty Packaging Films

We are engaged in the manufacture of specialty packaging films through Max Speciality Films Limited, a strategic partnership between our Company and Toppan. Toppan serves as a strategic partner in Max Speciality Films Limited and provides us with their expertise in managing a global specialty films business, as well as, their global sales network.

Max Speciality Films Limited is among the leading manufacturers of BOPP films in India including as specialty packaging films, labels, metallized films, coating and thermal lamination coated films used in packaging, labelling and graphic lamination industries for Indian and overseas markets. We supply our BOPP films to various distributors and converters who are engaged in printing, laminating and form filling of the BOPP films.

We are certified by the National Accreditation Board for Testing and Calibration Laboratories and accredited with the British Retail Consortium.

Products

Our products include BOPP films and value added products such as metallised and thermal lamination (coated) films.

BOPP Films

BOPP films are widely used for packaging food and other consumer products. BOPP films have multi-dimensional stability, high tensile strength, good stiffness, good clarity, excellent printability and heat sealability. BOPP film provides barrier protection against moisture and reasonable protection against gas and oxygen.

BOPP films are generally produced as three or five layer films, with the middle layers aimed at stiffness, strength, capacity and moisture barrier, while the outer layers aimed at, among other properties, producing a gloss effect, enabling printability and lamination and permitting heat sealing. There are several types of BOPP films based on end use application, including flexible converting and/or metallising, print laminating, over wrap, textile wraps, release agents and capacitors.

Of these end use applications, we focus on the high performance, value added products such as flexible converting and/or metallising, print laminating and over wrap and thermal lamination films (coated).

Certain BOPP products and their applications are described below:

<u>Promax (Standard Range)</u>

Film	Micron	Applications
Transparent Printing and Sealing Conversion	12, 15, 18, 20, 25, 30, 35 and 40	Food and personal care packaging
Overwrap	18 and 20	Carton overwrap
Cable Overwrap	20 and 25	Cable insulation wrap
Solid white	15, 18, 20, 25, 30 and 35	Food packaging
White Cavitated	18, 25, 30, 35 and 40	Food and ice cream packaging

<u>Maximus (Value-Added Product)</u>

Film	Micron	Applications
Sealing Reliability	18, 20 and 25	Food, personal care and confectionary packaging
Barrier Technology	12 and 20	Food, personal care and confectionary packaging
Multi Functional – Lap Seal, AntiFog	12, 20, 25, 30 and 35	Packaging of frozen vegetables, fruits and salads
Functional Coatings- Acryclic And Pvdc Coated	12, 14, 25, 30, 35 and 40	Perfumes carton overwrap and food packaging
Special Surfaces- Antiskid, Stable Slip, Release	12, 15, 17, 18, 20, 25, 30 and 35	Bulk bags, personal care and food packaging
Shrink Tightening	20, 25 and 30	Cigarettes and perfumes
Haptics & Optics	15, 18, 20 and 25	Paper lamination and food packaging
Wrap Around	15, 25, 30, 38 and 40	Carbonated soft drinks and mineral water
In Mould	60 and 65	Paint oil containers and popcorn tubs
Pressure sensitive	50 and 60	Personal care, industrial applications and beverages
Elite	20, 22, 25, 26, 28, 30 and 45	Visiting cards, diaries, cosmetics and jewelry boxes, menu cards and shopping bags
Classic	20, 22, 25, 28, 27, 37 and 30	book covers, calendars, shopping bags and cards

Metallised Films

Metallising BOPP films with aluminum deposition on its surface enhances barrier properties of the film and make it comparable to metal films. Metallising makes the film suitable for uses where moisture and aroma retention are especially important, such as food articles, and where durability is important, such as industrial applications. Metallised films find application in laminates, cup lids, industrial ducting, decoratives and other high barrier applications. Due to their attractive appearance these films are also used for gift wrapping and other decorative applications.

Thermal Lamination (Coated) films

Thermal lamination (coated) film is a pre-adhered BOPP (or polyester) film used for publishing applications such as print finishing, digital printing and encapsulation. Thermal film is targeted for high-end quality application of lamination and encapsulation to add value, to enhance appearance and document protection. It is laminated to board by heat and pressure process also known as hot lamination.

We primarily focus on the development and sale of niche value added products having high gross margin because of higher price realization. Some of the specialty products manufactured by us include: high quality metallised BOPP films such as ultra-high barrier metallised BOPP, matt metallised BOPP films, high gloss pearlised products, cigarette-pack and CD-pack over wrap, low temperature sealing packaging, holographic grades, specialty print-lamination films such as glossy 12 micron and matt 15 micron, for which MSP has applied for patent protection, as well as thermal-lamination (for exports).

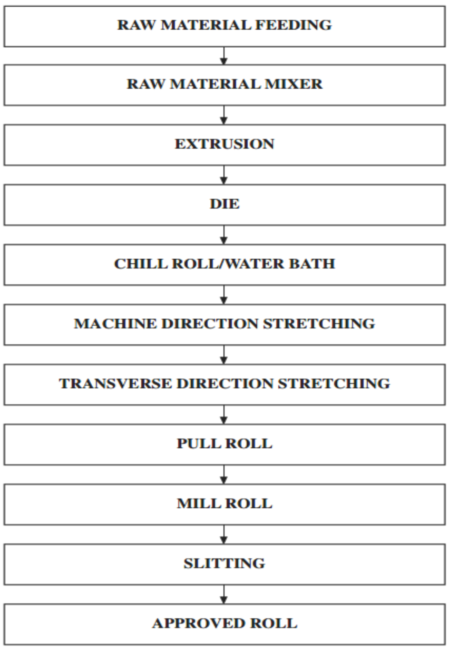
Our products in this category are Elite (Valued Added Products) that include BOPP based lamination films available in gloss, matt, silk scuff-free, linen and metallic finish, PET based lamination films in holographic (transparent/metalized), gold metalized, gluable and stampable variants and Classic/Traditional Products that include BOPP based matt/gloss finish films and PET based films specially for encapsulation application.

Production Process

BOPP film

BOPP film is a thermoplastic film made from base resin of Polypropylene Homopolymer ("PPHP") and Polypropylene Copolymer ("PPCP") and various special additives which are mixed into a blend. The additives impart special properties to film. In the production process, the mixture of PPHP, PPCP chips and additives is discharged into an extruder, where the chips are melted. The molten mixture of resin is then filtered and extruded into a sheet die with pre-set thickness and width. From the sheet die, the molten mixture is poured onto a cooled casting drum where, after casting, the solidified film is pulled onto a take off unit at the correct tension level. In the first stage the sheet is stretched (or oriented) across its length on heated rollers. In the next stage the sheet is stretched across its width (transverse stretching). In the following stage corona treatment is imparted to facilitate better print adhesion. The edges of the sheet are then trimmed and the sheet is wound onto a steel jumbo core. The roll of BOPP film is cut (or slit) into the desired widths on the slitting machines before being shipped.

The following chart illustrates the process for manufacturing BOPP films:



Metallised film

Metallising uses a highly sophisticated high vacuum process. Aluminum is vaporised and deposited onto the plastic film substrate by passing the film through the aluminum vapor. This operation is conducted in a closed vacuum chamber and the film is chilled for proper deposition of aluminum on the film's surface.

Thermal laminated film

Thermal lamination coating begins with loading BOPP film on to an extrusion coating machine and steadily unwinding the roll of film. The film is first corona treated to increase the surface tension of the film for better bonding. A primer is then applied on the film depending on the product specification. Sealants like low density polyethylene, ethylene vinyl acetate and metalocene are coated on film by the extrusion process. The film is then wound and slit on to marketable sizes.

Manufacturing Facility

We have a manufacturing facility located at Nawanshahr, Punjab with BOPP films capacity of 46.35 KTPA as at September 30, 2017. The manufacturing facility commenced commercial operations in March 1, 1990.

The following table sets forth certain information relating to our capacity utilization in fiscal 2016 (period beginning from April 1, 2015 to March 31, 2016), calculated on the basis of total installed capacity as at March 31, 2016, and actual production in Fiscal Year 2016 (period beginning from April 1, 2015 to March 31, 2016):

S. No.	Product	Installed Capacity as at March 31, 2016(1)(3)(4)	Actual Production (mill roll) in Fiscal Year 2016 (April 1, 2015 to March 31, 2016)(1)(2)(3)(4)	Capacity Utilization (%)(1)(2) (3)(4)
		(in KTPA except percentages)		
1.	BOPP film	46.35	45.98	99.19%
2.	Metallised film	13.20	9.18	69.55%
3.	Thermal laminated film	8.50	7.11	83.59%

(1) As certified by Mr. Deepankar Sharma, Chartered Engineer by certificate dated February 5, 2018.

(2) The period for which the information relating to production has been included is from April 1, 2015 to March 31, 2016, since Max Speciality Films Limited become our Subsidiary with effect from April 1, 2015.

(3) The information relating to the aggregate installed capacity, actual production and capacity utilization of our manufacturing facilities as at March 31, 2016 included above and elsewhere in this Draft Letter of Offer are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our installed capacity, actual production and capacity utilization. These assumptions and estimates include the period during which the manufacturing facilities operate in a year, expected operations, availability of raw materials, expected utilization levels, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. Actual production levels and utilization rates may therefore vary significantly from the installed capacity information of our manufacturing facilities included in this Draft Letter of Offer and undue reliance should not be placed on such information. See "*Risk Factors – Information relating to the estimated installed capacity, actual production and capacity utilization of our manufacturing facility included in this Draft Letter of Offer is based on various assumptions and estimates and actual production at our manufacturing facility may vary from such estimated capacity information*" on page 31.

(4) Capacity utilization in Fiscal Year 2016 (period beginning from April 1, 2015 to March 31, 2016) has been calculated on the basis of actual production in Fiscal Year 2016 (period beginning from April 1, 2015 to March 31, 2016) divided by the aggregate installed capacity of our manufacturing facility as at March 31, 2016.

The following table sets forth certain information relating to our capacity utilization in Fiscal 2017, calculated on the basis of total installed capacity as at March 31, 2017, and actual production in Fiscal 2017:

S. No.	Product	Installed Capacity as at March 31, 2017(1)(2)(3)	Actual Production (mill roll) in Fiscal 2017(1)(2)(3)	Capacity Utilization (%)(1)(2) (3)
		(in KTPA except percentages)		
1.	BOPP film	46.35	44.98	97.04%
2.	Metallised film	13.20	10.42	78.91%
3.	Thermal laminated film	11.50	8.02	69.70%

(1) As certified by Mr. Deepankar Sharma, Chartered Engineer by certificate dated February 5, 2018.

(2) The information relating to the aggregate installed capacity, actual production and capacity utilization of our manufacturing facilities as at March 31, 2017 included above and elsewhere in this Draft Letter of Offer are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation

of our installed capacity, actual production and capacity utilization. These assumptions and estimates include the period during which the manufacturing facilities operate in a year, expected operations, availability of raw materials, expected utilization levels, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. Actual production levels and utilization rates may therefore vary significantly from the installed capacity information of our manufacturing facilities included in this Draft Letter of Offer and undue reliance should not be placed on such information. See "*Risk Factors – Information relating to the estimated installed capacity, actual production and capacity utilization of our manufacturing facility included in this Draft Letter of Offer is based on various assumptions and estimates and actual production at our manufacturing facility may vary from such estimated capacity information*" on page 31.
(3) Capacity utilization in Fiscal 2017 has been calculated on the basis of actual production in Fiscal 2017 divided by the aggregate installed capacity of our manufacturing facility as at March 31, 2017.

The following table sets forth certain information relating to our capacity utilization (on an annualized basis), for the six months period ended September 30, 2017, calculated on the basis of total installed capacity as at September 30, 2017, and actual production for the six months period ended September 30, 2017:

S. No.	Product	Installed Capacity as at September 30, 2017(1)(2)(3)	Actual Production (mill roll) for the six Months period ended September 30, 2017(1)(2)(3)	Capacity Utilization (%)(1)(2) (3)
		(in KTPA except percentages)		
1.	BOPP film	46.35	22.54	97.24%
2.	Metallised film	13.20	5.57	84.36%
3.	Thermal laminated film	11.50	4.47	77.70%

(1) As certified by Mr. Deepankar Sharma, Chartered Engineer by certificate dated February 5, 2018.
(2) The information relating to the aggregate installed capacity, actual production and capacity utilization of our manufacturing facilities as at September 30, 2017 included above and elsewhere in this Draft Letter of Offer are based on various assumptions and estimates of our management that have been taken into account by the chartered engineer in the calculation of our installed capacity, actual production and capacity utilization. These assumptions and estimates include the period during which the manufacturing facilities operate in a year, expected operations, availability of raw materials, expected utilization levels, downtime resulting from scheduled maintenance activities, unscheduled breakdowns, as well as expected operational efficiencies. Actual production levels and utilization rates may therefore vary significantly from the installed capacity information of our manufacturing facilities included in this Draft Letter of Offer and undue reliance should not be placed on such information. See "*Risk Factors – Information relating to the estimated installed capacity, actual production and capacity utilization of our manufacturing facility included in this Draft Letter of Offer is based on various assumptions and estimates and actual production at our manufacturing facility may vary from such estimated capacity information*" on page 31.
(3) Capacity utilization for the six months period ended September 30, 2017 has been calculated on the basis of actual production for the six months period ended September 30, 2017 divided by the aggregate installed capacity of our manufacturing facility as at September 30, 2017.

We are currently in the process of expanding our production capacity by an aggregate capacity of 34.50 KTPA.

Quality Control, Testing and Certifications

We have quality assurance lab that is accredited by NABL and BRC. Our products undergo a qualification process throughout the entire value chain to ensure that quality products are developed. In addition, our manufacturing facility is ISO certified.

Our facility is ISO 9001-2008, ISO 14001-2004, OHSAS 18001-2007 and HACCP certified.

Raw Materials

The principal raw materials for the production of BOPP film are PPHP and PPCP. Our raw material suppliers include leading global and Indian suppliers.

Marketing, Sales and Distribution

We have marketing and liaising offices in Noida and Mumbai. We also have engaged third party sale representatives and distributors located strategically in the United States and Europe to cater to our international operations. Our operations and diversified customer base enables us to reduce our dependence on any particular industry or market. Our marketing structure is responsible for driving growth in each product through strategic planning. Our marketing activities involves our development and engineering teams working closely with customers or prospective customers.

Separate distribution channels are used to address the market for specific BOPP film applications, such as consumer goods packaging, food products, tobacco products, adhesive tapes, garment bags and gift wrapping.

Our product development team and marketing team contacts major FMCG companies to understand their requirements, and develop products as per their specifications. These FMCG producers then recommend our products to various converters, who source these products from us. We also work directly with converters for the sale of our products to various FMCG companies.

We believe our initiative of working closely with various FMCG's has enabled us to become a preferred supplier of films for such companies in India and abroad. This has also led to evolution of variety of niche specialty products.

The table below shows the geographical split of our gross revenue in the periods indicated:

Region	For the Six months period ended September 30, 2017		Fiscal 2017		Fiscal 2016	
	Gross Revenues (₹ lakhs)	Percentage of total revenues (%)	Gross Revenues (₹ lakhs)	Percentage of total revenues (%)	Gross Revenues (₹ lakhs)	Percentage of total revenues (%)
Within India	27,787.45	77.17%	54,961.27	76.38%	54,272.26	70.58%
Outside India	8,222.41	22.83%	16,992.53	23.62%	22,625.50	29.42%
Total	**36,009.86**	**100.00%**	**71,953.80**	**100.00%**	**76,897.76**	**100.00%**

Export Obligation

We import various equipment at a concessional rate of duty under the Export Promotion Capital Goods ("EPCG") scheme of the Government of India, and have consequently assumed certain export obligations that we are required to meet by Fiscal 2023. As at September 30, 2017, Max Speciality Films Limited had outstanding export obligations pursuant to the EPCG scheme of ₹ 783.43 lakhs. In addition, we have imported certain raw materials at a concessional rate/zero duty under the "advance license scheme" of the Directorate General of Foreign Trade, Government of India and have consequently assumed certain export obligations that we are required to meet by Fiscal 2018. As at September 30, 2017, Max Speciality Films Limited had outstanding export obligations pursuant to the advance license scheme of ₹ 288.47 lakhs.

In Fiscal 2016 and 2017 and for the six months period ended September 30, 2017, gross revenue attributed to foreign countries constituted ₹ 22,625.50 lakhs, ₹ 16,922.53 lakhs and ₹ 8,222.41 lakhs, respectively, or 29.33%, 23.62% and 23.25% of our total revenue and such gross revenue was primarily from our sale of our BOPP films which are in currencies other than Indian Rupees.

Research and Development

We have a dedicated R&D team within our facility at Nawanshahr, Punjab. Our R&D team is responsible for improvement, diversification and development of innovative products. In addition, our R&D team focuses improved capacity utilization, cost reduction waste minimization and recycling, quality control and inspection of products at the various stages of production.

As on February 5, 2018, our R&D team included 12 personnel, focused on developing value-added products by understanding current market demands and evolving consumer trends.

Health, Safety and Environment

Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. For details regarding applicable health, safety and environmental laws and regulations, see "*Regulations and Policies*" on page 120.

We have adopted an Environmental, Health and Safety ("**EHS**") policy. Our EHS policy provides for the constitution of an EHS committee to ensure safe and healthy environment at regular intervals and further, provides for sustainable development, medical checkups and safety measures in order to achieve zero accidents on a sustainable basis. Environmental requirements imposed by the Government of India and state governments will continue to have an effect on our operations and us. We believe that we have complied, and will continue to comply, with all applicable environmental laws, rules and regulations.

Properties

We own and operate our manufacturing facility in Nawanshahr, Punjab. Further, we lease our marketing offices in Noida and Mumbai.

Real Estate Development

We undertake our real estate development business through our Subsidiaries, Max Estates Limited and Wise Zone Builders Private Limited, engaged in developing projects across residential, commercial.

In our residential project portfolio, we develop projects that are focused on the luxury to higher end range of the real estate market. Residential projects constituted 11.59% of our total Saleable/ Leasable Area as at February 5, 2018. In addition, we also have certain commercial projects in various stages of development, which constituted 88.41% of our total Saleable/ Leasable Area as at February 5, 2018.

Our total land reserves (including land under construction and development agreement), as at February 5, 2018, aggregated to 6.70 lakhs square feet of Developable Area and 8.11 lakhs square feet of Saleable/ Leasable Area, which includes our Ongoing Projects and Forthcoming Projects.

The table below provides the estimated Developable Area and Saleable/ Leasable Area for our Ongoing Projects and Forthcoming Projects by city as at February 5, 2018:

City	Estimated Developable Area* (in lakhs sq. ft.)	Estimated Saleable/ Leasable Area* (in lakhs sq. ft.)	Number of Projects
Noida	4.31	6.15	1
Delhi	1.45	1.02	1
Dehradun	0.94	0.94	1

* *Total Developable or Saleable/ Leasable Area, irrespective of the revenue, profit or area sharing arrangement.*

We have used the "joint development model" for developing properties, which entails entering into a development agreement with the owner(s) of the land parcel(s) sought to be developed and also entails developing the project jointly with the land owner. We are entitled to a share in the development property, or a share of the revenue or profits generated from the sale of the developed property, or a combination of both entitlements.

Ongoing Projects

The following table presents, as at February 5, 2018, the estimated Saleable/ Leasable Area of our Ongoing Projects:

Type of Project	Estimated Saleable/ Leasable Area* (in lakhs sq. ft.)	Percentage of Saleable/ Leasable Area as per Type of Project
Residential	0.94	13.26%
Commercial	6.15	86.74%
Total	**7.09**	**100.00 %**

**Total Saleable/ Leasable Area, irrespective of the revenue, profit or area sharing arrangement.*

Forthcoming Project

The following table presents, as at February 5, 2018, the estimated Saleable/ Leasable Area of our Forthcoming Project:

Type of Project	Estimated Saleable/ Leasable Area* (in lakhs sq. ft.)	Percentage of Saleable/ Leasable Area as per Type of Project
Commercial	1.02	100.00%

Type of Project	Estimated Saleable/ Leasable Area* (in lakhs sq. ft.)	Percentage of Saleable/ Leasable Area as per Type of Project
Total	**1.02**	**100.00%**

**Total Saleable/ Leasable Area, irrespective of the revenue, profit or area sharing arrangement.*

Residential Project

Our residential project is primarily designed for the luxury and higher end range of the real estate market and is designed with a variety of amenities such as security systems and electricity back-up. As at February 5, 2018, we had one residential Ongoing Project.

The details of our residential Ongoing Project, as at February 5, 2018, is as follows:

Project Name	Location	Estimated Developable Area* (in lakhs sq. ft.)	Estimated Saleable/ Leasable Area* (in lakhs sq. ft.)
Residential Ongoing			
222 Rajpur	Dehradun	0.94	0.94

**Total Saleable/ Leasable Area, irrespective of the revenue, profit or area sharing arrangement.*

Given below is a brief overview of our residential Ongoing Project:

<u>222 Rajpur, Dehradun</u>

222 Rajpur is a luxury gated community offering a limited inventory of 22 residences located in Dehradun. The project offers high-design residences abutting the Malsi Reserve Forest and comprises with eight villas and 14 townhouses. The project includes various amenities, such as, power backup, uninterrupted water supply, 24x7 security and site management and playscapes. The townhouses are designed around a double height sky court located in the centre of the project and offer a private front and back garden. The courtyard villas open up to a large open courtyard and provide a separate staff entry and exit, while the forest villas open up to the views of the Malsi forest and Mussorie hills and provide a private elevator. The project has obtained all the requisite regulatory approvals and initiated sales in Fiscal 2017, with 31.82% of the inventory already sold as at February 5, 2018. We are currently in the process of obtaining the completion certificate.

Commercial Projects

Our commercial projects includes our flagship tower at the Delhi One campus in Noida. As at February 5, 2018, we had one commercial Ongoing Project and one commercial Forthcoming Project.

The details of our commercial Ongoing Project and Forthcoming Project, as at February 5, 2018, are as follows:

Project Name	Location	Estimated Developable Area* (in lakhs sq. ft.)	Estimated Saleable/ Leasable Area* (in lakhs sq. ft.)
Commercial Ongoing			
Max Towers	Noida	4.31	6.15
Commercial Forthcoming			
Max House	Delhi	1.45	1.02

**Total Saleable/ Leasable Area, irrespective of the revenue, profit or area sharing arrangement.*

Given below is a brief overview of our commercial Ongoing Project and Forthcoming Project:

<u>Max Towers, Noida</u>

Max Towers is a 21 storey luxury commercial tower along with four amenity floors and three levels of basement car parking located in the Delhi One complex, Noida. It commands direct access and a large frontage on the DND Flyway. The Delhi One complex is spread across 12.50 acres and comprises five commercial towers, including Max Towers, three residential towers and a hotel. The Max Towers include landscaped courtyards, co-working space, cafes, auditorium, fitness center, swimming pool. In addition, it provides for multi-tier security with CCTV and PTZ surveillance. The Max Towers is designed by architecture firms from United Kingdom and Spain. LEED Platinum certification for Max Tower is currently in progress and will be awarded post completion of the construction. It comprises of 6.15 lakhs square feet of Saleable/Leasable Area.

Max House, Okhla, New Delhi

The project involves redevelopment of office space in New Delhi which includes an estimated Developable Area of 1.45 lakhs square feet and an estimated Saleable/ Leasable Area of 1.02 lakhs square feet. The Max House redevelopment project is likely to commence in April 2018.

Sustainable Development

We have maintained a strong focus on sustainable development by meeting environmental parameters in site selection and planning, water efficiency, energy efficiency, material and indoor environmental quality. We have implemented environmentally-friendly building concepts in many of our projects in line with leading global sustainability practices. LEED Platinum certification for Max Tower is currently in progress and will be awarded post completion of the construction.

Investment

We are engaged in investment business through Max I. Limited. Our focus is to explore and specifically target strategic growth sectors such as healthcare, fintech, food and beverage services, hospitality, education, cyber security and real estate technology. Our focus in our investment business is to invest in early stage companies that require funding to scale up their operations or require capital for R&D, product development and testing, or designing specialized equipment. Our funding for such companies also supports their marketing.

As at September 30, 2017, we had non-current investments of ₹ 7,050.01 lakhs in Azure Hospitality Private Limited, which owns and operates food and beverage brands, and ₹ 1,754.71 lakhs for 1.99% stake in FSN E-Commerce Ventures Private Limited which owns and operates an online beauty store. Recently, Max I. Limited made a partial exit of its investment in FSN E-Commerce Ventures Private Limited amounting to ₹ 1,866.74 lakhs. In addition, we also recently invested in IAN Fund I with a capital commitment amounting to ₹ 250.00 lakhs and as at February 5, 2018, we had invested ₹ 22.95 lakhs in IAN Fund I.

Education

We are in the process of evaluating and exploring opportunities in the education business through our wholly-owned subsidiary, Max Learning Limited. We believe that there are limited high-quality schools and a lack of infrastructure in the state and private education sectors in India and other jurisdictions. Further, we believe there is a significant gap in the demand and supply of quality education specifically in respect of academic innovation, character development and mental and physical wellbeing of students. We endeavour to use this opportunity not only in terms of business but also in terms of making a significant positive social impact by providing high-quality education through K-12 schools and by offering management services to the existing schools.

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

COMPETITION

We face competition from other companies engaged in similar lines of business.

In our specialty packaging films business we face competition from other multinational and Indian manufacturing companies operating in India and internationally. In international markets, we compete with regional players and multinationals. We sell our products in highly competitive markets. Our competition varies by market, geographic areas and type of product. As a result, to remain competitive in our markets, we must continuously strive to innovate, reduce our costs of production, transportation and distribution and improve our operating efficiencies.

In our real estate development business, we face competition from regional, national and international property developers. Moreover, as we seek to diversify into new geographies, we face the risk that some of our competitors have a pan-India presence while other competitors have a strong presence in certain regional markets. Our competitors include both large corporate and small real estate developers.

In our investment business, there are private equity and other early stage investors with greater resources than us while in the education space, we face competition from other private education service providers and also state run education services that offer education free or at subsidized charges.

INSURANCE

We maintain insurance coverage with leading insurers in India. Our Company has obtained a standard fire and special perils policy, money insurance policy and furniture and office equipment insurance policy.

Our specialty packaging films business is subject to various risks inherent in the manufacturing industry. We have obtained a standard fire and special perils policy for our manufacturing facility including plant, machinery and equipment. We maintain an insurance policy covering directors' and officers' liability.

Our real estate operations are subject to hazards inherent to the construction industry, such as work accidents, fires, earthquakes, floods and other force majeure events, acts of terrorism and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We have obtained a contractors' all risks insurance policy and a standard fire and special perils policy for the construction of buildings.

INTELLECTUAL PROPERTY

As at February 5, 2018, we did not have any trademarks and have not applied for trademarks in India or abroad. Our Company uses the "Max" trademark and logo pursuant to a license agreement entered into with the Max India Limited. Please see "*Risk Factors - Any adverse impact on the brand, "Max", or our ability to use the "Max" name or related logos or brand names, may affect our reputation, business, financial condition and results of operations. Further, we depend on our brand recognition, and failure to maintain and enhance awareness of our brand would adversely affect our ability to retain and expand our customer base*" on page 12.

HEALTH, SAFETY AND ENVIRONMENT

Our activities are subject to the environmental laws and regulations of India, which govern, among other things, air emissions, waste water discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites, natural resource damages, and employee health and employee safety. For details regarding applicable health, safety and environmental laws and regulations, see "*Regulations and Policies*" on page 120.

We consider environmental issues to be an important factor in our operations and we take various measures to ensure that our operations do not negatively impact the environment. Particularly, in our real estate operations, we identify potential material hazards at the beginning of our projects, evaluate all material risks and implement, and monitor appropriate risk mitigation measures.

We continue to ensure compliance with applicable health and safety regulations and other requirements in our operations. Environmental requirements imposed by the Government of India and state governments will continue to have an effect on our operations and us. We believe that we have complied, and will continue to comply, with all applicable environmental laws, rules and regulations. We have obtained, or are is in the process of obtaining or renewing, all material environmental consents and licenses from the relevant governmental agencies that are necessary for us to carry on our operations. Please see "*Risk Factors - If we are not able to obtain, renew or maintain our statutory and regulatory permits and approvals required to operate our business or remain in compliance with applicable laws, it may have a material adverse effect on our business*" on page 26.

In recognition of our health, safety and environment standards, we have been accredited with certifications, such as ISO 9001-2008, ISO 14001-2004, OHSAS 18001-2007 and HACCP and have also been accredited by NABL and BRC.

HUMAN RESOURCES

As on February 5, 2018, we had 415 full-time employees. We also hire consultants to conduct various business operations, such as management and operations. In addition, we have entered into arrangements with third party personnel companies for the supply of contract labour for our business operations. We conduct training workshops for our employees to develop a variety of skill sets and organize modules at regular intervals to promote teamwork and personal growth of employees.

Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner.

CORPORATE SOCIAL RESPONSIBILITY

Our CSR activities are focused on poverty alleviation, preventive health care, education, gender equality and environmental sustainability. Our Subsidiary, Max Speciality Films Limited has formed a corporate social responsibility committee and adopted a corporate social responsibility policy. In Fiscal 2017 and for the six months period ended September 30, 2017, we incurred a CSR expenditure of ₹ 26.57 lakhs and ₹ 7.59 lakhs, respectively, on corporate social responsibility activities.

PROPERTY

Our registered office is located at Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Nawanshahr, Punjab – 144 533, India. Our corporate office is located at Max House, A-81, Sector 2, Noida, Uttar Pradesh – 201 301, India. Our registered office and corporate offices and branches are located at premises leased or licensed to us. Please see "*Risk Factor - A significant number of our Company's offices, including our registered and corporate office, are not registered in our name and are located on leased premises. There can be no assurance that these lease agreements will be renewed upon termination or that we will be able to obtain other premises on lease on same or similar commercial terms*" on page 29.

REGULATIONS AND POLICIES

The following description is a summary of certain laws and regulations in India, which are applicable to us. The information detailed in this section has been obtained from publications available in the public domain. The regulations set below are not exhaustive, and are only intended to provide general information to the investors and are neither designated nor intended to be a substitute to professional legal advice.

For the purpose of its business, our Company may be required to obtain licenses and approvals depending upon prevailing laws and regulations. For details of such approvals, please see section titled "*Government and Other Approvals*" on page 368.

A. Foreign Investment

India's current Foreign Direct Investment ("**FDI**") policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India ("**DIPP**") with effect from August 28, 2017 ("**FDI Policy**") consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP.

Para 3.8.3.1 of the FDI Policy stipulates as follows:

"*Foreign investment into an Indian company, engaged only in the activity of investing in the capital of other Indian company/ies/ LLP, will require prior Government/FIPB approval, regardless of the amount or extent of foreign investment.*"

However, given that our Company is not engaged only in the activity of investing in the capital of other Indian company(ies) since it also provides management services to its group companies, foreign investment in our Company will not require prior government/ Foreign Investment Promotion Board approval. However, our Company has procured the approval of the FIPB vide its letter dated February 19, 2016 read with letter dated May 6, 2016 for the Scheme. For further details, refer to section titled "*Government and Other Approvals*" on page 368.

B. Reserve Bank of India Guidelines

In terms of the Reserve Bank of India Act, 1934 ("**RBI Act**") read with Master Direction - Core-Investment Companies (Reserve Bank) Directions, 2016 ("**CIC**") dated August 25, 2016 ("**CIC Master Circular**"), every Systematically Important CIC is required to apply to the RBI for grant of certificate of registration.

Further, in terms of the CIC Master Circular, a Systematically Important CIC is defined as follows:

"*a core investment company having total assets of not less than ₹100 crore either individually or in aggregate along with other CICs in the Group and which raises or holds public funds*"

Given that our Company does not raise or hold deposits from the public, our Company does not fall under the definition of a Systematically Important CIC and therefore will not require registration with the RBI for the purposes of the RBI Act and the CIC Master Circular.

C. Environmental Laws

The three major statutes in India which seek to regulate and protect the environment from pollution and against polluting activities are the Water (Prevention and Control of Pollution) Act 1974 ("**Water Act**"), the Air (Prevention and Control of Pollution) Act, 1981 ("**Air Act**") and the Environment (Protection) Act, 1986 ("**EPA**") and the rules and regulations thereunder. Central Pollution Control Board and State Pollution Control Boards, collectively, the Pollution Control Boards ("**PCBs**"), which are vested with diverse powers to deal with water and air pollution, have been set up under the Water Act and the Air Act. The PCBs are responsible for, among other things, setting the standards for the maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking investigations to ensure that industries are functioning in compliance with the standards prescribed by the central and relevant state governments. All industries and factories are required to obtain consent orders from the relevant state PCBs for undertaking activities that causes emissions and discharge of effluents into the environment, and these orders are required to be renewed periodically.

The Noise Pollution (Regulation and Control) Rules, 2000 ("**Noise Pollution Rules**") made under the EPA seeks to regulate and control the noise being produced and generated from various sources including industrial activity.

The Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2016 ("Hazardous Waste Rules")

The Hazardous Waste Rules, made under the EPA define the term 'hazardous waste' and impose responsibility on the occupier of a factory or premises for safe and environmentally sound handling of hazardous wastes generated at their establishments. Further, the occupier is required to obtain an authorisation from the respective state PCB for handling, generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or disposal of hazardous waste.

The Public Liability Insurance Act, 1991

The Public Liability Insurance Act, 1991 imposes liability on the owner or controller of hazardous substances for death or injury to any person (other than a workman) or any damage to property arising out of an accident involving hazardous substances. The owner or handler is also required to maintain an insurance policy insuring him against liability. The Public Liability Insurance Rules, 1991 mandates contribution towards the environment relief fund, by the owner or controller, as the case may be, of a sum equal to the premium paid on the insurance policies which is payable to the insurer.

D. Labour Laws

Depending on the nature of work and number of workers employed at any workplace, various labour related legislations may apply to us. The following is an indicative list of central labour laws applicable to our operations:

1. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
2. The Industrial Disputes Act, 1947;
3. The Employees' State Insurance Act, 1948;
4. The Factories Act, 1948
5. The Contract Labour (Regulation and Abolition) Act, 1970
6. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
7. The Employee's Compensation Act, 1923
8. The Minimum Wages Act, 1948;
9. The Maternity Benefit Act, 1961;
10. The Payment of Wages Act, 1936;
11. The Child Labour (Prohibition and Regulation) Act, 1986;
12. The Equal Remuneration Act, 1976;
13. The Workmen's Compensation Act, 1923;
14. The Payment of Gratuity Act, 1972; and
15. The Payment of Bonus Act, 1965.

E. Property Related Laws

Transfer of Property Act, 1882 ("**TP Act**")

The TP Act establishes the general principles relating to transfer of property in India. It forms a basis for identifying the categories of property that are capable of being transferred, the persons competent to transfer property, the validity of restrictions and conditions imposed on the transfer and the creation of contingent and vested interest in the property. It also provides for the rights and liabilities of the vendor and purchaser in a transaction of sale of land.

Registration Act, 1908 ("**Registration Act**")

The Registration Act has been enacted with the objective of providing public notice of the execution of documents affecting, *inter alia*, the transfer of interest in immovable property. The purpose of the Registration Act is the conservation of evidence, assurance, title and publication of documents and prevention of fraud. It details the formalities for registering an instrument. Section 17 of the Registration Act identifies documents for which registration is compulsory. A document will not affect the property comprised in it, nor be treated as evidence of any transaction affecting such property (except as evidence of a contract in a suit for specific performance or as evidence of part performance under the TP Act or as collateral), unless it has been registered. Evidence of registration is normally available through an inspection of the relevant land records, which usually contains details of the registered property. Further, registration of a document does not guarantee title of land.

Indian Stamp Act, ("**Stamp Act**")

Under the Stamp Act, stamp duty is payable on instruments evidencing a transfer or creation or extinguishment of any right, title or interest in immovable property. Stamp duty is required to be paid on all instruments specified under the Stamp Act at the rates specified in the schedules under the same. The applicable rates for stamp duty on instruments chargeable with duty vary from state to state. Instruments which are not duly stamped under the Stamp Act, are incapable of being admitted in court as evidence of the transaction contained therein and it also provides for impounding of instruments that are not sufficiently stamped or not stamped at all. However, the instruments which have not been properly stamped can, in certain cases, be validated by paying a penalty of up to 10 times of the proper duty or deficient portion thereof payable on such instruments.

Real Estate (Development and Regulation) Act, 2016 ("**RERA**")

The Real Estate Act is aimed at protecting the interests of the consumers and encouraging fair play and transparency in real estate transactions. The Real Estate Act, *inter alia*, provides for the establishment of Real Estate Regulatory Authorities ("**RERA**") and Real Estate Appellate Tribunals in every state, mandatory registration of real estate projects and agents with the Real Estate Regulatory Authorities, public disclosure of all project related details, compulsory deposit of a percentage of receipts from customers in a separate account for financing of construction of that project and provision of a model builder-buyer agreement and fast track dispute resolution mechanism.

F. Education and Investment Related Laws

Upon commencement of activities in the education sector, certain other laws will become applicable to our Company, including the Right of Children to Free and Compulsory Education Act, 2009 and the National Policy on Education. Further, upon commencement of any activities in the investment vertical, our Company may be required to comply with additional laws including provisions of the RBI Act and the guidelines and regulations issued by the RBI from time to time in relation to core-investment space companies.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief corporate history of our Company

Our Company was incorporated as "Capricorn Ventures Limited" on January 20, 2015, as a public limited company under the Companies Act, 2013, registered with the Registrar of Companies, Punjab and Chandigarh. The name of our Company was changed to "Max Ventures and Industries Limited" pursuant to which a fresh certificate of incorporation was issued on January 22, 2016. The name of our Company was changed pursuant to the demerger effected by the composite scheme of arrangement approved by the High Court of Punjab and Haryana between Max India Limited, Taurus Ventures Limited and our Company. The Corporate Identity Number of our Company is L85100PB2015PLC039204. Our Company was listed on the BSE and the NSE on June 22, 2016.

Changes in our Registered Office

The Registered Office of our Company is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District - Nawanshahr, Punjab - 144 533, India. There have been no changes in the registered office of our Company since incorporation.

Key Events and Milestones

Calendar Year	Description
2015	• Our Company entered into a Scheme of Arrangement with MFSL and MIL and their respective shareholders and creditors which was sanctioned by the High Court for Punjab and Haryana at Chandigarh vide its order dated December 14, 2015, pursuant to which Max Speciality Films Limited, the subsidiary of MFSL, which is engaged *inter alia* in the business of manufacture and sale of BoPP metallised films, BoPP unmetallised films, thermal lamination films, was transferred and vested in our Company with effect from the appointed date, *i.e.*, April 1, 2015 on a going concern basis
2016	• Listing of Equity Shares on the BSE and the NSE
	• Incorporation of our Subsidiaries, namely, Max Estates Limited, Max I. Limited and Max Learning Limited
	• Launch of 222, Rajpur Road, Dehradun, maiden residential project of Max Estates Limited
	• Investment in AHPL by Max I. Limited for a 11.17% shareholding on a fully diluted basis
2017	• Preferential allotment to New York Life International Holdings Ltd whereby our Company had issued and allotted 1,55,23,870 Equity Shares to New York Life International Holdings Ltd. • Issuance and allotment of 34,48,894 share warrants by our Company to Siva Enterprises Private Limited, which were subsequently converted to 34,48,894 Equity Shares of our Company
	• Our Company had entered into a shareholders agreement dated February 10, 2017 with Toppan Printing Co., Ltd. and Max Speciality Films Limited whereby Toppan Printing Co., Ltd. had acquired 49% of the equity shares of Max Speciality Films Limited
	• Acquisition of, Wise Zone Builders Private Limited, by Max Estates Limited

Awards and Recognitions

We have received the following awards/certifications:

Year	Description
2016	• Award for Packaging Excellence by World Packaging Organisation to Max Specialty Films Limited
2015	• Indiastar Award by Indian Institute of Packaging to Max Specialty Films Limited
2012	• Indiastar Award by Indian Institute of Packaging to Max Specialty Films Limited
2011	• Golden Peacock Innovative Product/Service Award to Max India Limited and Max Specialty Films Limited
2010	• Award for Packaging Excellence by Worldstar to Max India Limited and Max Specialty Films Limited
2010	• Indiastar Award by Indian Institute of Packaging to Max Specialty Films Limited

Main Objects

The main objects of our Company as contained in our Memorandum of Association are as follows:

(i) To design, manufacture and offer or to supply from other sources packing materials, packaging and packaging systems of all types and all related services and to manufacture, import, export, indent, deal in stock, distribute all types of films, sheetings foils, mouldings, castings, extruded articles, composites, formed articles and products, obtained in any manner from natural, synthetic or semi-synthetic plastics, polymers (homopolymers, copolymers, modified polymers included), monomers, elastomers, resins, other similar materials, metals and combination of these materials and to process or to have processed these products in any manner specifically including cutting, slitting, coating, lamination, printing, conversion, wearing metalising and to recycle, process, buy or sell waste products generated from any of the above activities.

(ii) To carry on the business in India or abroad of real estate developer, contractors, builders, town planners, land developers, land consolidators, land scapers, estate agents, immovable property dealers and to acquire, own, develop, improve, build, sell, lease, manage, commercially exploit and otherwise deal in real state, properties of all nature and description or any rights therein including land, retail related real estate, buildings, hotels, resorts, sports complexes, bridges, roads, industrial, buildings, flats, houses, apartments, commercial offices and other retail realty including multi brand retail anchored shopping malls as well as business/wholesale centres and where feasible by law, purchase and acquisition of existing shopping malls.

(iii) To carry on the business of providing management and consultancy services, shared services, nurturing the learning and development objectives for acquisition of skills and knowledge.

(iv) To acquire, establish, promote, run, manage, act as service provider, act as know-how developer / provider or in any other manner associate/venture in India and/or elsewhere in the world for schools, college, training institute or other educational institutions, kindergarten, nursery, primary, middle, secondary, senior secondary, degree courses in academic or professional streams, vocational or non-vocational courses, computer education, educational & training centres, skill development program in any stream or similar / incidental activity thereto including carrying on the business of learning and skill development, training and placement and running training and professional institutions for providing knowledge in the field of scientific management, commercial, medical, engineering or such all or any other type of education.

(v) To carry on the business of hospitality such as hotels, motels, restaurants, resorts, recreation centre, holiday camps, amusements parks, guest houses, banquet halls, conference halls, convention halls, business centers, restaurants, picnic spots, canteens, caterers, café, pubs, bars, beerhouse, refreshment rooms, clubs and lodging or apartments, shopping complex, housekeepers, casinos, amusement parks, games both electronic and non-electronic discotheques, swimming pools, health clubs, dressing rooms and beauty parlors in and outside India.

(vi) To carry on, in India or abroad, the business to manufacture, fabricate, assemble, alter, convert, design, develop, research, exhibit, display, buy, sell, resale, promote, import, export, install, fabricate, and to act as agent representative, consultants, adviser of all kinds of electrical and electronic equipments, appliances like air conditioners, refrigerators, television, electrical fans, heaters, electrical fittings, music systems, computer operated music system, mixers, grinders, oven, electrical cooking range, flour machinery, cloth and dish washing machines and all other items used in household, industrial and domestic appliances and to do all incidental acts and things necessary for attainment of foregoing objects.

(vii) Subject to the regulation of the Reserve Bank of India and other applicable regulations, to carry on (a) the business of investment advisory / consultancy services; (b) the business of an investment/loan company; and to acquire and hold and otherwise deal in shares, stocks, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any company and debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body, or authority, supreme, municipal, local or otherwise, landed property, whether in India or elsewhere.

(viii) To promote, hold and nurture companies having similar objects as that of our Company and carrying on any business (including through associates, subsidiaries and joint ventures) whether in India or elsewhere.

Amendments to our Memorandum of Association

Date	Nature of Amendment
December 23, 2015	1. Erstwhile Clause III (a) (1) of the Memorandum of Association was substituted with the following: *"To design, manufacture and offer or to supply from other sources packing materials, packaging and packaging systems of all types and all related services and to manufacture, import, export, indent, deal in stock, distribute all types of films, sheeting foils, mouldings, castings, extruded articles, composites, formed articles and products, obtained in any manner from natural, synthetic or semi-synthetic plastics, polymers(homopolymers, copolymers, modified polymers included), monomers, elastomers, resins, other similar materials, metals and combination of these materials and to process or to have processed these products in any manner specifically including cutting , slitting, coating, lamination, printing, conversion, wearing metalizing and to recycle, process, buy or sell waste products generated from any of the above activities."* 2. Erstwhile Clause III (a) (2) of the Memorandum of Association was substituted with the following: *"To carry on the business in India or abroad of real estate developer, contractors, builders, town planners, land developers, land consolidators, land scrapers, estate agents, immovable property dealers and to acquire, own, develop, improve, build, sell, lease, manage, commercially exploit and otherwise deal in real estate, properties of all nature and description or any rights therein including land, retail related real estate, buildings, hotels, resorts, sports complexes, bridges, road, industrial, buildings, flats, houses, apartments, commercial offices and other retail realty including multi brand retail anchored shopping mallsas well as business/wholesale centres and where feasible by law, purchase and acquisition of existing shopping malls."* 3. Erstwhile Clause III (a) (3) of the Memorandum of Association was substituted with the following: *"To carry on the business of providing management and consultancy services, shared services, nurturing the learning and development objectives for acquisition of skills and knowledge."* 4. Erstwhile Clause III (a) (4) of the Memorandum of Association was substituted with the following: *"To acquire, establish, promote, run, manage, act as service provider, act as know-how developer/provider or in any other manner associate/venture in India and/or elsewhere in the world for schools, college, training institute or other educational institutions, kindergarten, nursery, primary, middle, secondary, senior secondary, degree courses in academic or professional streams, vocational or non-vocational courses, computer education, educational & training centres, skill development program in any stream or similar/incidental activity thereto including carrying on the business of learning and skill development, training and placement and running training and professional institutions for providing knowledge in the field of scientific management, commercial, medical, engineering or such all or any other type of education."* 5. Erstwhile Clause III (a) (5) of the Memorandum of Association was substituted with the following: *"To carry on the business of hospitality such as hotels, motels, restaurants, resorts, recreation centre, holiday camps, amusements parks, guest houses, banquet halls, conference halls, convention halls, business centres, restaurants, picnic spots, canteens, caterers, café, pubs, bars, beer house, refreshment rooms, clubs and lodging or apartments, shopping complex, housekeepers, casinos, amusement parks, games both electronic and non-electronic discotheques, swimming pools, health clubs, dressing rooms and beauty parlours in and outside India"*

Date	Nature of Amendment
	6. Clause III (a) (6) was inserted after substituted Clause III (a) (5) of the Memorandum of Association: *"To carry on, in India or abroad, the business to manufacture, fabricate, assemble, alter, convert, design, develop, research, exhibit, display, buy, sell, resale, promote, import, export, install, fabricate, and to act as agent representative, consultants, adviser of all kinds of electrical and electronic equipments, appliances like air conditioners, refrigerators, television, electrical fans, heaters, electrical fittings, music systems, computer operated music system, mixers, grinders, oven, electrical cooking range, flour machinery, cloth and dish washing machines and all other items used in households, industrial and domestic appliances and to do all incidental acts and things necessary for attainment of foregoing objects."* 7. Clause III (a) (7) was inserted after the inserted Clause III (a) (6) of the Memorandum of Association: *"Subject to regulation of Reserve Bank of India and other applicable regulations, to carry on (a) the business of investment advisory/consultancy services; (b) the business of an investment/loan company; and to acquire and hold and otherwise deal in shares, stocks, debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any company and debentures, debenture-stock, bonds, obligations and securities issued or guaranteed by any government, sovereign ruler, commissioners, public body, or authority, supreme, municipal, local or otherwise, landed property, whether in India or elsewhere."* 8. Clause III (a) (8) was inserted after the inserted Clause III (a) (7) of the Memorandum of Association: *"To promote, hold and nurture companies having similar objects as that of the Company and carrying on any business (including through associates, subsidiaries and joint ventures) whether in India or elsewhere"* Clauses III (a) (43), Clause III (a) (44) and Clause III (a) (45) of the Memorandum of Association were deleted.
January 13, 2016	Authorised share capital of our Company increased from ₹ 5,00,000 divided into 50,000 Equity Shares of face value ₹10 each to ₹ 60,00,00,000 divided into 6,00,00,000 Equity Shares of face value ₹ 10 each
February 7, 2017	Authorised share capital of our Company increased from ₹ 60,00,00,000 divided into 6,00,00,000 Equity Shares of face value ₹ 10 each to ₹ 1,10,00,00,000 divided into 11,00,00,000 Equity Shares of face value ₹ 10 each
December 17, 2017	Authorised share capital of our Company increased from 1,10,00,00,000 divided into 11,00,00,000 Equity Shares of face value ₹ 10 each to ₹ 1,50,00,00,000 divided into 15,00,00,000 Equity Shares of face value ₹ 10 each

Listing

The Equity Shares of our Company are presently listed on the NSE and the BSE. The total number of shareholders of our Company as on February 9, 2018 was 39,188.

Holding Companies

Our Company does not have any holding company as of the date of this Draft Letter of Offer.

Associate Companies

Our Company does not have any associate company as of the date of this Draft Letter of Offer.

Our Subsidiaries

As on date of this Draft Letter of Offer, we have the following subsidiaries:

(a) Max Speciality Films Limited
(b) Max Estates Limited
(c) Max I. Limited
(d) Max Learning Limited
(e) Wise Zone Builders Private Limited (a step down wholly owned subsidiary)

Max Speciality Films Limited

Corporate information

Max Speciality Films Limited was incorporated on December 28, 2012 as a public limited company. The registered office of Max Speciality Films Limited is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District - Nawanshahr, Punjab - 144 533. Max Speciality Films Limited became our subsidiary with effect from April 1, 2015.

Max Speciality Films Limited was incorporated with the main object of manufacturing speciality and value added BOPP films of differentiated quality.

The shareholding pattern of Max Speciality Films Limited

S. No	Name of the share holder	Number of equity shares held (face value of ₹ 10)	%
1.	Max Ventures and Industries Limited	1,98,42,131	50.99
2.	Mr. Sahil Vachani*	10	Negligible
3.	Mr. Nitin Kumar Kansal *	10	Negligible
4.	Mr. Navneet Narayan Malhotra*	10	Negligible
5.	Mr. Manohar Kumar*	10	Negligible
6.	Mr. Amit Jain*	20	Negligible
7.	Toppan Printing Co., Ltd.	1,90,64,066	49.00
Total		**3,89,06,257**	**100.00**

* *Nominees of Max Ventures and Industries Limited*

Max Estates Limited

Corporate information

Max Estates Limited was incorporated on March 22, 2016 as a public limited company. The registered office of Max Estates Limited is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District – Nawanshahr, Punjab – 144 533. Max Estates Limited was incorporated as a wholly owned subsidiary of our Company with effect from March 22, 2016.

Max Estates Limited was incorporated with the main object of carrying real estate activities.

The shareholding pattern of Max Estates Limited

S. No	Name of the share holder	Number of equity shares held (face value of ₹ 10)	%
1.	Max Ventures and Industries Limited	79,99,994	99.99
2.	Mr. Sahil Vachani*	1	Negligible
3.	Mr. Arjunjit Singh*	1	Negligible
4.	Mr. Nitin Kumar Kansal*	1	Negligible
5.	Mr. Amit Jain*	1	Negligible
6.	Mr. Navneet Narayan Malhotra*	1	Negligible
7.	Mr. Manohar Kumar*	1	Negligible
Total		**80,00,000**	**100.00**

* *Nominees of Max Ventures and Industries Limited*

Max Learning Limited

Corporate information

Max Learning Limited was incorporated on August 23, 2016 as a public limited company. The registered office of Max Learning Limited is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District – Nawanshahr, Punjab – 144 533. Max Learning Limited was incorporated as wholly owned subsidiary of our Company on August 23, 2016.

Max Learning Limited was incorporated with the main object of carrying out education related activities.

The shareholding pattern of Max Learning Limited

S. No	Name of the share holder	Number of equity shares held (face value of ₹ 10)	%
1.	Max Ventures and Industries Limited	20,49,994	99.99
2.	Mr. Sahil Vachani*	1	Negligible
3.	Mr. Arjunjit Singh*	1	Negligible
4.	Mr. Nitin Kumar Kansal*	1	Negligible
5.	Mr. Amit Jain*	1	Negligible
6.	Mr. Navneet Narayan Malhotra*	1	Negligible
7.	Mr. Manohar Kumar*	1	Negligible
Total		**20,50,000**	**100.00**

* *Nominees of Max Ventures and Industries Limited*

Max I. Limited

Corporate information

Max I. Limited was incorporated on June 23, 2016 as a public limited company. The registered office of Max I. Limited is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District – Nawanshahr, Punjab – 144 533. Max I. Limited was incorporated as a wholly owned subsidiary of our Company on June 23, 2016.

Max I. Limited was incorporated with the main object of facilitating intellectual and financial capital to promising and proven early sector organizations against various identified sectors.

The shareholding pattern of Max I. Limited

S. No	Name of the shareholder	Number of equity shares held (face value of ₹ 10)	%
1.	Max Ventures and Industries Limited	49,994	99.98
2.	Mr. Sahil Vachani*	1	Negligible
3.	Mr. Arjunjit Singh*	1	Negligible
4.	Mr. Nitin Kumar Kansal*	1	Negligible
5.	Mr. Amit Jain*	1	Negligible
6.	Mr. Navneet Narayan Malhotra*	1	Negligible
7.	Mr. Manohar Kumar*	1	Negligible
Total		**50,000**	**100.00**

* *Nominees of Max Ventures and Industries Limited*

Wise Zone Builders Private Limited

Corporate information

Wise Zone Builders Private Limited was incorporated on October 27, 2016. It was acquired by Max Estates Limited on April 29, 2017. The registered office of Wise Zone Builders Private Limited is located at A-81, Max House, Sector – 2, Gautam Budh Nagar, Noida – 201 301. Wise Zone Builders Private Limited was acquired as a subsidiary, by Max Estates Limited, with effect from April 29, 2017, by acquisition of 10,000 equity shares for an aggregate cash consideration of ₹ 1,00,000 from our Company's own funds.

Wise Zone Builders Private Limited was incorporated with the main object of carrying out real estate activities.

The shareholding pattern of Wise Zone Builders Private Limited

S. No	Name of the share holder	Number of equity shares held (face value of ₹ 10)	%
1.	Max Estates Limited	9,994	99.94
2.	Mr. Sahil Vachani*	1	0.01
3.	Mr. Arjunjit Singh*	1	0.01
4.	Mr. Nitin Kumar Kansal*	1	0.01
5.	Mr. Kishansingh Ramsinghaney*	1	0.01
6.	Mr. Rohit Rajput*	1	0.01
7.	Ms. Shruti Batish*	1	0.01
Total		**10,000**	**100.00**

* *Nominees of Max Estates Limited*

None of the Subsidiaries (i) are listed on any stock exchange in India or abroad; (ii) have been refused listing of any securities at any time, by any stock exchange in India or abroad; (iii) have become a sick company under the meaning of Sick Industrial Companies (Special Provisions) Act, 1985; or (iv) have any winding up proceedings initiated against them.

There are no accumulated profits or losses of any of our Subsidiaries that are not accounted for by our Company in the Restated Consolidated Financial Statements.

Significant Sale/Purchase between Subsidiaries and our Company

Except as stated in the section "*Related Party Transactions*" on page 175, our Subsidiaries are not involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Injunction or restraining order

Our Company is not operating under any injunction or restraining order.

Defaults or rescheduling of borrowings with financial institutions/ banks

Except as disclosed in this Draft Letter of Offer under the section titled "*Financial Indebtedness"* on page 177, there has not been any rescheduling of any outstanding loans granted by financial institutions/ banks anytime preceding the date of this Draft Letter of Offer.

Strikes or labour unrest

There have been no strikes or labour unrests in our Company anytime preceding the date of this Draft Letter of Offer.

Changes in the activities of our Company

There have been no changes in the activities of our Company from our inception till the date of this Draft Letter of Offer, which may have had a material effect on our profits or loss.

Capital raising through equity and debt

For details in relation to our capital raising activities through equity and debt, see the sections titled "*Financial Indebtedness*" and "*Capital Structure*" on pages 177 and 65, respectively.

Time and cost overrun

Our Company may have experienced time and cost overrun in relation to some of the projects executed by them. For details of related risk, see the section titled "*Risk Factors*" on page 12.

Strategic partners

Except Toppan, which holds 49% of the equity shares of Max Speciality Films Limited, one of our Subsidiaries, our Company does not have any strategic partners or has not entered any material contracts other than in ordinary course of business.

Financial partners

As on the date of this Draft Letter of Offer, apart from our various arrangements with our lenders and bankers, which we undertake in the ordinary course of our business, our Company does not have any other financial partners.

Material Agreements

Except as disclosed below, there are no material agreements including shareholder agreements.

Investment Agreement between our Company, Promoters and New York Life International Holdings Ltd ("Investor")

Our Company had entered into an agreement dated January 9, 2017 with the Promoters and Investor ("**Investment Agreement**"), pursuant to which our Company had issued and allotted 1,55,23,870 Equity Shares at ₹ 78 per Equity Share for 22.51% of the post- issue Equity Share capital of our Company to the Investor. Additionally, our Company had issued and allotted 34,48,894 share warrants at ₹ 78 per warrant for 4.76% of the post-issue share capital of the Company on a fully diluted basis assuming full conversion of the warrants to Siva Enterprises Private Limited, which were subsequently converted to 34,48,894 Equity Shares.

Share Subscription and Shareholders' Agreement between Toppan Printing Co., Ltd., ("Toppan"), and Max Speciality Films Limited dated February 10, 2017 and Share Purchase Agreement between Toppan, our Company and Max Speciality Films Limited dated February 10, 2017

Pursuant to the above agreements Toppan acquired and subscribed to 49% of the equity shares of Max Speciality Films Limited. Accordingly, our Company, together with Toppan hold 51% and 49% of the shareholding of Max Speciality Films Limited, respectively.

Provided below are, amongst others, some of the key terms of the aforesaid agreements:

(a) The board of directors of MSFL is required to have equal representation from our Company and Toppan, so long as our Company and Toppan continue to hold their respective proportionate shareholding. In addition, MSFL is required to have independent directors on its board of directors in accordance with applicable laws;

(b) Our Company and Toppan have pre-emptive rights for subscription to fresh issuances of equity securities by MSFL, proportionate to their respective shareholding; and

(c) Our Company and Toppan have affirmative rights with respect to agreed matters pertaining to capital structure, management and operation of MSFL, among others.

Other Agreements or Arrangements

Composite Scheme of Arrangement between MIL (formerly Taurus Ventures Limited), MFSL and our Company (formerly Capricorn Ventures Limited) and their respective shareholders and creditors ("Scheme/Scheme of Arrangement")

Our Company entered into a Scheme of Arrangement with MFSL and MIL and their respective shareholders and creditors which was sanctioned by the High Court for Punjab and Haryana at Chandigarh vide its order dated December 14, 2015, pursuant to which Max Speciality Films Limited, the subsidiary of MFSL, which is engaged *inter alia* in the business of manufacture and sale of BoPP metallised films, BoPP unmetallised films, thermal lamination films, was transferred and vested in our Company with effect from the appointed date *i.e.*, April 1, 2015 on a going concern basis.

Pursuant to the Scheme, our Company issued and allotted Equity Shares at par on a proportionate basis to each shareholder of MFSL whose names were recorded in the register of members as holding equity shares on the record date in the ratio of 1:5, *i.e.*, 1 Equity Share of ₹ 10/- each of our Company to be issued for every 5 equity shares of ₹ 2/- each of MFSL, held by a shareholder.

The initial authorised share capital of our Company at the time of incorporation was ₹ 5,00,000 (Rupees five lakhs), which was increased to ₹ 60,00,00,000 (Rupees six thousand lakhs) as per the Scheme.

For further details regarding the Scheme, please refer to section titled "*Capital Structure*" on page 65.

OUR MANAGEMENT

Board of Directors

Under the Articles of Association, the number of directors of our Company shall not be less than 3 (three) or more than 15 (fifteen), excluding any debenture-holder director or alternate director, provided that any increase in the number of directors in office beyond 15(fifteen), would require the approval of the shareholders of our Company in a general meeting by way of special resolution under Section 149 of the Companies Act, 2013. Our Company currently has 8 (eight) Directors on the Board, 4 (four) of which are independent Directors including 1 (one) woman Director.

The following table sets forth details regarding our Board as of the date of filing the Draft Letter of Offer.

S. No.	Name, Age, Address, Occupation, DIN and Nationality	Designation and Term	Other Directorships
1.	**Mr. Analjit Singh** **Age:** 64 years **S/o** Late Dr. Bhai Mohan Singh **Address:** 15, Dr. A.P.J. Abdul Kalam Road, New Delhi- 110 011 **Occupation:** Industrialist **DIN:** 00029641 **Nationality:** Indian	**Designation**: Chairman **Term:** With effect from January 15, 2016. Further, he has been reappointed with effect from September 26, 2017 vide Shareholders resolution dated September 26, 2017. He is liable to retire by rotation.	*Indian Companies*: 1. Vodafone India Limited 2. Vana Enterprises Limited 3. Antara Senior Living Limited 4. Malsi Holdings Limited 5. Liquid Investment and Trading Company Private Limited 6. Mohair Investment and Trading Company Private Limited 7. Delhi Guest Houses Private Limited 8. Max Ventures Investment Holdings Private Limited 9. Piveta Estates Private Limited 10. Max Ventures Private Limited 11. Siva Realty Ventures Private Limited 12. PVT Ventures Private Limited 13. Indian School of Business *Foreign Companies*: 1. Varana Global Holdings Limited 2. Leeu Holdings Limited, Cyrpus 3. SOFINA, Belgium 4. Drugyel Estates Private Limited, Bhutan 5. LGO Pte. Ltd.
2.	**Mr. Mohit Talwar** **S/o** Mr. Jagdish Talwar **Age:** 58 years **Address:** Flat No. - 1518-B, Building No. - 4, Tower - 15, The Magnolias, DLF Golf Links, Golf Course Road, Gurgaon, 122 009, Haryana **Occupation:** Service **DIN:** 02394694 **Nationality:** Indian	**Designation**: Vice Chairman **Term:** With effect from January 15, 2016. Further he has been reappointed with effect from September 26, 2017 vide Shareholders resolution dated September 26, 2017. He is liable to retire by rotation.	*Indian Companies*: 1. Max Financial Services Limited 2. Max India Limited 3. Antara Senior Living Limited 4. Max Bupa Health Insurance Company Limited 5. Max Speciality Films Limited 6. Max Healthcare Institute Limited 7. Max Life Insurance Company Limited

S. No.	Name, Age, Address, Occupation, DIN and Nationality	Designation and Term	Other Directorships
3.	**Mr. Sahil Vachani** **S/o** Mr. Ravi Vachani **Age:** 34 **Address:** S - 43, Panchsheel Park, New Delhi- 110 017 **Occupation:** Service **DIN:** 00761695 **Nationality:** Indian	**Designation**: Managing Director and Chief Executive Officer **Term:** Five years with effect from January 15, 2016. Further he has been appointed with effect from September 27, 2016 vide Shareholders resolution dated September 27, 2016.	*Indian Companies*: 1. Topline Electronics Private Limited 2. Siva Realty Ventures Private Limited 3. TR Asset Ventures Private Limited 4. Hometrail Properties Private Limited 5. Wegmans Business Park Private Limited 6. TVP Investments Private Limited 7. Trophy Resorts & Guest Houses Private Limited 8. Vitasta Estates Private Limited 9. Max Ventures Private Limited 10. Siva Enterprises Private Limited 11. Max Speciality Films Limited 12. Max Estates Limited 13. Terra Planet Estate Private Limited 14. Azure Hospitality Private Limited 15. Max I. Limited 16. Max Learning Limited 17. Synergy Infracon Private Limited 18. Trophy Estates Private Limited 19. Piveta Estates Private Limited *Foreign Companies*: 1. Leeu London Limited 2. Leeu Marketing International Limited 3. Mullineux & Leeu Family Wines (Pty) Limited 4. Varana Global Holdings Limited 5. Leeu Holdings Limited, Cyprus 6. Leeu Italy S.r.l., Italy 7. Drugyel Estates Private Limited, Bhutan 8. LGO Pte. Ltd.
4.	**Mr. Arthur Seter Harutyun** **S/o** Mr. Aram Seter **Age:** 59 **Address:** One Merion Drive, Purchase, New York- 10577 US **Occupation:** Service **DIN:** 07440880 **Nationality:** U. S. Citizen	**Designation**: Non - Executive Director **Term:** Appointed as Non - Executive Director with effect from February 17, 2017. Further, his appointment has been confirmed by shareholders' in the meeting held on September 26, 2017. He is liable to retire by rotation.	*Indian Companies*: 1. Jacob Ballas Capital India Private Limited

S. No.	Name, Age, Address, Occupation, DIN and Nationality	Designation and Term	Other Directorships
5.	**Mr. D.K. Mittal** **S/o** Mr. Davender Kumar Mittal **Age:** 65 **Address:** B - 71, Sector 44, Noida, 201 301, Uttar Pradesh **Occupation:** Professional **DIN:** 00040000 **Nationality:** Indian	**Designation**: Independent Director **Term:** Five years with effect from January 15, 2016. Further, his appointment has been confirmed by shareholders' in the meeting held on September 27, 2016. Not liable to retire by rotation	*Indian Companies*: 1. Business Strategy Advisors Services Private Limited 2. HSBC Asset Management (India) Private Limited 3. Balrampur Chini Mills Limited 4. Bharti Airtel Limited 5. ONGC Tripura Power Company Limited 6. Max Life Insurance Company Limited 7. Max Financial Services Limited 8. Max India Limited 9. Atyati Technologies Private Limited 10. Trident Limited 11. Max Bupa Health Insurance Company Limited
6.	**Mr. Ashok Brijmohan Kacker** **S/o** Mr. Brij Mohan Kacker **Age:** 66 **Address:** B - 602/702, Beaumonde, A M Marg, Prabhadevi, Mumbai - 400025, Maharashtra **Occupation:** Professional **DIN:** 01647408 **Nationality:** Indian	**Designation**: Independent Director **Term:** Five years with effect from January 15, 2016. Further, his appointment has been confirmed by shareholders' in the meeting held on September 27, 2016. Not liable to retire by rotation	*Indian Companies:* 1. Indiabulls Asset Management Company Limited 2. Indabulls Industrial Infrastructure Limited 3. Indiabulls Venture Capital Management Company Limited 4. Salins Commodities Private Limited 5. Golden Greens Golf and Resorts Limited 6. Inventive Green Technology Solutions Private Limited 7. Max Speciality Films Limited 8. Max India Limited
7.	**Mr. K. Narasimha Murthy** **S/o** Mr. K.S. Rama Rao **Age:** 60 **Address:** 1 - 2- 593/29, Gaganmahal Colony, Domalguda, Hyderabad – 500 029, Andhra Pradesh **Occupation:** Professional **DIN:** 00023046 **Nationality:** Indian	**Designation**: Independent Director **Term:** Five years with effect from January 15, 2016. Further, his appointment has been confirmed by shareholders' in the meeting held on September 27, 2016. Not liable to retire by rotation	*Indian Companies*: 1. Srikari Management Consultants Private Limited 2. Max Bupa Health Insurance Company Limited 3. STCI Finance Limited 4. Infiniti Retail Limited 5. Max Life Insurance Company Limited 6. Max Speciality Films Limited 7. Max Healthcare Institute Limited 8. Saket City Hospitals Private Limited

S. No.	Name, Age, Address, Occupation, DIN and Nationality	Designation and Term	Other Directorships
8.	**Ms. Sujata Keshavan Guha** **D/o** Mr. Narasimha Keshavan **Age:** 57 **Address:** 22A, Brunton Road, Bangalore - 560 025, Karnataka **Occupation:** Professional **DIN:** 01714766 **Nationality:** Indian	**Designation**: Independent Director **Term:** Five consecutive years with effect from March 17, 2017. Further, her appointment has been confirmed by shareholders' in the meeting held on September 26, 2017. Not liable to retire by rotation.	*Indian Companies*: 1. Varana Design Private Limited *Foreign Companies*: 1. Varana Global Holdings Limited 2. Varana UK Limited

Brief biographies of our Directors

Mr. Analjit Singh, aged 64 years, is the Founder and Chairman Emeritus, Max Group, and Chairman of our Company. He is an alumnus of Doon School and Shri Ram College of Commerce, Delhi University and holds a Master's degree in Business Administration from Boston University. Mr. Analjit Singh has more than 37 years of experience in business and entrepreneur. Mr. Analjit Singh has interests in real estate ventures in India and in lifestyle related ventures pertaining to viticulture, wine making and hospitality in Franschhoek Valley and Riebeek-Kasteel in the Swartland region of the Western Cape, South Africa. He was awarded the Padma Bhushan in 2011. He was adjudged as the winner of 'Golden Peacock Award for Business Leadership – 2012'. He has previously served as Chairman of Board of Governors of the Indian Institute of Technology, Roorkee. He was awarded the Ernst and Young Entrepreneur of the Year award (Service Category) in 2012 and the US India Business Council Leadership award in 2013. In 2014, he was awarded with Spain's civilian honour, the Knight Commander of the Order of Queen Isabella. In 2015, he was conferred the Degree of Honorary Doctorate by Amity University. He also serves as the Honorary Consul General of the Republic of San Marino in India.

Mr. Mohit Talwar, aged 58 years, is the Vice Chairman of our Company. He holds a Bachelor's degree in Arts from the University of Delhi, and Master's degree in Arts from the Delhi University. He also holds a Diploma in Hotel Management from Oberoi School of Hotel Management. Mr. Mohit Talwar more than 24 years of experience in corporate finance, investment banking and wholesale banking. Mr. Mohit Talwar joined Max Financial Services Limited (formerly Max India Limited) on November 1, 2007 as Director-Business Development. He was appointed as the Deputy Managing Director of Max Financial Services Limited on February 14, 2012. Mr. Mohit Talwar was elevated as the Managing Director of Max Financial Services Limited effective January 15, 2016 for a period of five years. Further, Mr. Mohit Talwar was appointed as the Managing Director of Max India Limited (formerly Taurus Ventures Limited) effective January 15, 2016. In his tenure with the Max group, he has successfully leveraged his 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 Company Limited, bringing on board, MS&AD Insurance Group Holdings, a Japan-headquartered global insurance company, as the new joint venture partner for the group's life insurance business and Life Healthcare, South Africa as the joint venture partner in Max Healthcare Institute Limited. He has in the past been associated with Standard Chartered, ANZ Grindlays and Bank of Nova Scotia.

Mr. Sahil Vachani, aged 34 years, is the Managing Director and Chief Executive Officer of our Company. He holds a Bachelor's degree in Management Sciences from the University of Warwick, United Kingdom. He has 12 years of experience in investment banking and manufacturing business. He has worked at Citigroup, London where he worked on mergers and acquisitions across the Middle East and Africa region. He has also previously served as business head at Dixon Technologies, a consumer appliance manufacturing firm, and as co-founder and managing director of Dixon Appliances Private Limited.

Mr. Arthur Seter Harutyun, aged 59 years, is a Non-Executive Director of our Company. He holds a Bachelor's degree in Science (Operations Research) from Sussex University and Master's degree in Business Administration from Adelphi University. He also holds a Chartered Financial Analyst designation from The Institute of Chartered Financial Analysts, Virginia, United States of America. He has over 35 years of experience in investments, and has previously worked at E.F. Hutton and L.F. Rothschild. He is currently serving as Senior Vice President, Deputy Chief Investment Officer and Chief Derivatives Officer of New York Life Insurance Company.

Ms. Sujata Keshavan Guha, aged 57 years, is an Independent Director of our Company. She completed a Professional Education Diploma in Visual Communication with specialisation in Graphic Design from the National Institute of Design, Ahmedabad and is an alumnus of the Yale University. She has been on our Board since March 17, 2017. She has more than 25 years of experience in the graphics designing industry. She is on the governing council of National Institute of Design and Srishti. She was one of the founders of Ray + Keshavan. As of the date of this Draft Letter of Offer, she is creative director and co-founder of Varana, a luxury brand.

Mr. D. K. Mittal, aged 65 years, serves as an Independent Director on the Board of our Company. He holds a Master's degree in Science with specialization in Physics from the University of Allahabad, India. He has 35 years of experience in administrative services, financial services and corporate affairs. He is a former Indian Administrative Service 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 extensive experience in infrastructure, international trade, urban development, renewable energy, agriculture development and micro credit, corporate governance, banking, insurance, pension and finance sectors.

Mr. Ashok Brijmohan Kacker, aged 66 years, serves as an Independent Director on the Board of our Company. He holds a Master's degree in Science (Physics) from the University of Allahabad and was the topper of 1972 batch. He has more than three decades of experience in the Government as an Indian Revenue Service officer. He has served as Chief Commissioner of Income Tax and held senior positions both in executive capacities and policy formulation roles. He has also served as executive director with the SEBI and in various capacities in committees set up by the SEBI. He is the founder and managing partner of A.K. Advisors and Consultants, an advisory company in the area of financial services and group advisor with the India Bulls group of companies.

Mr. K. Narasimha Murthy, aged 60 years, serves as an Independent Director on the Board of our Company. He is a Fellow of the Institute of Cost and Works Accountants of India, and was ranked all India sixth in terms of merit who passed the final examination in December 1980. He is also a fellow member of The Institute of Chartered Accountants of India. He has more than 35 years of experience in finance, management and corporate affairs. He has been associated with numerous high level committees at both the national and state levels, such as membership of the Department of Financial Services, Ministry of Finance, Government of India, member of the Cost Accounting Standard Board of ICAI and as chairman of the expert committee on the agriculture and cooperation department, constituted by the Government of Andhra Pradesh.

Confirmation from Directors

During the five years preceding the date of this Draft Letter of Offer, none of our Directors is or was a director on any listed company(ies) whose shares have been or were suspended from being traded on the concerned Indian stock exchanges under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority, during the term of their directorship in such companies.

None of our Directors is or was a director on any listed company(ies) that have been or were delisted from any stock exchange under any order or directions issued by the stock exchange(s)/ SEBI/ other regulatory authority, during the term of their directorship in such companies.

Relationship between Directors

Except Mr. Sahil Vachani and Mr. Analjit Singh, Mr. Sahil Vachani being son-in-law of Mr. Analjit Singh, none of the Directors are related to each other. Apart from Mr. Arthur Seter Harutyun, nominated by NYLIHL, none of our Directors have been nominated pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others. For details of the relevant agreements with NYLIHL, see "*History and Certain Corporate Matters*" on page 123.

Borrowing powers of the Board

Subject to the provisions of Section 179 and 180 of the Companies Act, our Board is authorised, to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. The shareholders of the Company in the first annual general meeting held on September 27, 2016, authorised our Board to borrow monies together with monies already borrowed by the Company, in excess of the aggregate of the paid up capital of the Company and its free reserves, not exceeding ₹ 3,00,00,00,000 (Rupees Thirty Thousand Lakhs only) at any time.

Service agreement between Directors and our Company

There is no service contract between our Directors and our Company including for provision of benefits or payments of any amount upon termination of employment, except the employment agreement with Mr. Sahil Vachani, Managing Director and CEO, dated March 16, 2016 (as amended pursuant to the approval of Shareholders in the AGM held on September 27, 2016).

Remuneration of our Directors

Remuneration of Mr. Sahil Vachani

Mr. Sahil Vachani was appointed as our Managing Director and Chief Executive Officer for a term of five years with effect from January 15, 2016, pursuant to a resolution of our Board dated January 15, 2016 and the approval of Shareholders in the AGM held on September 27, 2016. The Board in its meeting held on May 25, 2017 and Shareholders in the AGM held on September 26, 2017 has approved the revision in remuneration payable to Mr. Sahil Vachani, Managing Director & CEO for a period of three years, *i.e.*, from April 1, 2017 until March 31, 2020 up to the ceiling of ₹ 4,80,00,000/- (Rupees Four Hundred and Eighty Lakhs Only) per annum. The terms and conditions for the appointment of Mr. Sahil Vachani as the Managing Director and Chief Executive Officer of our Company are set forth below:

(i) Fixed pay including basic, house rent allowance/ Company owned or leased accommodation, provident fund, gratuity, flexi pay components (such as leave travel allowance, car lease rentals, fuel reimbursements, vehicle maintenance, driving services, management allowance, medical reimbursements etc.) with the authority to the Nomination and Remuneration Committee to determine and regulate the remuneration within aforesaid limit, from time to time, including annual increments considering achievements of company MoS and individual performance rating.

(ii) Variable Pay/ Bonus to be paid based on Individual as well as Company's performance and in accordance with Company's Bonus Plan.

(iii) Long Term Incentive Plan (LTIP): Cash LTIP of ₹ 1,50,00,000 (Rupees One Hundred and Fifty Lakhs only) granted in January 2016 will continue and is to be paid in three equal yearly tranches in January 2017, 2018 and 2019 on terms as per the Company's policy. After completion of existing Cash LTIP tenure in January, 2019, Mr. Sahil Vachani, will be entitled for new Cash LTIP to be granted in April 2019 which will be paid in three equal yearly tranches in March 2020, March 2021 and March 2022. The basis of payment will be subject to achievement of company MoS and individual performance rating as may be decided by the Nomination and Remuneration Committee from time to time.

    In addition to the remuneration and perquisites to be paid as aforesaid, and in accordance with the Company policy, Mr. Sahil Vachani, Managing Director & CEO shall be entitled to encashment of leave, housing loan as per company policy, personal accident insurance policy, health insurance (hospitalization) policy, travel insurance, group term life insurance, two club memberships and any other perquisite as per the policy/rules of the Company in force and/or as may be approved by the Board/Committee, from time to time. The Company shall also provide the facility of mobile phones/other communication instruments, including telephones installed at his residence.

    If in any financial year, during the term of office of Mr. Sahil Vachani as Managing Director & CEO, the Company has inadequate profits as computed under the applicable provisions of the Companies Act, 2013, he shall be entitled to receive the aforementioned remuneration as the minimum remuneration as provided under the Companies Act, 2013.

(iv) The Company or Mr. Sahil Vachani shall be entitled at any time to terminate this appointment by giving three months written notice or payment of fixed pay in lieu thereof.

Remuneration of the Directors

The non-executive independent Directors are paid remuneration by way of sitting fees and other expenses (travelling, boarding and lodging incurred for attending the Board of Directors/committee meetings). The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee which is subsequently approved by the Board, shareholders at a general meeting and Central Government (if applicable).

A. Non-Executive Directors

Our Company pays sitting fees of ₹ 1,00,000 per meeting to the non-executive Directors for attending meetings of the Board and committee meeting. The following table sets forth sitting fees paid by the Company to the non-executive Directors for the Fiscal 2017:

(in ₹ lakhs)

Name	Total
Mr. Analjit Singh	6.00
Mr. Mohit Talwar	25.00
Mr. D.K. Mittal	24.00
Mr. Ashok Brijmohan Kacker	26.00
Mr. K. Narasimha Murthy	19.00
Ms. Sujata Keshavan Guha	1.00
Ms. Sujatha Ratnam	7.00

B. ***Executive Directors***

The remuneration paid to our Executive Directors for Fiscal 2017 is given below:

(in ₹ lakhs)

Name	Total
Mr. Sahil Vachani	229.97

Shareholding of our Directors

Our Articles do not require our Directors to hold qualification shares. The following table details the shareholding of our Directors in their personal capacity, as on February 9, 2018:

Sr. No.	Name	Number of Equity Shares	Percentage of Pre-Issue Equity Share Capital (in %)
1.	Mr. Analjit Singh	11,75,357	1.62
2.	Mr. Mohit Talwar	56,167	0.08
3.	Mr. K. Narasimha Murthy	1,000	Negligible

Further, Mr. Mohit Talwar, one of our Directors, holds 48,310 stock options pursuant to options granted under ESOP 2006, which will be vested and exercised under ESOP 2016.

Interests of Directors

Our Directors, Mr. Analjit Singh and Mr. Sahil Vachani, are also the Promoters of our Company.

Our Managing Director and CEO, Mr. Sahil Vachani, is also interested to the extent of remuneration paid as detailed above. Our non-executive Directors may be deemed to be interested to the extent of sitting fees and other expenses (travelling, boarding and lodging incurred for attending the Board of Directors/committee meetings).

Our Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Further, Mr. Mohit Talwar, one of our Directors, holds 48,310 stock options pursuant to options granted under ESOP 2006, which will be vested and exercised under ESOP 2016.

Our Directors have no interest in any property acquired or proposed to be acquired by the Company within two years prior to the date of this Draft Letter of Offer, except as disclosed below.

Max Estates Limited, one of our Subsidiaries, has entered into an agreement to sell dated July 14, 2017 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. Pharmax Corporation Limited is one of our Group Companies. Further, Max India Limited, one of our Group Companies holds approximately 85.17% shareholding of Pharmax Corporation Limited, and certain of our Directors, Mr. Analjit Singh, holds 2.19% of the issued capital of Max India Limited.

Max Estates Limited, one of our Subsidiaries, has undertaken the construction and development of a residential project located at Dehradun. The said project is a luxury gated community offering a limited inventory of 22 residences. The land for the said project is not in the name of our Company or any of the Subsidiaries and has been given by Mr. Analjit Singh (one of our Directors), TEPL and Analjit Singh (HUF) under a construction and development agreement entered into with Max Estates Limited on July 25, 2016. According to the said agreement, Mr. Analjit Singh (one of our Directors), collectively with TEPL and Analjit Singh (HUF), will receive 49.25% of 27.34% of the gross cash receipt received from the booking or sale or transfer or marketing of the properties on the land under this agreement.

Further, in Fiscal 2018, pursuant to cancellation of an area purchase agreement enterered into between Boulevard Projects Private Limited (erstwhile holding company of WZBPL), WZBPL and PEPL, one of our Group Companies, pertaining to acquisition of commercial towers of the Delhi One project, an amount of ₹ 24,510 lakhs was refunded from WZBPL to PEPL. Our Directors, Mr. Analjit Singh and Mr. Sahil Vachani, are members on the board of directors of PEPL. Further, certain of our Promoters, namely, Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Piya Singh, Mr. Veer Singh, Ms. Tara Singh Vachani and Max Ventures Investment Holdings Private Limited, hold equity shares in PEPL. For details, see "*Group Companies*" on page 160. Further, WZBPL has utilised a loan taken from IDFC Bank to refund ₹ 24,510 lakhs to repay Piveta Estates Private Limited pursuant to agreement.

Also, except as stated in this Draft Letter of Offer and in particular the section titled "*Related Party Transactions*" on page 175, our Directors do not have any other interest in our business.

Payment or benefit to Directors/ officers of our Company

Except the remuneration paid to Mr Sahil Vachani, our Managing Director and CEO, the sitting fees paid to our non-executive Directors and the remuneration paid to officers of our Company, no amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors and the officers of our Company.

Apart from the remuneration payable to our Managing Director and CEO, as stipulated in this section, our non-executive Directors are entitled to be paid sitting fees for attending the Board or committee meetings or for any other business of our Company.

Further, our Company has instituted an 'Employee Phantom Scheme 2017', approved by our Board on February 17, 2017, whereby the eligible employees of our Company are granted notional stock appreciation right units at a predetermined grant price and the employees shall 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.

Bonus or profit sharing plan of the Directors

None of our Directors are party to any bonus or profit sharing plan of our Company.

Changes in our Board during the last three years

Our Board has undergone the following changes in the last three years:

Name	Appointment/ re-appointment/ cessation	Date of appointment/ cessation	Reasons for change
Mr. Kuldeep Singh Bisht	Appointment	January 20, 2015	First Director
Mr. Kanhaiya Prasad	Appointment	January 20, 2015	First Director
Mr. Harish Bhardwaj	Appointment	January 20, 2015	First Director
Mr. Rahul Ahuja	Appointment	February 7, 2015	Appointment as non-executive director
Mr. Jatin Khanna	Appointment	February 7, 2015	Appointment as non-executive director
Mr. Venkatraman Krishnan	Appointment	February 7, 2015	Appointment as non-executive director
Mr. Kuldeep Singh Bisht	Resignation	February 7, 2015	Change in management control
Mr. Kanhaiya Prasad	Resignation	February 7, 2015	Change in management control
Mr. Harish Bhardwaj	Resignation	February 7, 2015	Change in management control
Mr. Analjit Singh	Appointment	January 15, 2016	Appointment as non-executive director
Mr. Mohit Talwar	Appointment	January 15, 2016	Appointment as non-executive director
Mr. Sahil Vachani	Appointment	January 15, 2016	Appointment as executive director
Ms. Sujatha Ratnam	Appointment	January 15, 2016	Appointment as non-executive director
Mr. N.C. Singhal	Appointment	January 15, 2016	Appointment as an independent director
Mr. D.K. Mittal	Appointment	January 15, 2016	Appointment as an independent director
Mr. Ashok Brijmohan Kacker	Appointment	January 15, 2016	Appointment as an independent director
Mr. K Narasimha Murthy	Appointment	January 15, 2016	Appointment as an independent director
Dr. Subash K. Bijlani	Appointment	January 15, 2016	Appointment as an independent director
Mr. Sanjeev Kishen Mehra	Appointment	January 15, 2016	Appointment as non-executive director
Mr. Rahul Anuja	Resignation	January 15, 2016	Resigned due to other professional commitments
Mr. Jatin Khanna	Resignation	January 15, 2016	Resigned due to other professional commitments
Mr. Venkatraman Krishnan	Resignation	Resigned with effect from February 5, 2016 (approved at Board meeting held on January 15, 2016)	Resigned due to other professional commitments
Ms. Lavanya Ashok	Appointment	May 10, 2016	Appointment as an alternate director to Mr. Sanjeev Kishan Mehra
Mr. N. C. Singhal	Resignation	August 10, 2016	Retired in terms of the Articles of Association of the Company
Ms. Sujatha Ratnam	Resignation	November 14, 2016	Resigned due to other personal commitments
Mr. Sanjeev Mehra	Resignation	December 8, 2016	Exit due to divestment by Goldman Sachs from our Company
Ms. Lavanya Ashok	Resignation	December 8, 2016	Vacation of office of alternate Director simultaneous upon cessation of directorship by original director
Ms. Sujatha Ratnam	Appointment	January 9, 2017	Appointment as non-executive director
Mr. Arthur Seter Harutyun	Appointment	February 17, 2017	Appointment as non-executive director
Ms. Sujata Keshavan Guha	Appointment	March 17, 2017	Appointment as an independent director
Dr. Subash Bijlani	Resignation	March 8, 2017	Resigned due to other personal commitments
Ms. Sujatha Ratnam	Resignation	June 28, 2017	Resigned due to other personal commitments

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance is applicable to us as we are listed on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act, 2013 and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the committees of the Board, as required under law.

Our Board functions as a full board and through various committees constituted to oversee specific functions. Our Company's executive management provides our Board detailed reports on its performance periodically.

Currently, our Board has eight Directors. In compliance with the requirements of the SEBI Listing Regulations, we have four Independent Directors on the Board, in addition to one executive Director, and three non-executive Directors. Further, in compliance with the SEBI Listing Regulations and the Companies Act, 2013, we have a woman director on our Board.

Committees of our Board

Our Board appoints committees on the Board for various functions from time to time.

Audit Committee

The members of the Audit Committee are:

S. No.	Name of the Director	Designation	Position in the Committee
1.	Mr. Ashok Brijmohan Kacker	Chairman (Independent Director)	Chairman
2.	Mr. D. K. Mittal	Independent Director	Member
3.	Mr. Mohit Talwar	Vice Chairman	Member
4.	Mr. K. Narasimha Murthy	Independent Director	Member

The Audit Committee was constituted by a meeting of the Board of Directors held on January 15, 2016. The scope and function of the Audit Committee is in accordance with, Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference include the following:

1. oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

2. recommendation for appointment, remuneration and terms of appointment of auditors of our Company;

3. reviewing the financial statement with respect to its subsidiaries, in particular investments made by the unlisted subsidiaries;

4. approval of payment to statutory auditors for any other services rendered by the statutory auditors;

5. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board of Directors for approval, with particular reference to:

   a. matters required to be included in the Director's Responsibility Statement to be included in the Board of Director's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
   b. changes, if any, in accounting policies and practices and reasons for the same;
   c. major accounting entries involving estimates based on the exercise of judgment by management;
   d. significant adjustments made in the financial statements arising out of audit findings;
   e. compliance with listing and other legal requirements relating to financial statements;
   f. disclosure of any related party transactions; and
   g. modified opinion(s) in the draft audit report.

6. reviewing, with the management, the quarterly financial statements before submission to the Board of Directors for approval;

7. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board of Directors to take up steps in this matter;

8. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

9. approval of any subsequent modification of transactions of the company with related parties;

10. scrutiny of inter-corporate loans, investments and guarantees;

11. valuation of undertakings or assets of our Company, wherever it is necessary;

12. evaluation of internal financial controls and risk management systems;

13. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

14. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

15. discussion with internal auditors of any significant findings and follow up there on;

16. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board of Directors;

17. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

18. looking into the reasons for substantial defaults in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

19. reviewing the functioning of the whistle blower mechanism;

20. overseeing the vigil mechanism established by our Company, with the chairman;

21. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate; and

22. carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Further, the quorum for the meetings of the Audit Committee shall be either two members or one third of the members, whichever is greater, provided that there should at least be a minimum of two Independent Directors present. The Audit Committee met seven times in the Financial Year 2017.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

S. No.	Name of the Director	Designation	Position in the Committee
1.	Mr. K Narasimha Murthy	Independent Director	Chairman
2.	Mr. D. K. Mittal	Independent Director	Member
3.	Mr. Ashok Brijmohan Kacker	Independent Director	Member
4.	Mr. Mohit Talwar	Vice Chairman	Member

The Nomination and Remuneration committee was constituted by a meeting of the Board of Directors held on January 15, 2016. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 19(4) of the SEBI Listing Regulations. The terms of reference of the Nomination and Remuneration Committee include the following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;

2. formulation of criteria for evaluation of Independent Directors and the Board of Directors;

3. devising a policy on board diversity;

4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

5. deciding whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of independent directors; and

6. perform such other activities as may be delegated by the Board of Directors or specified/ provided under the Companies Act, 2013 to the extent notified and effective, as amended or by the SEBI Listing Regulations or by any other applicable law or regulatory authority.

The Nomination and Remuneration Committee met seven times in the Financial Year 2017.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

S. No.	Name of the Director	Designation	Position in the Committee
1.	Mr. Mohit Talwar	Vice Chairman	Chairman
2.	Mr. Ashok Brijmohan Kacker	Independent Director	Member
3.	Mr. Sahil Vachani	Managing Director and Chief Executive Officer	Member

The Stakeholders' Relationship Committee was constituted pursuant by a meeting of the Board of Directors held on January 15, 2016. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and Regulation 20(4) of the SEBI Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee are as per SEBI Listing Regulations.

The Stakeholders' Relationship Committee met three times in the Financial Year 2017.

Investment & Finance Committee

In addition to the above committees, our Board has also constituted the Investment & Finance Committee. The members of the Investment & Finance Committee are:

S. No.	Name of the Director	Designation	Position in the Committee
1.	Mr. D.K. Mittal	Independent Director	Member
2.	Mr. K. Narasimha Murthy	Independent Director	Member
3.	Mr. Mohit Talwar	Vice Chairman	Member
4.	Mr. Sahil Vachani	Managing Director and Chief Executive Officer	Member

The Investment & Finance Committee was constituted pursuant to our Board meeting dated January 15, 2016. The terms of reference of the Investment & Finance Committee include:

1) To review financial performance of businesses carried on by the Company and its subsidiaries and report significant issues to the Board of Directors;

2) To review and recommend revenue and capital budgets of the Company and its subsidiaries;

3) To review and recommend various fund raising options and financial resources allocation to Company's division(s) and subsidiaries and recommend to Board;

4) To review proposals on business restructuring, mergers, consolidations, acquisitions, investment, establishment of joint ventures and divestments of any business

- Approve up to ₹ 2,000 lakhs
- Recommend to the Board beyond;

5) To review and approve the following:

(i) Investments/deployment of surplus funds of the Company, from time to time, on debt based mutual funds, within limits approved by the Board, from time to time;

(ii) Investment/providing loans to subsidiaries of the company for an amount not exceeding ₹ 20,000 lakhs (Rupees Twenty thousand lakhs) in any financial year or within the limits approved by the Board, from time to time;

(iii) Sale of fixed assets for an amount not exceeding ₹ 2,000 lakhs (Rupees Two thousand lakhs) outside of the business plan on a cumulative basis in any financial year;

(iv) Capital expenditures or acquisitions of assets, for an amount not exceeding ₹ 2,000 lakhs (Rupees Two thousand lakhs), outside of the business plan, on a cumulative basis, in any financial year;

(v) proposals for borrowings/availing of debt including proposals for providing corporate guarantees with respect to loans to be availed by subsidiary companies for an amount not exceeding ₹ 20,000 lakhs (Rupees Twenty thousand lakhs) on a cumulative basis, in any financial year;

(vi) Recommend to the Board all items as in (i) to (v) above in excess of its authority;

(vii) to approve opening and operations of various bank accounts of the Company including changes in mandate for banking operations; and

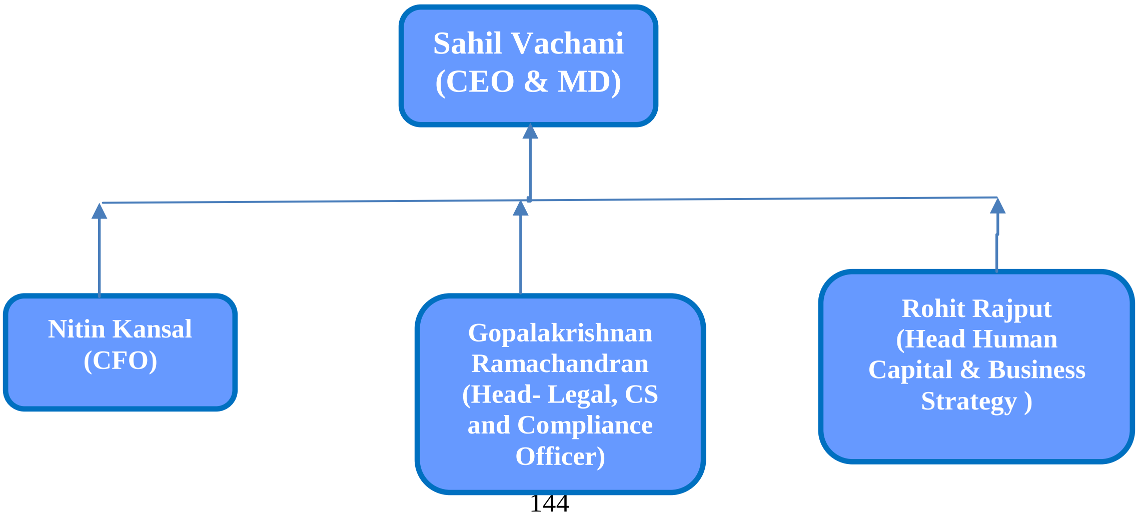
(viii) Investor Relations

The Investment & Finance Committee met six times in the Financial Year 2017.

Policy on prevention of insider trading

We are in compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015. Mr. Gopalakrishnan Ramachandran, Company Secretary and Compliance Officer, is responsible for setting forth policies, procedures, monitoring and adhering to the rules for the prevention of dissemination of price sensitive information and the implementation of the code of conduct under the overall supervision of the Board of Directors.

I. Management Organizational Structure



Key Management Personnel

Except for Mr. Ramneek Jain, Mr. Amit Jain, Ms. Rupali Sharma, Mr. Arjunjit Singh, Mr. Ashish Singla, Mr. Peter McLaughlin and Ms. Sonia Bansal, all our Key Management Personnel are permanent employees of our Company. Except of Mr. Sahil Vachani, who is son in law of Mr. Analjit Singh, none of the Key Management Personnel are related to each other or to any Director of our Company. Further, none of our Key Management Personnel were appointed as Directors or members of senior management pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

Mr. Sahil Vachani, aged 34 years, is the Managing Director and Chief Executive Officer of our Company. For his biography, please refer to "*Brief Biographies of our Directors*" on page 136 of "*Our Management*" on page 133. The gross remuneration paid to him during Fiscal 2017 was ₹ 229.97 lakhs.

Mr. Nitin Kumar Kansal, aged 42 years, is the Chief Financial Officer of our Company since August 9, 2016. He has been associated with the Max Group for the last seven years. He is an associate member of the Institute of Chartered Accountant of India. He has an experience of more than 17 years in finance, banking, treasury, financial reporting and control, statutory compliances and corporate governance in the real estate and hospitality sector. Prior to joining our Company, he has worked with Emaar MGF Land Limited and Jaypee Hotels. The gross remuneration paid to him during Fiscal 2017 was ₹ 51.91 lakhs.

Mr. Gopalakrishnan Ramachandran, aged 34 years, is the Legal Head, Company Secretary and Compliance Officer of our Company. He brings in over 11 years of experience in handling legal matters and secretarial compliances. Gopal holds a bachelors' degree in law from Delhi University and is a member of the Institute of Company Secretaries of India. Prior to joining our Company, he was associated with DSM India Private Limited, wherein he headed the legal team for South Asia region. Prior to that, he was working with a corporate law firm Fox Mandal Consulting Private Limited and also has experience as a litigation lawyer. No remuneration was paid to him during Fiscal 2017 as he joined our Company on January 15, 2018.

Mr. Rohit Rajput, aged 40 years, is the Head of Human Capital and Business Strategy of our Company. He holds Bachelor's of Engineering (Mechanical) from Dr. Babasaheb Amberkar Marathwada University, Aurangabad, and has completed a post graduate programme in Management from Management Development Institute, Gurgoan. He has over 15 years of experience in consulting, entrepreneurship, banking and engineering. Prior to joining our Company, he has worked with Hay Consultants India Private Limited, where he was involved in organisational transformation and strategy execution. The gross remuneration paid to him during Fiscal 2017 was ₹ 29.61 lakhs as he joined our Company on October 13, 2016.

Max Speciality Films Limtied

Mr. Ramneek Jain, aged 45 years, is the Chief Executive Officer of Max Speciality Films Limited. He holds a degree in executive management programme from Mangalore University, Mangalore, Master's of Business Administration in International Management, Thunderbird, The American Graduate School of International Management, Arizona, Master of Science from Kelly School of Business, Indiana University, Indianapolis and Diploma in Management from All India Management Association. He has over 22 years of experience in strategic roles in manufacturing organizations. Prior to working with Max Speciality Films Limited, he has working with Spicer India Limited, Modi Rubber Limited, Mahle Filter Systems (India) Limited and Purolator India Limited. No remuneration was paid to him during Fiscal 2017 as he joined Max Speciality Films Limited with effect from July 11, 2017.

Mr. Amit Jain, aged 48 years, is the Chief Financial Officer of the Max Speciality Films Limited. He has been associated with Max Speciality Films Limited for the past 15 years. He is an Associate Member of the Institute of Chartered Accountant of India. He has a professional experience of more than 24 years in areas of finance, banking, financial reporting and control, statutory compliances and corporate governance with large and reputed organizations like Daewoo Motors India Limited, Hyderabad Industries Limited and Steel Strips Limited. Prior to joining Max Speciality Films Limited, he was working at Owens Brockway India Limited as a Deputy Manager. The gross remuneration paid to him during Fiscal 2017 was ₹ 57.05 lakhs.

Ms. Rupali Sharma, aged 26 years, is the Company Secretary and Deputy Manager – Legal of Max Speciality Films Limited. She is a law graduate from Delhi University, an Associate Member of the Institute of Company Secretaries of India, has completed her Master's in Commerce (Business Policy and Corporate Governance) from IGNOU and completed her Bachelor's of Commerce from Maharishi Dayanand University. She has over three years of experience in secretarial, corporate governance and compliance domain. Prior to joining Max Speciality Films Limited, she has worked with Maxopp Investments Limited. The gross remuneration paid to her during Fiscal 2017 was ₹ 6.61 lakhs.

Max Estates Limited

Mr. Arjunjit Singh, aged 30 years, is the Chief Operating Officer of Max Estates Limited. He holds a Bachelor's of Science degree in Applied Economics and Management, with concentrations in Finance and Entrepreneurship, from Cornell University where he graduated Magna cum Laude. He has been associated with Max Estates Limited since April 2016. He has nine years of experience in capital advisory and real estate. Prior to working Max Estates Limited, he has worked with FIL Capital Advisors (India) Private Limited and UBS Securities India Private Limited. The gross remuneration paid to him during Fiscal 2017 was ₹ 74.25 lakhs.

Max I. Limited

Mr. Ashish Singla, aged 36 years, is the Vice President, Investments of Max I. Limited. He holds a Bachelor's degree in Management Studies from Lala Lajpatrai College of Commerce and Economics, University of Mumbai and a Master's degree in Commerce from University of Mumbai. He also holds a Master's in Business Administration from J.L. Kellogg School of Management, Northwestern University. He has been associated with Max I. Limited since April 2017. He has over 10 years of experience in financial advisory. Prior to working with Max I. Limited, he has worked with Mandala Advisory India Private Limited, KPMG Advisory Services Private Limited and CitiFinancial Consumer Finance India Limited. No remuneration was paid to him during Fiscal 2017 as he joined Max I. Limited on April 11, 2017.

Max Learning Limited

Dr. Peter McLaughlin, aged 64 years, is the Chief Executive Officer of Max Learning Limited. He holds a Bachelor of Arts with honours degree in History from University of Rhodesia and a Doctorate of Philosophy from University of Zimbabwe. He has been associated with Max Learning Limited since October 14, 2016. He has over 30 years of experience in education sector. Prior to working with Max Learning Limited, he has headed various educational institutions, namely, The Doon School, India, Casterton School, Cumbria, Douai School, Berkshire, United Kingdom and The British International School's Society, Cairo. The gross remuneration paid to him during Fiscal 2017 was ₹ 69.75 lakhs.

Ms. Sonia Bansal Arora, aged 31 years, is the Company Secretary and Senior Manager of Max Learning Limited. She has over nine years of experience in handling matters relating to secretarial compliances, corporate governance, mergers and other related areas. She holds a Bachelor's degree in Commerce from University of Delhi and is an Associate Member of the Institute of Company Secretaries of India. She also holds a Bachelor's degree in Law from Ch. Charan Singh University, Meerut. Prior to joining Max Learning Limited, she was associated with HCL Technologies Limited, Jubilant Foodworks Limited and Avantha Holdings Limited. No remuneration was paid to her during Fiscal 2017 as she joined our Company on August 1, 2017.

Shareholding of the Key Management Personnel

None of the Key Management Personnel of the Company hold Equity Shares in our Company.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the three years prior to the date of this Draft Letter of Offer are as follows:

S. No.	Name	Designation	Date of Appointment	Date of Cessation	Reason
1.	Mr. Jaideep Wadhwa	Chief Executive Officer of Max Speciality Films Limited	April 1, 2014	February 13, 2017	Resignation

S. No.	Name	Designation	Date of Appointment	Date of Cessation	Reason
2.	Mr. Dalbir Singh	Chief Financial Officer of Max Speciality Films Limited	April 1, 2014	January 31, 2017	Retirement
3.	Mr. Raghav Shukla	Company Secretary of Max Speciality Films Limited	August 6, 2014	January 30, 2015	Resignation
4.	Mr. Sahil Vachani	Managing Director and CEO of our Company	January 15, 2016	NA	Appointment
5.	Ms. Rupali Sharma	Company Secretary of Max Speciality Films Limited	February 9, 2016	NA	Appointment
6.	Mr. Alok Goel	Company Secretary of our Company	January 15, 2016	October 3, 2017	Resignation
7.	Mr. Arjunjit Singh	Chief Operating Officer of Max Estates Limited	April 1, 2016	NA	Appointment
8.	Mr. Nitin Kumar Kansal	Chief Financial Officer of our Company	August 9, 2016	NA	Appointment
9.	Dr. Peter McLaughlin	Chief Executive Officer of Max Learning Limited	October 14, 2016	NA	Appointment
10.	Mr. Amit Jain	Chief Financial Officer of Max Speciality Films Limited	February 4, 2017	NA	Appointment
11.	Mr. Ashish Singla	Vice President, Investments of Max I. Limited	April 11, 2017	NA	Appointment
12.	Mr. Ramneek Jain	Chief Executive Officer of Max Speciality Films Limited	July 11, 2017	NA	Appointment
13.	Ms. Sonia Bansal Arora	Company Secretary and Senior Manager of Max Learning Limited	August 1, 2017	NA	Appointment
14.	Mr. Gopalakrishnan Ramachandran	Head-Legal, Company Secretary and Compliance Officer of our Company	January 15, 2018	NA	Appointment

Service Agreement with the Company

Except as stated above with respect to Mr. Sahil Vachani, there is no service agreement between the Company and any of the Key Management Personnel.

Interests of Key Management Personnel

Other than to the extent of the remuneration or benefits to which they are entitled as per the terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business, the Key Management Personnel do not have any interest in our Company. None of our Key Management Personnel have been paid any consideration of any nature by the Company or any of our Subsidiaries, as the case may be, other than their remuneration. All our Key Managerial Personnel may also be deemed to be interested to the extent of Equity Shares, if any, that may be subscribed for and Allotted to them, out of the present Issue in terms of the Draft Letter of Offer and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Further, pursuant to the ‘Employee Phantom Scheme 2017’, approved by our Board on February 17, 2017, whereby the eligible employees of our Company are granted notional stock appreciation right units at a predetermined grant price and the employees shall 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 in the scheme.

Bonus or profit sharing plan of the Key Management Personnel

Apart from 'Employee Phantom Scheme 2017' described above, none of the Key Management Personnel are party to any bonus or profit sharing plan of our Company.

Termination/ Retirement benefits paid to Key Management Personnel

Other than statutory benefits like provident fund and gratuity, there are no termination/retirement benefits being provided to our Key Managerial Personnel.

Payment of non-salary related benefits to officers of our Company

No amount or benefit has been paid or given to any officer of our Company within the two years preceding the date of filing of this Draft Letter of Offer or is intended to be paid or given, other than in the ordinary course of their employment.

Loans taken by Directors / Key Managerial Personnel

None of our Directors or Key Managerial Personnel has taken loan from us.

OUR PROMOTERS

Promoters

The Promoters of our Company are Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Piya Singh, Mr. Veer Singh, Ms. Tara Singh Vachani, Mr. Sahil Vachani, Liquid Investment and Trading Company Private Limited, Mohair Investment and Trading Company Private Limited, Max Ventures Investment Holdings Private Limited and Siva Enterprises Private Limited. As on the date of filing of this Draft Letter of Offer, our Promoters and Promoter Group, together hold 2,77,07,009 Equity Shares representing 38.14 % of present fully paid up equity capital of our Company. The details of the Promoters is given below:

1. Mr. Analjit Singh

Identification Particulars	Details
Voter's identification number	SJE1273226
Driving license number	DL-0219900002100
PAN	ABLPS7514D
Residential Address	15, Dr. A.P.J. Abdul Kalam Road , New Delhi - 110 011

Mr. Analjit Singh**,** aged 64 years, is one of the Promoters and the Chairman of our Company. Mr. Analjit Singh holds 11,75,357 Equity Shares, representing 1.62% of the pre-Issue Equity Share capital of our Company. He has previously held directorships at Dabur India Limited, Hero Motocorp Limited and IDBI Bank Limited. He advises our Company on all strategic matters. He has been associated with our Company since 2015 and has been on our Board since January 15, 2016. For further details, please see the section titled "*Our Management*" beginning on page 132. For details of the build–up of our Promoter's shareholding in our Company, please see section titled "*Capital Structure*" on page 65.

2. Ms. Neelu Analjit Singh

Identification Particulars	Details
Voter' s identification number	DL\01\002\234676
Driving license number	Not traceable
PAN	AATPS0682D
Residential Address	15, Dr. A.P.J. Abdul Kalam Road , New Delhi - 110 011

Ms Neelu Analjit Singh**,** aged 61 years, is one of the Promoters of our Company. She completed her schooling from Welham Girls' School, Dehradun and holds a bachelor's degree in political science from Lady Shri Ram College, New Delhi. She has an experience of over 18 years in the field of corporate management. She has previously held directorship at New Delhi House Services Limited. She is the chief executive officer of New Delhi House Services Limited since 1999. She currently holds 20,000 Equity Shares constituting 0.03% of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build–up of our Promoter's shareholding in our Company, please see section titled "*Capital Structure*" on page 65.

3. Ms. Piya Singh

Identification Particulars	Details
Voter's identification number	Not traceable
Driving license number	Not traceable
PAN	APDPS6582D
Residential Address	15, Dr. A.P.J. Abdul Kalam Road, New Delhi - 110 011

Ms. Piya Singh**,** aged 35 years, is one of the Promoters of our Company. She completed her schooling from National Open School, New Delhi, and holds a diploma in childcare education from Royal Masonic School for Girls, Rickmansworth, United Kingdom. She has an experience of over 14 years in the field of healthcare. She has previously held directorship at Liquid Investment and Trading Company Private Limited. Ms. Piya Singh started her career in 2003 at Max Medcentre Panchsheel Park and joined Max Super Speciality Hospital, Saket in 2005. She is associated with many departments since 2003 including Pediatric Department, Orthopedics, Cardiology/ Cath Recovery/ CTVS ICU, Neurology, NSICU – Neuro Stroke ICU, Accident and Emergency, Obstetrics, Gynecology and OT/ Surgical ICU. She currently holds 22,066 Equity Shares constituting 0.03% of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build–up of our Promoter's shareholding in our Company, please see section titled "*Capital Structure*" on page 65.

4. **Mr. Veer Singh**

Identification Particulars	Details
Voter's identification number	Not traceable
Driving license number	DL-0220030004060
PAN	ASHPS7471E
Residential Address	15, Dr. A.P.J. Abdul Kalam Road, New Delhi - 110 011

Mr. Veer Singh**,** aged 34 years, is one of the Promoters of our Company. He completed his schooling from St. Columbas School and A-levels from Harrow School in England. He has studied physics and completed his Bachelor of Science degree at Imperial College of Science, Technology and Medicine, University of London. He has an experience of over 8 years in the hospitality business. He has previously held directorship at Vana Enterprises Limited. He is the founder of Vana Retreats. He has been instrumental in establishing Vana Malsi Estate which opened in 2014. He currently holds 20,100 Equity Shares constituting 0.03% of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build– up of our Promoter's shareholding in our Company, please see section titled "*Capital Structure*" on page 65.

5. **Ms. Tara Singh Vachani**

Identification Particulars	Details
Voter's identification number	SJE1273267
Driving license number	DL-0220080000898 (P)
PAN	BBCPS3362P
Residential Address	15, Dr. A.P.J. Abdul Kalam Road, New Delhi - 110 011

Ms. Tara Singh Vachani, aged 31 years, is one of the Promoters of our Company. She majored in politics and South Asian studies at National University of Singapore followed by courses in strategy management at the London School of Economics and hospitality business strategy and management at Ecole hotelier de Lausanne, Switzerland. She has an experience of over six years in the field of corporate management and senior living. She is the managing director and chief executive officer of Antara Senior Living Limited since April 2011. She has previously held directorship at iCare Health Projects and Research Private Limited. She has previously worked with the corporate development team at Max Financial Services Limited, prior to its demeger. She is actively involved in philanthropy through her association with the Max India Foundation, the corporate social responsibility arm of the Max group. She currently holds 20,000 Equity Shares constituting 0.03 % of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build–up of our Promoter's shareholding in our Company, please see section titled "*Capital Structure*" on page 65.

6. **Mr. Sahil Vachani**

Identification Particulars	Details
Voter's identification number	NEC0398214
Driving license number	DL-0320010250405
PAN	ADJPV6597K
Residential Address	S – 43, Panchsheel Park, New Delhi – 110017

Mr. Sahil Vachani, aged 34 years, is the Managing Director and Chief Executive Officer of our Company. He has previously held directorship at Dixon Appliances Private Limited. For further details, please see the section titled "*Our Management*" on page 132. For details of the build–up of our Promoter's shareholding in our Company, please see section titled "*Capital Structure*" on page 65.

7. **Liquid Investment and Trading Company Private Limited**

Liquid Investment and Trading Company Private Limited was incorporated on May 24, 1982 as 'Liquid Investment and Trading Company' under the Companies Act, 1956. The name of the company was changed from 'Liquid Investment and Trading Company' to 'Liquid Investment and Trading Company Private Limited' and a fresh certificate of incorporation to that effect was issued on April 15, 2011 consequent upon re-registration of the unlimited liability company to a limited liability company.
The registered office of Liquid Investment and Trading Company Private Limited is situated at Max House, 1, Dr. Jha Marg, Okhla, New Delhi 110 020. Liquid Investment and Trading Company Private Limited is engaged in the investment and finance related business.The current paid-up equity share

capital of Liquid Investment and Trading Company Private Limited is ₹ 18,76,31,000 comprising 1,87,63,100 equity shares of ₹ 10 each. The equity shares of Liquid Investment and Trading Company Private Limited are not listed on any stock exchange.

As on the date of this Draft Letter of Offer, Liquid Investment and Trading Company Private Limited holds 47,63,774 Equity Shares aggregating to 6.56% of the pre-Issue Equity Share capital of our Company. For details of the build–up of our Promoter's shareholding in our Company, please see section titled "*Capital Structure*" on page 65.

Promoters

The promoters of Liquid Investment and Trading Company Private Limited are Mr. Analjit Singh and Mohair Investment and Trading Company Private Limited.

There has been no change in the control or management of Liquid Investment and Trading Company Private Limited in the preceding three years prior to the filing of this Draft Letter of Offer.

Shareholding pattern

The shareholding pattern of Liquid Investment and Trading Company Private Limited is set out below:

S. No.	Name of the shareholder	No. of equity shares held (face value of ₹ 10 each)	% to total holding
1.	Mohair Investment and Trading Company Private Limited	1,82,50,500	97.27
2.	Mr. Analjit Singh (held as managing trustee of Neeman Family Foundation)	5,12,600	2.7
	Total	**1,87,63,100**	**100**

Board of directors

As on the date of this Draft Letter of Offer, the board of directors of Liquid Investment and Trading Company Private Limited comprises of the following:

1. Mr. Analjit Singh
2. Mr. Sanjiv Malik
3. Mr. Arvind Aggarwal

Financial performance (Standalone)

Details of Liquid Investment and Trading Company Private Limited for the last three Fiscals based on the audited financial statements are set out below:

(in ₹ lakhs, except per share data)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net sales	20,528.87	9,865.43	6,419.12
Profit after tax	(2,919.62)	(3,025.44)	(1,057.92)
Equity Share Capital	1,876.31	1,825.06	1,825.06
Reserves (excluding revaluation reserve)	(7,398.65)	(10,424.15)	(7,398.71)
Earning per share (basic)	(15.56)	(16.58)	(16.58)
Earning per share (diluted)	(15.56)	(16.58)	(16.58)
Net asset value per share	(29.43)	(43.69)	(27.11)

Financial Information (Consolidated)

The consolidated financial information of Liquid Investment and Trading Company Private Limited in the last three Fiscals is set out below:

(in ₹ lakhs, except per share data)

Particulars	Fiscal	Fiscal	Fiscal

	2017	2016	2015
Net sales	25,211.70	14,668.02	6,750.77
Profit after tax	414.95	24,831.82	(270.24)
Equity Share Capital	51.26	1,825.06	1,825.06
Reserves (excluding revaluation reserve)	2,65,369.13	8,254.96	(13,432.01)
Earning per share (basic)	80.95	130.06	(1.48)
Earning per share (diluted)	80.95	130.06	(1.48)
Net asset value	51,779.24	58.66	(60.17)

There are no significant notes of the auditors in relation to the aforementioned financial statements.

8. Mohair Investment and Trading Company Private Limited

Mohair Investment and Trading Company Private Limited was incorporated on May 26, 1982 under the Companies Act, 1956. The equity shares of Mohair Investment and Trading Company Private Limited are not listed on any stock exchange.

The registered office of Mohair Investment and Trading Company Private Limited is located at 15, Dr. A.P.J. Abdul Kalam Road, New Delhi 110011. Mohair Investment and Trading Company Private Limited is engaged in investment and finance related business. The current paid-up equity share capital of Mohair Investment and Trading Company Private Limited is ₹ 18,65,57,320 divided into 1,86,55,732 equity shares of ₹ 10 each.

As on the date of this Draft Letter of Offer, Mohair Investment and Trading Company Private Limited holds 2,738,114 Equity Shares aggregating to 3.77% of the pre-Issue share capital of our Company. For details of the build–up of our Promoter's shareholding in our Company, please see section titled "*Capital Structure*" on page 65.

Promoters

The promoters of Mohair Investment and Trading Company Private Limited are Mr. Analjit Singh and Liquid Investment and Trading Company Private Limited.

There has been no change in the control or management of Mohair Investment and Trading Company Private Limited in the preceding three years prior to the filing of this Draft Letter of Offer, except the amalgamation of Boom Investments Private Limited (with control and shareholding in Mohair Investment and Trading Company Private Limited at the time) with Mohair Investment and Trading Company Private Limited in 2017.

Shareholding pattern

The shareholding pattern of Mohair Investment and Trading Company Private Limited is set out below:

S. No.	Name of the shareholder	No. of equity shares held (face value of ₹ 10 each)	% to total holding
Equity Shareholders			
1.	Liquid Investment and Trading Company Private Limited	1,86,55,722	100
2.	Mr. Sanjiv Malik (jointly with Mr. Arvind Aggarwal as a nominee of Liquid Investment and Trading Company Private Limited)	10	Negligible
Total		**1,86,55,732**	**100**

Board of directors

As on the date of this Draft Letter of Offer, the board of directors of Mohair Investment and Trading Company Private Limited comprises of the following:

1. Mr. Analjit Singh

2. Mr. Sanjiv Malik
3. Ms. Piya Singh
4. Mr. Bishwajit Das

Financial performance (Standalone)

Details of Mohair Investment and Trading Company Private Limited for the last three Fiscals based on audited financial statements are set out below:

(in ₹ lakhs, except per share data)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015
Net sales	529.46	373.25	596.01
Profit/Loss after tax	338.73	307. 48	563. 51
Equity Share Capital	1,865.57	1,900.05	1,900.05
Reserves (excluding revaluation reserve)	1,29,341.63	(94.70)	(402.18)
Earning per share (basic) (value in ₹)	1.82	1.62	2.97
Earning per share (diluted) (value in ₹)	1.82	1.62	2.97
Net asset value (value in ₹)	734.95	26.07	24.45

Financial Information (Consolidated)

The consolidated financial information of Mohair Investment and Trading Company Private Limited in the last three Fiscal Years is set out below:

(in ₹ lakhs, except per share data)

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015**
Net sales	25,211.71	373.25	-
Profit after tax	(130.43)	349.75	-
Equity Share Capital	-	19,005.05	-
Reserves (excluding revaluation reserve)	2,71,397.15	504.99	-
Earning per share (basic) (value in ₹)	(3,53,06,241)	11.56	-
Earning per share (diluted) (value in ₹)	(3,53,06,241)	11.56	-
Net asset value (value in ₹)	27,14,09,03,415*	29.31	-

** There is no Equity which later assumed to 1 share*
***No consolidation for fiscal 2015*

There are no significant notes of the auditors in relation to the aforementioned financial statements.

9. Max Ventures Investment Holdings Private Limited

Max Ventures Investment Holdings Private Limited was incorporated on February 26, 1988 as 'Dynavest India Private Limited', under the Companies Act, 1956. Subsequently, the name of the company was changed from 'Dynavest India Private Limited' to 'Max Ventures Investment Holdings Private Limited' on May 1, 2015. The equity shares of Max Ventures Investment Holdings Private Limited are not listed on any stock exchange. The registered office of Max Ventures Investment Holdings Private Limited is situated at Max House, 1, Dr. Jha Marg, Okhla, New Delhi 110 020. Max Ventures Investment Holdings Private Limited is engaged in investment and finance related business. The current paid-up equity capital of Max Ventures Investment Holdings Private Limited is ₹ 5,00,450 comprising 50,045 equity shares of ₹ 10 each.

As on the date of this Draft Letter of Offer, Max Ventures Investment Holdings Private Limited holds 1,31,05,500 Equity Shares aggregating to 18.04% of the pre-Issue Equity Share capital of our Company. For details of the build–up of our Promoter's shareholding in our Company, please see section titled "*Capital Structure*" on page 65.

Promoters

The promoters of Max Ventures Investment Holdings Private Limited are:

1. Mr. Analjit Singh;
2. Ms. Neelu Analjit Singh; and
3. Liquid Investment and Trading Company Private Limited.

There has been no change in the control or management of Max Ventures Investment Holdings Private Limited in the preceding three years prior to the filing of this Draft Letter of Offer.

Shareholding pattern

The shareholding pattern of Max Ventures Investment Holdings Private Limited is set out below:

S. No.	Name of the Equity shareholder	No. of equity shares held (face value of ₹ 10 each)	% to total holding
1.	Mr. Analjit Singh	5,000	9.99
2.	Ms. Neelu Analjit Singh	4,970	9.93
3.	Ms. Piya SIngh	10	0.02
4.	Mr. Veer Singh	10	0.02
5.	Ms. Tara Singh Vachani	10	0.02
6.	Liquid Investment and Trading Company Private Limited	32,765	65.47
7.	Mohair Investment and Trading Company Private Limited	7,280	14.55
	Total	**50,045**	**100**

Board of directors

As on the date of this Draft Letter of Offer, the board of directors of Max Ventures Investment Holdings Private Limited comprises of the following:

1. Mr. Analjit Singh
2. Mr. Sanjiv Malik
3. Ms. Piya Singh
4. Mr. Arvind Aggarwal

Financial performance (Standalone)

Details of Max Ventures Investment Holdings Private Limited for the last three Fiscals based on the audited financial statements are set out below:

(in ₹ lakhs, except per share data)

Particulars	Fiscal	Fiscal	Fiscal
	2017	2016	2015
Net sales	4,797.53	5,328.97	1,054.70
Profit after tax	1,422.70	(5,234.91)	(889.98)
Equity Share Capital	5.01	1.00	1.00
Reserves (excluding revaluation reserve)	1,71,157.00	60,840.81	(2,548.60)
Earning per share (basic)	2,843.00	(10,460.00)	(8,900.00)
Earning per share (diluted)	2,843.00	(10,460.00)	(8,900.00)
Net asset value per share	3,46,810.89	17,23,201.27	(25,475.99)

Financial Information (Consolidated)

The consolidated financial information of Max Ventures Investment Holdings Private Limited in the last three Fiscals is set out below:

(in ₹ lakhs, except per share data)

Particulars	Fiscal	Fiscal	Fiscal
	2017	2016	2015*
Net sales	5,435.14	5,863.20	-
Profit after tax	1,420.42	(5,293.14)	-
Equity Share Capital	5.01	1.00	-
Reserves (excluding revaluation reserve)	171,496.81	61,615.20	-

Particulars	Fiscal 2017	Fiscal 2016	Fiscal 2015*
Earning per share (basic)	2,712.00	(48, 644.00)	-
Earning per share (diluted)	2,712.00	(48, 644.00)	-
Net asset value	3,47,489.89	17,27,945.18	-

**No consolidation for Fiscal 2015*

There are no significant notes of the auditors in relation to the aforementioned financial statements.

10. Siva Enterprises Private Limited

Siva Enterprises Private Limited was incorporated on January 5, 2016 under the Companies Act, 2013. The registered office of Siva Enterprises Private Limited is situated at Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110 020. Siva Enterprises Private Limited is engaged in the business of management and consultancy services. The current paid-up equity capital of Siva Enterprises Private Limited is 5,01,00,000 comprising 50,10,000 equity shares of ₹ 10 each. The equity shares of Siva Enterprises Private Limited are not listed on any stock exchange.

As on the date of this Draft Letter of Offer, Siva Enterprises Private Limited holds 58,10,598 Equity Shares aggregating to 8.00% of the pre-Issue Equity Share capital of our Company. For details of the build–up of our Promoter's shareholding in our Company, please see section titled "*Capital Structure*" on page 65.

Promoters

The promoters of Siva Enterprises Private Limited are:

1. Mr. Sahil Vachani
2. Ms. Tara Singh Vachani

There has been no change in the control or management of Siva Enterprises Private Limited since its incorporation.

Shareholding pattern

The shareholding pattern of Siva Enterprises Private Limited is set out below:

S. No.	Name of the shareholder	No. of equity shares held (face value of ₹ 10 each)	% to total holding
1.	Mr. Sahil Vachani	25,05,000	50
2.	Ms. Tara Singh Vachani	25,05,000	50
	Total	**50,10,000**	**100**

Board of directors

As on the date of this Draft Letter of Offer, the board of directors of Siva Enterprises Private Limited comprises of the following:

1. Mr. Sahil Vachani
2. Ms. Tara Singh Vachani

Financial performance (Standalone)

Details of Siva Enterprises Private Limited for the last Fiscal (15 month period) based on audited financials statements are set out below:

(in ₹ lakhs, except per share data)

Particulars	Fiscal 2017(15 months period)
Net sales	53.09

Particulars	Fiscal 2017(15 months period)
Profit after tax	(0.23)
Equity Share Capital	501.00
Reserves (excluding revaluation reserve)	(0.23)
Earning per share (basic)	(0.0046)
Earning per share (diluted)	(0.0046)
Net asset value per share	10

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Further, please note that our Promoters are not the original promoters of our Company. The acquisition of control of our Company by our Promoters, date of acquisition, terms of acquisition and consideration paid for acquisition were in accordance with the Scheme of Arrangement. For details, see "*History and Certain Corporate Matters*" on page 123. The acquisition of control of our Company by our Promoters was in compliance with the Takeover Regulations, pursuant to the Scheme of Arrangement and letter of offer dated September 19, 2016 filed by Siva Enterprise Private Limited and PVT Ventures Private Limited in relation to the open offer made under the provisions of the Takeover Regulations.

Undertaking

We confirm that the PAN, bank account numbers and passport numbers with respect to our Individual Promoters, *i.e.*, Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Piya Singh, Mr. Veer Singh, Ms. Tara Singh Vachani and Mr. Sahil Vachani will be submitted to the Stock Exchanges at the time of filing the Draft Letter of Offer with them. We also confirm that the PAN, bank account numbers, company registration numbers and the addresses of the Registrar of Companies where the companies are registered, of our Corporate Promoters, *i.e*,, Mohair Investment and Trading Company Private Limited, Max Ventures Investment Holdings Private Limited, Siva Enterprises Private Limited and Liquid Investment and Trading Company Private Limited, to the extent applicable, will be submitted to the Stock Exchanges at the time of filing this Draft Letter of Offer with them. We further confirm that none of the directors of our Corporate Promoters, *i.e*., Mohair Investment and Trading Company Private Limited, Max Ventures Investment Holdings Private Limited, Siva Enterprises Private Limited and Liquid Investment and Trading Company Private Limited, hold any Equity Shares of our Company, except as disclosed above.

Disassociation by the Promoters in the last three years

There are no other ventures/ companies/ firms from which our Promoters have disassociated during the three years preceding the date of filing of this Draft Letter of Offer.

Interests in our Company

The Promoters are interested parties to the extent of their shareholding in our Company and in any dividend and distributions which may be made by our Company in future and to the extent of the related party transactions disclosed in the section titled "*Related Party Transactions*" and as stated in the section titled "*Our Management-Interests of Directors*" on pages 175 and 139, respectively.

Further, except as detailed below, our Promoters do not have any interest in property acquired by our Company within two years preceding the date of this Draft Letter of Offer or proposed to be acquired by our Company.

Max Estates Limited, one of our Subsidiaries, has undertaken the construction and development of a residential project located at Dehradun. The said project is a luxury gated community offering a limited inventory of 22 residences. The land for the said project is not in the name of our Company or any of the Subsidiaries and has been given by Mr. Analjit Singh (one of our Promoters), TEPL and Analjit Singh (HUF) under a construction and development agreement entered into with Max Estates Limited on July 25, 2016. According to the said agreement, Mr. Analjit Singh (one of our Promoters), collectively with TEPL and Analjit Singh (HUF), will receive 49.25% of 27.34% of the gross cash receipt received from the booking or sale or transfer or marketing of the properties on the land under this agreement.

Max Estates Limited, one of our Subsidiaries, has entered into an agreement to sell dated July 14, 2017 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. Pharmax Corporation Limited is one of our Group Companies. Further, Max India Limited, one of our Group Companies holds approximately 85.17% shareholding of Pharmax Corporation Limited, and certain of our Promoters, namely, Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Piya Singh, Mr. Veer Singh, Ms. Tara Singh Vachani, Liquid Investment and Trading Company Private Limited, Mohair Investment and Trading Company Private Limited and Max Ventures Investment Holdings Private Limited, collectively hold 40.97% of the issued capital of Max India Limited.

Further, in Fiscal 2018, pursuant to cancellation of an area purchase agreement enterered into between Boulevard Projects Private Limited (erstwhile holding company of WZBPL), WZBPL and PEPL, one of our Group Companies, pertaining to acquisition of commercial towers of the Delhi One project, an amount of ₹ 24,510 lakhs was refunded from WZBPL to PEPL. Our Promoters, Mr. Analjit Singh and Mr. Sahil Vachani, are members on the board of directors of PEPL. Further, certain of our Promoters, namely, Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Piya Singh, Mr. Veer Singh, Ms. Tara Singh Vachani and Max Ventures Investment Holdings Private Limited, hold equity shares in PEPL. For details, see "*Group Companies*" on page 160.

Payment of benefits to our Promoter during the last two years

Except as stated in the sections titled "*Related Party Transactions*" and "*Our Management-Interests of Directors*" on pages 175 and 139, respectively, there has been no payment of benefits to our Promoters, during the last two years preceding the date of filing of this Draft Letter of Offer.

Relationship of Promoters with each other and with the Directors / Key Management Personnel

All our Individual Promoters are related to each other. Further, none of our Key Management Personnel, except for Mr. Sahil Vachani (who is the son-in-law of Mr. Analjit Singh), are related to our Promoters.

i. Mr. Analjit Singh (father of Ms. Piya Singh)
ii. Ms. Neelu Analjit Singh (wife of Mr. Analjit Singh)
iii. Ms. Piya Singh (daughter of Mr. Analjit Singh)
iv. Mr. Veer Singh (son of Mr. Analjit Singh)
v. Ms. Tara Singh Vachani (daughter of Mr. Analjit Singh)
vi. Mr. Sahil Vachani (son in law of Mr. Analjit Singh)

Confirmations by the Promoters

Our Promoters confirm that they have not been detained as a wilful defaulter by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Our Corporate Promoters also confirm that they are not a sick company within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995, as amended, nor are under winding up. Further, it is confirmed that the Corporate Promoters have not remained defunct and no application has been made to the Registrar of Companies for striking off the name in the last five years.

Additionally, none of our Promoters have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

Related Party Transactions

For details of related party transactions, please see the section titled "*Related Party Transactions*" on page 175.

Promoter Group

The persons and entities constituting our Promoter Group are as follows:

1. **Individuals**:

    1. Mr. Ravi Vachani (father of Mr. Sahil Vachani)
    2. Ms. Tina Vachani (mother of Mr. Sahil Vachani)
    3. Mr. Nikhil Vachani (brother of Mr. Sahil Vachani)
    4. Ms. Veda Vachani (daughter of Ms. Tara Singh Vachani and Mr. Sahil Vachani)

2. **Entities**: The companies and entities forming a part of our Promoter Group are as follows:

    1. New Delhi House Services Limited
    2. SKA Diagnostic Private Limited
    3. Max India Limited
    4. Max Financial Services Limited
    5. Gaylord Implex Limited
    6. Pier114 Imports Private Limited
    7. Malsi Holdings Limited
    8. Capricorn Hospitality Services Private Limited
    9. Max Ventures Private Limited
    10. Capricorn Health Services Private Limited
    11. Piveta Estates Private Limited
    12. Leo Retailing and Health Services Private Limited
    13. Nurture Health Services Private Limited
    14. Solace Hotel and Hospitality Services Private Limited
    15. Anchor Management Services Private Limited
    16. Devavani Lifestyle Private Limited
    17. Harmonious Hospitality Private Limited
    18. Malsi Hotels Limited
    19. Max Speciality Products Limited
    20. P. V. T. Ventures Private Limited
    21. Trophy Estates Private Limited
    22. Vitasta Estates Private Limited
    23. TVP Investments Private Limited
    24. Trophy Resorts & Guest Houses Private Limited
    25. Hometrail Properties Private Limited
    26. Wegmans Business Park Private Limited
    27. TR Asset Ventures Private Limited
    28. Seven Heaven Buildmart Private Limited
    29. Vana Therapiya Private Limited
    30. Terra Planet Estates Private Limited (held through Neeman Family Foundation)
    31. Delhi Guest House Private Limited (held through Neeman Family Foundation)
    32. ABK Consultants Private Limited
    33. Vana Resorts & Hotels Private Limited
    34. Studio Urban Space Consultants Private Limited
    35. ND Telecom Services Private Limited
    36. Vanaveda Lifestyle Private Limited
    37. Vana Hospitality Private Limited
    38. Vana Foundation
    39. Vana Retreats Private Limited
    40. Vana Hotels Private Limited
    41. Vana Lifestyle Private Limited
    42. Siva Realty Ventures Private Limited
    43. Topline Electronics Private Limited
    44. Vana Enterprises Limited
    45. iCare Health Projects and Research Private Limited
    46. LGO Pte. Ltd.

47. Drugyel Estates Privates Limited
48. Lakeview Enterprises
49. Analjit Singh HUF
50. Abraham and Thakore Exports Private Limited
51. H D Seeds Farm Private Limited
52. Vanapurna Private Limited

GROUP COMPANIES

*As per the SEBI ICDR Regulations, for the purpose of identification of 'group companies', our Company has considered such companies covered under the applicable accounting standard, i.e. Accounting Standard IND AS 24 issued by the Institute of Chartered Accountants of India ("**IND AS 24**") as per the Restated Consolidated Financial Statements, and other companies considered material by our Board of Directors. Pursuant to a resolution of our Board dated February 14, 2018, for the purpose of disclosure in this Draft Letter of Offer and Letter of Offer, apart from companies covered under IND AS 24 in terms of the Restated Consolidated Financial Statements, a company shall be considered material and disclosed as a Group Company of our Company if (i) such companies are identified as 'related parties' in accordance with Accounting Standard IND AS 24 issued by the Institute of Chartered Accountants of India in the financial years period ended March 31, 2016 (15 month period) and March 31, 2017 and six months period ended September 30, 2017 ("**Restated Consolidated Financial Statements**") of our Company, (ii) such company is a member of the promoter group and the Company has entered into one or more transactions with such company in any of the last five financial years/periods, or the relevant interim period (in respect of which financial statements are included in the Draft Letter of Offer or Letter of Offer), cumulatively exceeding 10% of the total consolidated revenue of the Company for the relevant financial year / the interim period during which the transaction(s) was / were undertaken.However, with respect to sub-clause (i) mentioned above, it would exclude the consolidated entities as per the Consolidated Financial Statements and our Promoters.*

As on date of this Draft Letter of Offer set out below are the Group Companies of our Company within the meaning of Group Companies under the SEBI ICDR Regulations:

S. No.	Group Company/Firms
1.	iCare Health Projects and Research Private Limited
2.	Max Bupa Health Insurance Company Limited
3.	Max Financial Services Limited
4.	Max Life Insurance Company Limited
5.	Max UK Limited
6.	Pharmax Corporation Limited
7.	Vana Enterprises Limited
8.	Leeu Collections South Africa Pty Limited
9.	Max Ventures Private Limited
10.	Piveta Estates Private Limited
11.	Trophy Estates Private Limited
12.	Siva Realty Ventures Private Limited
13.	Max India Limited
14.	New Delhi House Services Limited
15.	Max Healthcare Institute Limited
16.	Antara Purukul Senior Living Limited
17.	Azure Hospitality Private Limited

Details of the top five group companies based on the turnover:

The top five group companies are as follows:

We have two listed group companies:

1. Max Financial Services Limited; and
2. Max India Limited.

Following are the largest three group companies:

1. Max Life Insurance Company Limited;
2. Max Healthcare Institute Limited; and
3. Max Bupa Health Insurance Company Limited.

Max Financial Services Limited (formerly known as Max India Limited) ("**MFSL**")

Corporate Information

MFSL was incorporated as a public limited company on February 24, 1988 under the Companies Act, 1956, and received its certificate for commencement of business on March 21, 1988. Its CIN is L24223PB1988PLC008031 and its registered office is located at Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District - Nawanshahr, Punjab - 144 533. MFSL is engaged, *inter alia*, in the business of holding investments in its subsidiary company viz. Max Life Insurance Company Limited and providing management advisory services to group companies.

Interest of our Promoters

Our Promoters are only interested to the extent of the equity shares held by them, as stated below:

I. Individual Promoters

S. No.	Name	No. of shares (face value ₹ 2)	% to issued capital
1	Mr. Analjit Singh	10,000	Negligible
2	Ms. Neelu Analjit Singh	1,00,000	0.04
3	Ms. Piya Singh	1,10,333	0.04
4	Mr. Veer Singh	1,00,500	0.04
5	Ms. Tara Singh	1,00,000	0.04
TOTAL		**4,20,833**	**0.16**

II. Bodies Corporate

S. No.	Name	No. of shares (face value ₹ 2)	% to issued capital
1	Liquid Investment and Trading Company Private Limited	2,38,18,876	8.87
2	Mohair Investment and Trading Company Private Limited	1,36,90,570	5.10
3	Max Ventures Investment Holdings Private Limited	4,33,72,459	16.16
TOTAL		**8,08,81,905**	**30.13**

The board of directors of MFSL comprises:

1. Ms. Naina Lal Kidwai
2. Mr. Mohit Talwar
3. Mr. Ashwani Windlass
4. Mr. Aman Mehta
5. Mr. Rajesh Khanna
6. Mr. Dinesh Kumar Mittal
7. Mr. Sanjay Omprakash Nayar

Financial Performance

The following select items have been derived from audited financial statement of MFSL for the Fiscals 2017, 2016 and 2015 are set forth below.

(in ₹ lakhs, except per share data)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital	5,345.40	5,339.68	5,330.06
Reserves (excluding revaluation reserve)	1,77,483.55	1,61,652.55	3,40,033.99
Sales/Turnover	25,627.73	20,122.06	58,465.98
Profit/(Loss) after tax	15,399.75	11,520.51	39,093.65
Earnings per share (Basic)(face value ₹ 2) (in ₹)	5.76	4.32	14.67
Earnings per share (Diluted) (face value ₹ 2) (in ₹)	5.71	4.27	14.58
Net asset value per share (in ₹)	68.41	62.55	129.59

There are no significant notes of the auditors in relation to the aforementioned financial statements. Further, there has not been any change in capital structure during the preceding six months.

Except as stated below, we confirm that there has been no change in the capital structure of MFSL in the last six months:

Allotment of 407,768 equity shares of ₹ 2 each of MFSL on August 18, 2017 and allotment of 665,000 equity shares of ₹ 2 each of MFSL on September 1, 2017 in terms of Max Employee Stock Option Plan, 2003, as amended.

Share price information

The equity shares of MFSL are listed on the NSE and the BSE.

The details of the highest and lowest price on the NSE during the preceding six months are as follows:

(*in* ₹)

Month	Monthly High	Monthly low
January 2018	597.05	520.70
December 2017	606.60	529.75
November 2017	585.55	544.70
October 2017	600.00	555.00
September 2017	646.55	583.90
August 2017	613.65	587.10

Note: These figures are based on daily closing prices.

The details of the highest and lowest price on the BSE during the preceding six months are as follows:

(*in* ₹)

Month	Monthly High	Monthly low
January 2018	596.25	521.30
December 2017	606.25	529.50
November 2017	584.90	544.20
October 2017	599.20	554.15
September 2017	646.35	583.80
August 2017	612.75	587.25

Note: These figures are based on daily closing prices.

The closing share price of MFSL as on February 12, 2018 on the BSE was ₹ 522.30 and the market capitalization as on February 12, 2018 as per the closing price on the BSE was ₹ 14,01,769.77 lakhs.

The closing share price of MFSL as on February 12, 2018 on the NSE was ₹ 524.45 and the market capitalization as on February 12, 2018 as per the closing price on the NSE was ₹ 14,07,540.03 lakhs.

Max India Limited (formerly known as Taurus Ventures Limited') ("**MIL**")

Corporate Information

MIL was incorporated as a public limited company on January 1, 2015 under the Companies Act, 2013, and obtained a fresh certificate of incorporation subsequent to name change on February 12, 2016. Its CIN is L85100PB2015PLC039155 and its registered office is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District - Nawanshahr, Punjab - 144 533. MIL is engaged, *inter alia*, in the activity of holding and nurturing of investments in health and allied activities along with providing certain corporate management services.

Interest of our Promoters

Our Promoters are interested to the extent of the equity shares held by them as on December 31, 2017, as stated below:

I. Individual Promoters

S. No.	Name	No. of shares (face value ₹ 2)	% to issued capital
1	Mr. Analjit Singh	58,76,789	2.19
2	Ms. Neelu Analjit Singh	1,00,000	0.04

3	Ms. Piya Singh	1,10,333	0.04
4	Mr. Veer Singh	1,00,500	0.04
5	Ms. Tara Singh Vachani	1,00,000	0.04
TOTAL		**62,87,622**	**2.35**

II. Bodies Corporate

S. No.	Name	No. of shares (face value ₹ 2)	% to issued capital
1	Liquid Investment and Trading Company Private Limited	2,38,18,876	8.88
2	Mohair Investment and Trading Company Private Limited	1,36,90,570	5.10
3	Max Ventures Investment Holdings Private Limited	6,61,58,030	24.65
TOTAL		**10,36,67,476**	**38.63**

Ms. Tara Singh Vachani, one of our Promoters, is also on the board of directors of Max India Limited. Additionally, Max India Limited has allotted 1,93,84,854 warrants to Mohair Investment and Trading Company Private Limited, one of our Promoters, entitling it to one equity share of ₹ 2 each for each warrant allotted, within a period of 18 months of allotment of warrants, i.e., December 19, 2018.

The board of directors of MIL comprises:

1. Mr. Rahul Khosla
2. Mr. Mohit Talwar
3. Ms. Tara Singh Vachani
4. Mr. Ashwani Windlass
5. Mr. Ashok Brijmohan Kacker
6. Mr. Dipankar Gupta
7. Mr. Dinesh Kumar Mittal

Financial Performance

The following select items have been derived from audited financial statement of MIL for the Fiscal 2017 and for the period from January 1, 2015 to March 31, 2016 are set forth below:

(in ₹ lakhs, except per share data)

	Fiscal 2017	For the period from January 1, 2015 to March 31,2016
Equity capital	5,345.40	5,339.68*
Reserves (excluding revaluation reserve)	1,58,424.47	1,58,577.98
Sales/Turnover	5,167.61	6,815.64
Profit/(Loss) after tax	(258.07)	1,433.58
Earnings per share (Basic) (face value ₹ 2) (in ₹)	(0.10)	0.54
Earnings per share (Diluted) (face value ₹ 2) (in ₹)	(0.10)	0.53
Net asset value per share** (in ₹)	61.28	61.40

** Includes ₹ 5,334.68 lakhs pertaining to share capital pending for allotment.*
*** Networth (share capital plus reserves) / outstanding shares*

There are no significant notes of the auditors in relation to the aforementioned financial statements. Further, except as stated below, there has not been any change in capital structure during the preceding six months.

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Type of Issue	Cumulative No. of Shares	Cumulative Paid-Up Share Capital (₹)
August 19, 2017	1,86,268	2.00	2.00	Allotment of equity shares under Max India Employee Stock Plan – 2016 to the option holders arising from exercise of stock options	268,376,717	536,753,434
November 10, 2017	6,348	2.00	2.00	Allotment of equity shares under Max India Employee Stock Plan –	268,383,065	536,766,130

				2016 to the option holders arising from exercise of stock options		

Share price information

The equity shares of MIL are listed on the NSE and BSE.

The details of the highest and lowest price on the NSE during the preceding six months are as follows:

(*in* ₹)

Month	Monthly High	Monthly low
January 2018	124.75	114.00
December 2017	138.10	122.90
November 20 17	141.85	132.60
October 20 17	139.85	133.60
September 2017	140.10	137.35
August 2017	151.55	136.85

Note: These figures are based on closing prices.

The details of the highest and lowest price on the BSE during the preceding six months are as follows:

(*in* ₹)

Month	Monthly High	Monthly low
January 2018	124.65	114.05
December 2017	136.80	123.10
November 2017	141.75	132.65
October 2017	138.60	133.80
September 2017	141.45	136.30
August 2017	151.85	136.55

Note: These figures are based on closing prices.

The closing share price of MIL as on February 12, 2018 on the BSE was ₹ 110.40 and the market capitalization as on February 12, 2018 as per the closing price on the BSE was ₹ 2,96,294.90.

The closing share price of MIL as on February 12, 2018 on the NSE was ₹ 110.35 and the market capitalization as on February 12, 2018 as per the closing price on the NSE was ₹ 2,96,160.71.

Max Life Insurance Company Limited (“**MLICL**”)

Corporate Information

MLICL was incorporated on July 11, 2000 under the Companies Act, 1956, and received its certificate for commencement of business on August 28, 2000. Its CIN is U74899PB2000PLC045626. Its registered office is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District - Nawanshahr, Punjab - 144 533. MLICL is engaged, *inter alia,* in the business of life insurance.

Interest of our Promoters

Except as stated below, our Promoters are only interested in Max Life Insurance Company Limited to the extent of equity shares held by them in Max Financial Services Limited:

I. Individual Promoters

S. No.	Name	No. of shares (face value ₹ 10)	% to issued capital
1	Mr. Analjit Singh	10,000	0.00
2	Ms. Neelu Analjit Singh	1,00,000	0.04
3	Ms. Piya Singh	1,10,333	0.04
4	Mr. Veer Singh	1,00,500	0.04
5	Ms. Tara Singh	1,00,000	0.04

TOTAL	4,20,833	0.16

II. Bodies Corporate

S. No.	Name	No. of shares	% to issued capital
1	Liquid Investment and Trading Company Private Limtied	2,38,18,876	8.87
2	Mohair Investment and Trading Company Private Limited.	1,36,90,570	5.10
3	Max Ventures Investment Holdings Private Limited	4,33,72,459	16.16
TOTAL		**8,08,81,905**	**30.13**

The board of directors of MLICL comprises:

1. Mr. Rahul Khosla
2. Mr. D.K. Mittal
3. Mr. Hideaki Nomura
4. Mr. John Poole
5. Mr. K. Narasimha Murthy
6. Ms. Marielle Theron
7. Mr. Masataka Kitagawa
8. Mr. Mohit Talwar
9. Mr. Rajesh Khanna
10. Mr. Rajesh Sud
11. Mr. Rajit Mehta

Financial Performance

The audited financials of MLICL for the Fiscals 2017, 2016 and 2015 are set forth below.

(in ₹ lakhs, except per share data)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital	191,881.29	191,881.29	191,881.29
Reserves (excluding revaluation reserve)	58,671.68	9,537.86	9624.28
Sales/Turnover	15,21,925.85	10,66,271.47	12,49,607.13
Profit/(Loss) after tax	65,992.71	43,911.04	41,424.18
Earnings per share (Basic) (face value ₹ 10) (in ₹)	3.44	2.29	2.14
Earnings per share (Diluted) (face value ₹ 10) (in ₹)	3.44	2.29	2.14
Net asset value per share (in ₹)	13.08	10.55	10.71

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Max Healthcare Institute Limited (“**MHIL**”)

Corporate Information

MHIL was incorporated on June 18, 2001 under the Companies Act, 1956. Its CIN is U72200DL2001PLC111313 and its registered office is located at Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110020. MHIL is engaged in the business of healthcare.

Interest of our Promoters

Ms. Tara Singh Vachani is a member of the board of directors of MHIL. Also, Max India Limited holds 49.70% equity stake of MHIL through which our Promoters may be considered to have indirect interest in MHIL. Further, MHIL also provides healthcare services to our Promoters as part of its ordinary course of business at arm’s length basis.

The board of directors of MHIL comprises:

1. Mr. Rahul Khosla
2. Mr. Adam Mills Pyle*
3. Dr. Ajit Singh

4. Mr. K. Narasimha Murthy
5. Mr. Mohit Talwar
6. Dr. Omkar Goswami
7. Mr. Pieter Phillippus Van Der Westhuizen
8. Dr. Pradeep Kumar Chowbey
9. Mr. Rajit Mehta
10. Ms. Roshini Bakshi
11. Ms. Tara Singh Vachani

** Mr. Anton Van Loggeerenberg is an alternate director to Mr. Adam Mills Pyle*

Financial Performance

The following select items have been derived from audited financial statements of MHIL for the Fiscals 2017, 2016 and 2015 are set forth below.

(in ₹ lakhs, except per share data)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital	53,724	53,341	48,881
Reserves and surplus (excluding revaluation)	77,009	75,617	52,274
Sales/Turnover	1,01,429	94,463	82,267
Profit/(Loss) after tax	(1,275)	(2,215)	(3,814)
Earnings per share (Basic) (face value ₹ 10) (in ₹)	(0.24)	(0.44)	(0.85)
Earnings per share (Diluted) (face value ₹ 10) (in ₹)	(0.24)	(0.44)	(0.85)
Net asset value per share (₹)	24.33	24.18	20.69

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Max Bupa Health Insurance Company Limited (“**MBHICL**”)

Corporate Information

MBHICL was incorporated on September 5, 2008 under the Companies Act, 1956, and received its certificate for commencement of business on December 23, 2008. Its CIN is U66000DL2008PLC182918 and its registered office is located at Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110020. MBHICL is engaged in the business of health insurance.

Interest of our Promoters

Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Piya Singh, Mr. Veer Singh, Mrs. Tara Singh Vachani, Liquid Investment and Trading Company Private Limited, Mohair Investment and Trading Company Private Limited and Max Ventures Investment Holdings Private Limited, promoters of our Company, collectively hold 40.97% of the issued capital of Max India Limited, which in turn holds 51% of the issued capital of MBHICL.

The board of directors of MBHICL comprises:

1. Mr. Rajesh Sud
2. Mr. Rahul Khosla
3. Mr. Mohit Talwar
4. Mr. Pradeep Pant
5. Ms. Marielle Theron
6. Mr. K. Narasimha Murthy
7. Mr. David Martin Fletcher
8. Ms. Joy Linton
9. Mr. John Howard Lorimer
10. Mr. Ashish Mehrotra
11. Mr. Burjor Phiroze Banaji
12. Mr. D.K. Mittal

Financial Performance

The following select items have been derived from audited financial statements of MBHICL for the Fiscals 2017, 2016 and 2015 are set forth below.

(in ₹ lakhs, except per share data)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital	92,600.00	89,800.00	79,050.00
Reserves and surplus (excluding revaluation)*	-	-	-
Sales/Turnover**	59,393.38	47,600.92	37,265.74
Profit/(Loss) after tax	(367.66)	(6,849.79)	(9,331.32)
Earnings per share (Basic)(face value ₹ 10) (in ₹)	(0.04)	(0.82)	(1.28)
Earnings per share (Diluted) (face value ₹ 10) (in ₹)	(0.04)	(0.82)	(1.28)
Net asset value per share (in ₹)	2.52	2.32	2.15

* *Reserves and surplus are exclusive of debit balance in profit and loss account which is ₹ 69,300 lakhs for Fiscal 2017, ₹ 68,932 lakhs for Fiscal 2016 and ₹ 62,082 lakhs for Fiscal 2015.*

** *Sales/turnover means gross written premium net of service tax and goods and service tax.*

There are no significant notes of the auditors in relation to the aforementioned financial statements.

Details of our other Group Companies

Antara Purukul Senior Living Limited ("**APSLL**")

Corporate Information

APSLL was incorporated on June 21, 1995 under the Companies Act, 1956 as a private limited company as 'Shruti Foods Private Limited' and was converted into public limited Company on June 18, 2013. Its CIN is U74120UR1995PLC018283. The registered office of APSLL is located at Antara Senior Living, Guniyal Gaon, P.O. Sinola, Dehradun, Uttarakhand – 248 003. APSLL is engaged in the business of construction/development of vibrant residential senior living communities in North India, for people over the age of 55 years that will provide a vast array of services and amenities to enrich and improve their quality of life.

Interest of our Promoter

Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Piya Singh, Mr. Veer Singh, Ms. Tara Singh Vachani, Liquid Investment and Trading Company Private Limited, Mohair Investment and Trading Company Private Limited and Max Ventures Investment Holdings Private Limited, some of our Promoters, collectively hold 40.97% of the issued capital of Max India Limited, which in turn holds 100% of the issued capital of Antara Senior Living Limited, which in turn holds 100% of the issued capital of APSLL. Further, Ms. Tara Singh Vachani, one of our Promoters is also a director of APSLL.

In addition, Mr. Analjit Singh has acquired two apartments in Antara Senior Living Community developed at Dehradun. The said transaction is in ordinary course of business and on arm's lengh basis.

Leeu Collection South Africa (Pty) Ltd ("**LCSAL**")

Corporate Information

LCSAL was incorporated on August 28, 2014 under the Companies Act 71 of 2008 in terms of the Laws of the Republic of South Africa as a private company and received its certificate for commencement of business on August 28, 2014. Its registration number is 2014/168173/07. The registered office of LCSAL is located at Dassenberg Farm, La Provence Road, Franschhoek, Western Cape, 7690, Republic of South Africa. The main object of LCSAL is hospitality management and hospitality central services function.

Interest of our Promoter

Our Promoters do not have any direct interest in LCSAL. However, the following of our Promoters are only interested to the extent of control exercised by them indirectly in LCSAL through holdings in intermediate companies:

1. Mr. Analjit Singh;
2. Ms. Neelu Analjit Singh;
3. Ms. Piya Singh;

4. Mr. Veer Singh;
5. Ms. Tara Singh Vachani;
6. Max Ventures Investment Holdings Private Limited;
7. Liquid Investment and Trading Company Private Limited; and
8. Mohair Investment and Trading Company Private Limited.

New Delhi House Services Limited ("**NDHS**")

Corporate Information

NDHS was incorporated on May 6, 1998 under the Companies Act 1956 as an unlisted public company. Its CIN is U70101PB1998PLC021363. The registered office of NDHS is located at Bhai Mohan Singh Nagar, Rail Majra, Tehsil Balachaur, District, Nawanshahr, Punjab-144 533. NDHS is engaged in business of buying, selling, leasing, investing of land, building, or any property or to hold investment in companies having similar objects.

Interest of our Promoter

Our Promoters are interested to the extent of equity shares held by them. The details of equity shares held by them are as follows.

S. No.	Name of the shareholders	No. of equity shares held (face value ₹ 10)	% to total holding
1.	Liquid Investment and Trading Company Private Limited	4,600	9.09
2.	Mohair Investment and Trading Company Private Limited	9,200	18.18
3.	Max Ventures Investment Holdings Private Limited	36,794	72.72
4.	Mr. Analjit Singh *	1	Negligible
5.	Ms. Neelu Analjit Singh *	1	Negligible
6.	Ms. Piya Singh *	1	Negligible
7.	Mr. Veer Singh *	1	Negligible
8.	Ms. Tara Singh Vachani *	1	Negligible
9.	Mr. Sahil Vachani *	1	Negligible
Total		**50,600**	**100.00**

**Holds shares as nominee of Max Ventures Investment Holdings Private Limited*

Pharmax Corporation Limited ("**PCL**")

Corporate Information

PCL was incorporated on September 27, 1989 under the Companies Act 1956 as public company. Its CIN is U24232PB1989PLC009741. The registered office of PCL is located at Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab - 144533. PCL is engaged in business of acquiring by concession, grant, purchase, lease, licence, order, decree or otherwise either absolutely or conditionally, any land, buildings, structures, conveniences and / or other moveable or immoveable properties.

Interest of our Promoter

Max India Limited approximately holds 85.17% of the equity share capital of PCL. Our Promoters are only interested to the extent of securities held by them in Max India Limited.

iCare Health Projects And Research Private Limited ("**iCare**")

Corporate Information

iCare was incorporated on September 23, 2005 under the Companies Act 1956. Its CIN is U85110DL2005PTC141105. The registered office of iCare is located at Max House, 1, Dr.Jha Marg, Okhla, New Delhi-110020. The main object of iCare is to purchase, own, run, operate, manage, maintain, lease or otherwise acquire, develop and promote the establishment of and to carry on the business of Hospitals, clinics, Nursing homes, dispensaries, maternity and family planning centers.

Interest of our Promoter

Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Piya Singh, Ms. Tara Singh Vachani and Mr. Veer Singh, some of our Promoters, collectively hold 100% share capital of Nurture Health Services Private Limited which is the holding company of iCare.

Further, the shareholding pattern of iCare is set out below:

S. No.	Name of the shareholders	No. of equity shares held (Face Value ₹ 10)	% to total holding
1.	Nurture Health Services Private Limited	55,02,933	100.00
2.	Mr. Sanjiv Malik* (Nominee of Nurture)	1	Negligible
3.	Mr. Arvind Aggarwal* (Nominee of Nurture)	1	Negligible
	Total	**55,02,935**	**100.00**

S. No.	Name of the shareholders	No. of Preference shares held (Face Value ₹ 100)	% to total holding
1.	Nurture Health Services Private Limited	40,00,000	100.00

Trophy Estates Private Limited ("**TEPL**")

Corporate Information

TEPL was incorporated on February 8, 2005 under the Companies Act 1956. Its CIN is U70101DL2005PTC132788. The registered office of TEPL is located at 15, Dr. APJ Abdul Kalam Road, New Delhi-110 011. The main object of TEPL is buying, selling, purchasing lands, buildings, houses, sheds etc.

Interest of our Promoter

Our Promoter, Mr. Sahil Vachani is on the board of TEPL. Further, the details of equity shares held by our Promoters are as follows.

S. No.	Name of the shareholders	No. of equity shares held (face value ₹ 10)	% to total holding
1.	Mr. Analjit Singh	3,57,14,500	95.96
2.	Ms. Neelu Analjit Singh	4,370	0.01
	Ms. Neelu Analjit Singh (on behalf of Neeman Family Foundation)	15,00,000	4.03
3.	Ms. Piya Singh	10	Negligible
4.	Mr. Veer Singh	10	Negligible
5.	Ms. Tara Singh Vachani	10	Negligible
6.	Mr. Sahil Vachani	2	Negligible
Total		**3,72,18,902**	**99.99**

Max Estates Limited, one of our Subsidiaries, has undertaken the construction and development of a residential project located at Dehradun. The said project is a luxury gated community offering a limited inventory of 22 residences. The land for the said project is not in the name of our Company or any of the Subsidiaries and has been given by Mr. Analjit Singh (one of our Promoters), TEPL and Analjit Singh (HUF) under a construction and development agreement entered into with Max Estates Limited on July 25, 2016. According to the said agreement, Mr. Analjit Singh (one of our promoters), collectively with TEPL and Analjit Singh (HUF), will receive 49.25% of 27.34% of the gross cash receipt received from the booking or sale or transfer or marketing of the properties on the land under this agreement.

Piveta Estates Private Limited ("**PEPL**")

Corporate Information

PEPL was incorporated on September 3, 2008 under the Companies Act 1956. Its CIN is U70100DL2008PTC182834. The registered office of PEPL is located at Max House 1, Dr. Jha Marg, Okhla New Delhi-110020. The main object of Piveta is to run real estate business.

Interest of our Promoter

Our Promoters, Mr. Analjit Singh and Mr. Sahil Vachani, are members on the board of directors of PEPL. Further, the details of equity shares and preference shares held by our Promoters are as follows:

S. No.	Name of the shareholders	No. of equity shares held (face value ₹ 10)	% to total holding
1.	Mr. Analjit Singh	5,15,00,000	46.82
2.	Ms. Neelu Analjit Singh	5,14,99,970	46.82
3.	Ms. Piya Singh	10	Negligible
4.	Mr. Veer Singh	10	Negligible
5.	Ms. Tara Singh Vachani	10	Negligible
6.	Max Ventures Investment Holdings Private Limited	70,00,000	6.36
Total		**11,00,00,000**	**100.00**

S. No.	Name of the shareholder	Class of Preference Share	No. of preference shares held (Face Value ₹ 100)	% to total holding
1.	Mr. Analjit Singh	5% Compulsorily Convertible Non-Cumulative	59,00,000	18.15
2.	Ms. Neelu Analjit Singh	5% Compulsorily Convertible Non-Cumulative	59,00,000	18.15
3.	Max Ventures Investment Holdings Private Limited	10% Non-Convertible Redeemable	2,07,00,000	63.69
	Total		**325,00,000**	**100.00**

Further, in Fiscal 2018, pursuant to cancellation of an area purchase agreement entered into between Boulevard Projects Private Limited (erstwhile holding company of WZBPL), WZBPL and PEPL, one of our Group Companies, pertaining to acquisition of commercial towers of the Delhi One project, an amount of ₹ 24,510 lakhs was refunded from WZBPL to PEPL.

Azure Hospitality Private Limited ("AHPL")

Corporate Information

Azure Hospitality Private Limited was incorporated as a company under the Companies Act, 1956 on the March 20, 2008. Its CIN is U74120DL2008PTC175672. The registered office of AHPL is situated at A-257, Ground Floor, Okhla Industrial Area, Phase – 1, New Delhi - 110020. AHPL is engaged in the business of managing, operating, enfranchising or otherwise dealing in restaurants, cafés, refreshment rooms, canteens, bakers and confectioners.

Interest of our Promoters

Mr. Sahil Vachani, one of our Promoters, is a non-executive nominee director on the board of directors of AHPL, representing Max I. Limited, one of our Subsidiaries.

While our Promoters of the Company do not directly hold any shares/other securities in AHPL, they are interested to the extent of their holding in Max I. Limited, which holds equity shares and fully and compulsorily convertible debentures in AHPL.

Max UK Limited ("Max UK")

Corporate Information

Max UK Limited was incorporated as a company under the Companies Act, 1985 on the September 3, 1998. Its CIN is 3625904. The registered office of Max UK is situated at Dixcart House, Addlestone Road, Bourne Business Park, Addlestone, Surrey, KT15 2LE, United Kingdom. The main object of Max UK is to carry on business as a general commercial company and to carry on any trade or business whatsoever. Max UK acts as a representative office for members of the Max group.

Interest of our Promoters

Max India Limited holds 100% of the equity share capital of Max UK. Our Promoters are only interested to the extent of securities held by them in Max India Limited.

None of our Group companies have negative net worth except as disclosed below:

1. Vana Enterprises Limited;
2. Siva Realty Ventures Private Limited; and
3. Max Ventures Private Limited.

1. Vana Enterprises Limited (formerly known as Malsi Estates Limited) ("**VEL**")

Corporate Information

VEL was incorporated on January 4, 1999 under the Companies Act, 1956 as a private limited company. Subsequently, by virtue of Section 43-A of the Companies Act 1956, its status was changed into a 'Deemed Public Company'. Its CIN is U70101PB1999PLC022109. The registered office of VEL is located at Bhai Mohan Singh Nagar, Rail Majra, Tehsil Balachaur, District, Nawanshahr, Punjab-144 533. VEL is engaged in the business of hospitality and owns a wellness retreat by the name of 'Vana' located at Dehradun. It is also engaged in the business of leasing of property.

Interest of our Promoter

Our Promoters Mr. Analjit Singh, Ms. Piya Singh and Mr. Veer Singh are on the board of directors of VEL. Further, our Promoters are also interested to the extent of securities held by them in Vana Enterprises Limited. The details of securities so held are as follows.

Name of Shareholders	Type of Shares	No. of Shares (face value ₹ 10 each)	% of shareholding
Mr. Analjit Singh	Equity	10*	0.01
Ms. Neelu Analjit Singh	Equity	6*	0.06
Mr. Veer Singh	Equity	3,627*	3.50

***Equity shares held are held by our Promoters as nominees of Malsi Holdings Limited. Our Promoters do not hold any equity shares in their individual capacity.*

Name of Debenture holders	Type of Debenture	No. of Debentures held (₹ 100 each)
Mr. Analjit Singh	Compulsorily Convertible (CCD)	13,27,125
Liquid Investment & Trading Company Private Limited	Compulsorily Convertible (CCD)	1,12,37,822

Financial Information

The following select items have been derived from audited financial statements of VEL for the Fiscals 2017, 2016 and 2015 are set forth below.

(in ₹ lakhs, except per share data)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital	10.3627	10.3627	10.3627
Reserves (excluding revaluation reserve)	(9,001.85)	(7,362.07)	(1,408.96)
Sales/Turnover	7,202.22	2,274.22	1,560.54
Profit/(Loss) after tax	(1,639.78)	(5,953.11)	(4,896.42)
Earnings per share (Basic) (face value ₹ 10) (in ₹)	(1,582.39)	(5,744.76)	(4,725.04)
Earnings per share (Diluted) (face value ₹ 10) (in ₹)	(27.40)	(99.46)	(81.81)
Net asset value per share (₹)	(8,676.78)	(7,094.40)	(1,349.64)

The auditors of VEL in their audit report have emphasized that VEL has accumulated losses and its net worth has been substantially eroded, which raises substantial doubt about its ability to continue as a going concern in the foreseeable future. For the financial support, it is dependent on its holding company, Malsi Holdings Limited. In the opinion of the management, in view of the commitment of continued financial support by the holding company, VEL is continuing with a going concern assumption. Further, VEL does not anticipate that it will not be able to realize its assets and discharge its liabilities in the normal course of business.

2. **Siva Realty Ventures Private Limited** (“**SRVPL**”)

Corporate Information

SRVPL was incorporated on November 7, 2013 under the Companies Act 1956. Its CIN is U70101DL2013PTC260001. The registered office of SRVPL is located at Max House, 1, Dr. Jha Marg, Okhla New Delhi -110 020. The main object of SRVPL is to carry on the business of real estate developer, contractors, builders, town planners, land developers, land consolidators, immovable property dealers and to acquire land, building, immovable property of any tenure, etc.

Interest of our Promoter

Our Promoters Mr. Analjit Singh, Mr. Sahil Vachani and Ms. Tara Singh Vachani are on the board of directors of SRVPL. Further, our Promoters are interested to the extent of equity shares held by them. The details of equity shares held by them are as follows.

S. No.	Name of the shareholders	No. of equity shares held (face value ₹ 10)	% to total holding
1.	Mr. Sahil Vachani	5,000	50.00
2.	Ms. Tara Singh Vachani	5,000	50.00
Total		**10,000**	**100.00**

Financial Information

The following select items have been derived from audited financial statements of SRVPL for the Fiscals 2017, 2016 and 2015 are set forth below.

(in ₹ lakhs, except per share data)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	(489.86)	(322.80)	(93.69)
Sales/Turnover	58.41	3.12	7.80
Profit/(Loss) after tax	(167.06)	(229.10)	(64.28)
Earnings per share (Basic) (face value ₹ 10) (in ₹)	(1,671)	(2,291.03)	(642.85)
Earnings per share (Diluted) (face value ₹ 10) (in ₹)	Nil	Nil	Nil
Net asset value per share (₹)	(4,888.63)	(3,217.98)	(626.95)

There are no significant notes of the auditors in relation to the financial statements of Siva Realty Ventures Private Limited.

3. **Max Ventures Private Limited** (“**MVPL**”)

Corporate Information

MVPL was incorporated on August 30, 2010 under Companies Act, 1956. Its CIN is U55101DL2010PTC207677. The registered office of MVPL is located at Max House, 1, Dr. Jha Marg, Okhla New Delhi -110 020. The main object of MVPL is to own, purchase, acquire, operate hotels, lodging houses, resorts and to deal in all related matters.

Interest of our Promoter

Our Promoters, Mr. Analjit Singh and Mr. Sahil Vachani are on the board of directors of MVPL. Further, Mr. Analjit Singh, Ms. Neelu Analjit Singh, Ms. Piya Singh, Ms. Tara Singh Vachani and Mr. Veer Singh, Promoters of our Company, collectively holding 100% share capital of MVPL.

S. No.	Name of the shareholders	No. of equity shares held (face value ₹ 10)	% to total holding
1.	Mr. Analjit Singh	5,000	50.00

S. No.	Name of the shareholders	No. of equity shares held (face value ₹ 10)	% to total holding
2.	Ms. Neelu Analjit Singh	4,970	49.70
3.	Ms. Piya Singh	10	0.10
4.	Mr. Veer Singh	10	0.10
5.	Ms. Tara Singh Vachani	10	0.10
Total		**10,000**	**100.00**

Financial Information

The following select items have been derived from audited financial statements of MVPL for the Fiscals 2017, 2016 and 2015 are set forth below

(in ₹ lakhs, except per share data)

	Fiscal 2017	Fiscal 2016	Fiscal 2015
Equity capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	(17,162.36)	(13,568.55)	(9,183.92)
Sales/Turnover	35.42	135.49	15.63
Profit/(Loss) after tax	(3,593.82)	(4,384.62)	(2,949.73)
Earnings per share (Basic) (face value ₹ 10) (in ₹)	(35,938.17)	(43,846.24)	(29,497.34)
Earnings per share (Diluted) (face value ₹ 10) (in ₹)	(35,938.17)	(43,846.24)	(29,497.34)
Net asset value per share (₹)	(1,71,613.64)	(1,35,675.48)	(91,829.24)

There are no significant notes of the auditors in relation to the financial statements of Max Ventures Private Limited.

Other confirmations

Unless otherwise specifically stated, none of the Group Companies described above (i) is listed on any stock exchange; (ii) has completed any public or rights issue in the last three years; (iii) has become a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985; or (iv) is under winding-up. No application has been made in respect of any of the Group Companies to the relevant registrar of companies in whose jurisdiction such Group Company is registered, for striking off its name; or (v) has become defunct in the five years preceding the filing of this Draft Letter of Offer.

None of the Group Companies have outstanding unsecured loans, which may be recalled by the lenders at any time.

Loss making Group Companies

Other than MIL, MBHICL, APSLL, LCSAL, NDHS, PCL, iCare, TEPL, PEPL, VEL, AHPL, SRVPL, MHIL and MVPL, none of our Group Companies has incurred losses in last Fiscal Year.

Interests of our Group Companies

None of our Group Companies are interested in the promotion of our Company. Further, except as stated below, none of our Group Companies have any interest in any property acquired by our Company within two years preceding the date of this Draft Letter of Offer or currently proposed to be acquired by our Company.

Max Estates Limited

Max Estates Limited, one of our Subsidiaries, has entered into an agreement to sell dated July 14, 2017 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. Pharmax Corporation Limited is one of our Group Companies. The conveyance agreement is intended to be entered in to after the completion of the Issue. For details of the Delhi One project, see "*Our Business*" on page 105.

Max India Limited

Location of the Property	Leasehold / Freehold	Date of relevant Agreement	Consideration	Nature of Interest of the Group Company
Max Tower on Plot No. C-001/A-1, Sector 16 B, Noida- 201301	Leasehold	February 5, 2018	Not applicable	60,000 sq.ft. of super built up area in Max Tower

Max Life Insurance Company Limited

Location of the Property	Leasehold / Freehold	Date of relevant Agreement	Consideration	Nature of Interest of the Group Company
Max Tower on Plot No. C-001/A-1, Sector 16 B, Noida- 201301	Leasehold	February 5, 2018	Not applicable	55,000 sq.ft. of super built up area in Max Tower

Max India Limited

Max India Limited is engaged *inter alia*, in the activity of holding and nurturing of investments in health and allied activities. This includes the healthcare business conducted through Max Healthcare Institute Limited, one of our Group Companies, health insurance business conducted through Max Bupa Health Insurance Company Limited, one of our Group Companies and Senior Living activities conducted through Antara Senior Living Limited, one of our Group Companies. Max India Limited also has interests in learning and skill development, through its Wholly-owned Subsidiary Company i.e. Max Skill First Limited.

Except as disclosed below and in the sections titled "*Our Business*" and "*Related Party Transactions*" on pages 105 and 175, respectively, our Group Companies do not have any interest in any transactions by our Company.For details in relation to business transactions between Group Companies and our Company and significance of such transactions on the financial performance of our Company, please see "*Related Party Transactions*" on page 175.

Payment of amount or benefits to our Group Companies during the last two years

Except as mentioned in the section titled "*Related Party Transactions*" on page 175, and as mentioned above in this section, no amount or benefits were paid or were intended to be paid to our Group Companies during the last two years from the date of filing of this Draft Letter of Offer.

Common pursuits of our Group Companies, Promoters and Subsidiaries and Conflict of Interest

There are no common pursuits between any of our Group Companies and our Company.

Significant Sale/Purchase between Group Companies and our Company

Our Group Companies are not involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Litigation

For information on details relating to the litigation in relation to our Group Companies, see the section titled "*Outstanding Litigation and Material Developments*" on page 338.

Other Confirmations

Our Group Companies have confirmed that they have not been detained as wilful defaulters by the RBI or any other governmental authority and there are no violations of securities laws committed by them in the past or are currently pending against them.

Additionally, none of the Group Companies have been restrained from accessing the capital markets for any reasons by the SEBI or any other authorities.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the period six months period ended September 30, 2017 and the financial years/period ended March 31, 2017 and 2016, as per the requirements of Indian Accounting Standard 24, see "*Financial Statements - Annexure V - Details of restated transactions and balance outstandings with related parties*" and "*Financial Statements - Annexure V - Details of transactions and balance outstandings with related parties*" on pages 221 and 283, respectively.

DIVIDENDS

The declaration and payment of dividends on our Equity Shares are recommended by our Board and approved by our shareholders, at their discretion, and depend on a number of factors, including but not limited to our profits, capital requirements, contractual obligations, restrictive covenants under our loan and financing arrangements and the overall financial condition of our Company. Our Company has not declared any dividend since incorporation.

SECTION V – FINANCIAL INFORMATION

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries avails of credit facilities in the ordinary course of business for the purposes of refinancing of existing loans and working capital requirements. Pursuant to a resolution passed by our shareholders in the first annual general meeting held on September 27, 2016, our Board is authorised to borrow moneys for the purpose of our Company, from time to time, upon such terms and conditions and with or without security as our Board of Directors may in its discretion think fit, in excess of the aggregate of the paid-up share capital of our Company and its free reserves (not being reserves set apart for any specific purpose), provided that the total amount of such borrowings together with the amounts already borrowed and outstanding shall not exceed ₹ 3,00,00,00,000 over and above the aggregate of the paid up share capital and free reserves of our Company.

Set forth below is a brief summary of our aggregate borrowings as of September 30, 2017:

(in ₹ lakhs)

Financial Institution	Category of borrowing	Sanctioned Amount	Outstanding amount as on September 30, 2017
	Fund based		
Yes Bank Limited	Term loan – Secured	8,500.00	8,287.50
Tourism Finance Corporation	Term loan - Secured	2,925.00	2,925.00
Yes Bank Limited	Term loan - Secured	4,900.00	4,410.00
Yes Bank Limited	Term loan / Buyers credit – Secured	5,100.00	4,967.07
IndusInd Bank Limited	Term loan / Buyers credit - Secured	18,100.00	13,333.15
Yes Bank Limited	Working capital loan	3,000.00	169.70
Kotak Mahindra Bank Limited	Working capital loan	5,000.00	1,700.00
IndusInd Bank Limited	Working capital loan	2,000.00	1,600.00
IDFC Bank Limited	Working capital loan	4,000.00	2,000.00
HDFC Bank Limited	Working capital loan	3,000.00	22.76
HDFC Bank Limited	Vehicle loan	58.48	58.48
HDFC Bank Limited	Vehicle loan	3.96	2.76
HDFC Bank Limited	Vehicle loan	6.54	5.73
HDFC Bank Limited	Vehicle loan	10.01	7.09
HDFC Bank Limited	Vehicle loan	5.13	4.33
Yes Bank Limited	Vehicle loan	23.40	15.19
Sub Total (A)		56,632.52	39,508.76
	Non fund based		
Kotak Mahindra Bank	LCs and BG	Covered in above limits	618.00
HDFC Bank Limited	LCs and BG	Covered in above limits	303.14
Sub Total (B)		NA	921.14
Total (A+B)		56,632.52	40429.90

Principal terms of the borrowings availed by us:

a. ***Interest:*** In terms of the loans availed by us, the interest rate is typically linked to the MCLR rate of a specified lender and margin/spread of the specified lender. The spread varies between different loans.

b. ***Tenure:*** The tenure of the term loans availed by us typically ranges from six to 120 months from the date of first disbursement.

c. ***Security:*** In terms of our borrowings where security needs to be created, we are typically required to:

a. Hypothecate movable current assets of our Company or Subsidiaries; and
b. Mortgage fixed current assets of our Company or Subsidiaries.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

d. ***Re-payment:*** The working capital facilities are typically repayable on demand. The repayment period for term loans typically range from six to 120 months.

e. ***Events of Default:*** Borrowing arrangements contain standard events of default, including:

a. Drastic Change in our ownership, management and/or control without prior written consent of the concerned lender;
b. Failure to pay any interest, principal, commission, fee, costs or other amounts due under the concerned transaction documents; and
c. The occurrence of any event or circumstance which is prejudicial to, imperils, or has the effect of depreciating or jeopardizing the security and the security interest created.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

Additionally, we are required to ensure the aforementioned events of default and other events of default as specified in the respective facility agreements are not triggered.

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Equity Shares are listed on the BSE and the NSE. Our Equity Shares are actively traded on the BSE and the NSE.

Stock Market Data of the Equity Shares

The high, low and average closing prices recorded on the BSE and the NSE during the last three calendar years and the number of Equity Shares traded on the days the high and low prices were recorded are stated below:

Calendar Year	High (₹)	Date of High	Volume on date of High (number of equity shares)	Low (₹)	Date of Low	Volume on date of Low (number of equity shares)	Average price for the year (₹)
BSE							
2015	NA	NA	NA	NA	NA	NA	NA
2016	85.80	July 7, 2016	12,22,250	43.30	November 21, 2016	44,668	57.15
2017	113.50	April 12, 2017	2,69,327	62.00	January 2, 2017	83,947	87.73
NSE							
2015	NA	NA	NA	NA	NA	NA	NA
2016	87.05	July 7, 2016	46,19,692	42.55	November 15, 2016	4,07,102	57.03
2017	113.80	April 12, 2017	6,78,782	61.90	January 2, 2017	3,98,179	87.68

Prices for the last six month:

The high and low prices and volume of Equity Shares traded on the respective dates on the BSE and the NSE during the last six month is as follows:

Calendar Year	High(₹)	Date of High	Volume on date of High(Number of Equity Shares)	Low(₹)	Date of Low	Volume on date of Low(Number of Equity Shares)	Total Volume of Equity Shares Traded
BSE							
August 2017	97.40	August 3, 2017	3,45,450	77.70	August 11, 2017	1,17,476	22,60,951
September 2017	101.00	September 8, 2017	3,32,313	85.35	September 25, 2017	30,728	11,34,889
October 2017	93.50	October 3, 2017	18,342	81.85	October 23, 2017	48,516	6,23,087
November 2017	92.75	November 29, 2017	161,977	77.05	November 2, 2017	87,459	10,28,131
December 2017	103.75	December 12, 2017	5,63,041	82.85	December 6, 2017	41,319	21,44,190
January 2018	96.75	January 1, 2018	18,541	80.00	January 30, 2018	14,722	10,43,638
NSE							
August 2017	97.40	August 3, 2017	14,40,591	77.50	August 11, 2017	4,42,942	1,08,00,757
September 2017	100.90	September 8, 2017	14,21,711	85.50	September 25, 2017	1,44,609	58,65,808
October 2017	91.65	October 3, 2017	62,539	81.45	October 23, 2017	2,57,524	33,16,293
November 2017	92.40	November 29, 2017	7,05,400	77.85	November 2, 2017	4,07,566	56,40,944
December	104.00	December	22,15,229		December	98,901	99,70,591

Calendar Year	High(₹)	Date of High	Volume on date of High(Number of Equity Shares)	Low(₹)	Date of Low	Volume on date of Low(Number of Equity Shares)	Total Volume of Equity Shares Traded
2017		12, 2017		82.80	6, 2017		
January 2018	96.95	January 1, 2018	1,72,709	79.75	January 30, 2018	82,912	43,04,463

The Board of our Company has approved the Issue at their meeting held on January 15, 2018. The high and low prices of our Company's shares as quoted on the BSE and NSE on January 16, 2018, the day on which the trading happened immediately following the date of the Board meeting is as follows:

Date	Volume(Nos.)	High(₹)	Low(₹)
BSE			
January 16, 2018	75,427	95.00	86.85
NSE			
January 16, 2018	4,31,172.00	94.40	87.20

The closing market price of our Equity Shares as on February 12, 2018, the trading day immediately prior to the date of this Draft Letter of Offer was ₹ 82.80 on the BSE and ₹ 82.35 on the NSE.

FINANCIAL STATEMENTS

S. No.	Particulars
1.	Auditor's report on Restated Standalone Financial Statements
2.	Restated Standalone Financial Statements
3.	Auditor's report on Restated Consolidated Financial Statements
4.	Restated Consolidated Financial Statements

Auditors' Report on the Restated Standalone Summary Statements of Assets and Liabilities as at September 30, 2017, March 31, 2017 and March 31, 2016, Profits and Losses, Statement of Changes in Equity and Cash Flows for the six months period ended September 30, 2017, for the year ended March 31, 2017, and for period from January 20, 2015 to March 31, 2016 of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited) (collectively, the "Restated Standalone Summary Statements")

To
The Board of Directors
Max Ventures and Industries Limited
419, Bhai Mohan Singh Nagar,
Village Railmajra, Tehsil Balachaur,
Nawanshahr, Punjab – 144 533

Dear Sirs,

1. We have examined the attached Restated Standalone Summary Statements of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited) (the "Company") as at September 30, 2017, March 31, 2017 and March 31, 2016 and for the six months period ended September 30, 2017, for the year ended March 31, 2017, and for period from January 20, 2015 to March 31, 2016, annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Letter of Offer (referred to as "DLOF") in connection with its proposed offering of equity shares on Rights basis ("Rights Issue"). The Restated Standalone Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

   a. sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 ("the Rules"); and

   b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016.

Management's Responsibility for the Restated Standalone Summary Statements

2. The preparation of the Restated Standalone Summary Statement, which are to be included in the DLOF, is the responsibility of the Management of the Company for the purpose set out in Para 14 below. The Management's responsibility includes designing, implementing and maintaining adequate internal controls relevant to the preparation and presentation of the Restated Standalone Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and the ICDR Regulations.

Auditors' Responsibilities

3. We have examined such Restated Standalone Summary Statements taking into consideration:

   a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated January 15, 2018, requesting us to carry out the assignment, in connection with its proposed Rights Issue of the equity shares of the Company;

   b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and

   c. the requirements of Section 26 of the Act read with applicable provisions within Rule 4 to 6 of the Rules and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the Rights Issue.

4. The Company proposes to make a Rights Issue which comprises of issue of equity shares of Rs 10 each on rights basis, at such premium, as may be decided by the Board of Directors of the Company.

Restated Standalone Summary Statements as per audited standalone financial statements:

5. The Restated Standalone Summary Statements have been prepared under Indian Accounting Standards (IND AS) notified under the Companies (Indian Accounting Standards) Rules 2015 read with Section 133 of the Companies Act 2013 and have been compiled by the management from:

   a. the audited interim standalone financial statements of the Company as at September 30, 2017 and for the six months period ended September 30, 2017, prepared in accordance with Ind-AS, which have been approved by the Board of Directors at their meeting held on February 14, 2018;

   b. the audited standalone financial statements for the year ended March 31, 2017, prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") at the relevant time, which have been approved by the Board of Directors at their meeting held on May 25, 2017; and

   c. the audited standalone financial statements for the period from January 20, 2015 to March 31, 2016, prepared in accordance with Indian GAAP, which have been approved by the Board of Directors at their meeting held on May 10, 2016.

6. For the purpose of our examination, we have relied on Auditors' reports issued by us dated February 14, 2018, May 25, 2017 and May 10, 2016 on the interim standalone financial statements of the Company as at and for the six months period ended September 30, 2017, on the standalone financial statements of the Company as at and for the year ended March 31, 2017 and as at and for the period from January 20, 2015 to March 31, 2016, respectively, as referred in Para 5 above.

7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, ICDR regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Company contained in Restated Standalone Summary Statements which, as stated in Para 2A of Annexure V to this report, have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Restated Standalone Summary Statement of Material Adjustments, read with Para 10 and Para 11 below:

   a) The Restated Standalone Summary Statement of Assets and Liabilities of the Company as at September 30, 2017, March 31, 2017 and March 31, 2016, as set out in Annexure I to this report,
   b) The Restated Standalone Summary Statement of Profit and Loss of the Company for the six months period ended September 30, 2017, year ended March 31, 2017 and period from January 20, 2015 to March 31, 2016, as set out in Annexure II to this report,
   c) The Restated Standalone Summary Statement of Change in Equity of the Company for the six months period ended September 30, 2017, year ended March 31, 2017 and period from January 20, 2015 to March 31, 2016, as set out in Annexure III to this report,
   d) The Restated Standalone Summary Statement of Cash Flows of the Company for the six months period ended September 30, 2017, year ended March 31, 2017 and period from January 20, 2015 to March 31, 2016, as set out in Annexure IV to this report,
   e) Based on the above and according to the information and explanations given to us, we further report that:
      i) Restated Standalone Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial year/periods to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
      ii) Restated Standalone Summary Statements have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year/periods to which they relate;
      iii) Restated Standalone Summary Statements do not contain any extra-ordinary items that need to be disclosed separately in the Restated Standalone Summary Statements;

iv) there are no qualifications in the auditor’s report on the audited interim standalone financial statements of the Company as at and for the six months period ended September 30, 2017 and audited standalone financial statements as at and for the year ended March 31, 2017 and as at and for the period from January 20, 2015 to March 31, 2016 which require any adjustments to the Restated Standalone Summary Statements; and

v) Other audit qualification included in the Annexure to the auditors’ report issued under Companies (Auditor’s Report) Order, 2016, (as amended), as applicable, on the standalone financial statement for the year ended March 31, 2017, which do not require any corrective adjustment in the Restated Standalone Summary Statement, is as follows:

As at and for the year ended March 31, 2017

Clause xiv

According to the information and explanations given by the management, the Company has complied with provisions of Section 42 of the Companies Act, 2013 in respect of the preferential allotment of equity shares and share warrants during the year. According to the information and explanations given by the management, we report that the amount raised, have been used for the purposes for which the funds were raised though idle or surplus funds which were not required for immediate utilization have been gainfully invested in mutual funds. The maximum amount of idle/surplus funds invested during the year was Rs.12,781.15 lakhs, of which Rs.12,036.15 lakhs was outstanding at the end of the year.

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to September 30, 2017. Accordingly, we express no opinion on the financial position, results of operations, changes in equity or cash flows of the Company as of any date or for any period subsequent to September 30, 2017.

Other Financial Information:

9. At the Company’s request, we have also examined the following restated standalone financial information proposed to be included in the DLOF prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at September 30, 2017, March 31, 2017 and March 31, 2016 and for the six months period ended September 30, 2017, for the year ended March 31, 2017 and for the period from January 20, 2015 to March 31, 2016:

i. Restated Standalone Statement of Material Adjustments and Regroupings, as Annexure VI,
ii. Restated Standalone Statement of Accounting Ratios, as Annexure VII,
iii. Standalone Capitalisation Statement, as Annexure VIII,
iv. Restated Standalone Statement of tax shelters, as Annexure IX,

10. According to the information and explanations given to us, in our opinion, the Restated Standalone Summary Statements and the abovementioned restated financial information contained in Annexures VI to IX accompanying this report, read with Summary of Significant Accounting Policies disclosed in Para 2 of Annexure V, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure VI and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.

11. According to information and explanations given to us in our opinion, the Proforma IND AS Restated Standalone Summary Statements of the Company as at March 31, 2016 and for the period from January 20, 2015 to March 31, 2016, read with summary of accounting policies disclosed in Annexure V are prepared after making proforma adjustments as mentioned in Para 2A of Annexure V and have been prepared in accordance with the Rules, ICDR Regulations and the Guidance Note.

12. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the management of the Company for inclusion in the DLOF to be filed with Securities and Exchange Board of India (SEBI), BSE Limited and National Stock Exchange (NSE) in connection with the proposed Rights Issue of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

per **Atul Seksaria**
Partner
Membership No: 086370

Place: Gurugram
Date: 14th February, 2018

Annexure- I
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Restated Standalone Summary Statement of Assets and Liabilities as at September 30, 2017

(Rs. in Lakhs)

	Notes of Annexure V	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
ASSETS				
Non-current assets				
Property, plant and equipment	3	72.20	39.12	14.41
Intangible assets	4	3.74	4.09	-
Financial assets				
(i) Investments	5	23,913.47	23,061.40	16,704.95
(ii) Other financial assets	6a	35.20	33.26	550.06
(iii) Other bank balances	6b	0.25	0.25	-
Deferred tax assets	13	32.21	-	10.56
Non-Current tax assets	7	94.27	137.74	20.40
		24,151.33	**23,275.86**	**17,300.38**
Current assets				
Financial assets	8			
(i) Investments		11,224.14	12,293.42	-
(ii) Trade receivables		453.98	177.55	328.28
(iii) Cash and cash equivalents		63.21	51.33	1,126.37
(iv) Loans		4,796.77	1,164.84	149.38
(v) Other financial assets		60.29	106.00	47.29
Other current assets	9	82.12	72.14	23.07
		16,680.51	**13,865.28**	**1,674.39**
TOTAL ASSETS		**40,831.84**	**37,141.14**	**18,974.77**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	10	7,264.81	6,897.79	5,339.68
Other equity	10	32,244.79	23,566.07	13,337.31
Money received against share warrants		-	672.53	-
Total equity		**39,509.60**	**31,136.39**	**18,676.99**
Non-current liabilities				
Financial liabilities				
(i) Borrowings	11	5.74	5.63	-
Long term provisions	12	22.35	11.82	2.96
Deferred tax liabilities	13	-	19.52	-
		28.09	**36.97**	**2.96**
Current liabilities				
Financial liabilities	14			
(i) Borrowings		-	5,600.00	-
(ii) Trade payables		254.27	262.87	253.65
(iii) Other financial liabilities		47.73	13.05	-
Other current liabilities	16	18.70	64.59	32.59
Short term provisions	15	973.45	27.27	8.58
		1,294.15	**5,967.78**	**294.82**
TOTAL LIABILITIES		**1,322.24**	**6,004.75**	**297.78**
TOTAL EQUITY AND LIABILITIES		**40,831.84**	**37,141.14**	**18,974.77**

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

As per our report of even date

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

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

per Atul Seksaria
Partner
Membership Number: 086370

Dinesh Kumar Mittal
(Director)
DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)
DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Gurugram
Date: February 14, 2018

Place : Delhi
Date: February 14, 2018

Annexure- II
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Restated Standalone Summary Statement of profit and loss for the six months period ended September 30, 2017

(Rs. in Lakhs)

	Notes	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
INCOME				
Revenue from operations	17	1,508.69	1,486.38	980.43
Other income	18	7,502.43	3.02	-
Total income		9,011.12	1,489.40	980.43
EXPENSES				
Employee benefits expense	19	348.19	596.90	217.17
Finance costs	20	0.54	208.61	-
Depreciation and amortization expense	21	5.74	5.21	7.34
Other expenses	22	676.94	919.15	459.04
Total expenses		1,031.41	1,729.87	683.55
Profit/(Loss) before tax		**7,979.71**	**(240.47)**	**296.88**
Tax expenses	23			
- Current tax		1,723.99	-	36.92
Less: MAT credit entitlement		(122.81)	-	-
- Deferred tax		71.67	29.61	(10.55)
Total tax expense		**1,672.85**	**29.61**	**26.37**
Profit/(Loss) after tax		**6,306.86**	**(270.08)**	**270.51**
Other comprehensive income				
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Re-measurement losses on defined benefit plans	24	(2.79)	1.32	-
Income tax effect		0.59	(0.46)	-
Other comprehensive income for the year, net of tax		(2.20)	0.86	-
Total comprehensive income for the year, net of tax		6,304.66	(269.22)	270.51
Earnings per equity share (Nominal Value of share Rs.10/-)	25			
Basic (Rs.)		8.83	(0.49)	0.51
Diluted (Rs.)		8.65	(0.49)	0.50

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

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

per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date: February 14, 2018

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

Dinesh Kumar Mittal
(Director)
DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)
DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Delhi
Date: February 14, 2018

Annexure- IV
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Restated Standalone Summary Statement of cash flows for the six months period ended September 30, 2017

	for the six months period ended September 30, 2017	for the year ended March 31, 2017	(Rs. in Lakhs) for the period January 20, 2015 to March 31, 2016 (Proforma)
Cash flow from operating activities			
Profit/(Loss) before tax	7,979.71	(240.47)	296.88
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	5.25	4.67	7.34
Amortization of intangible assets	0.49	0.54	-
Profit on sale of current investment	(251.87)	(13.67)	(24.99)
Fair value gain on financial instruments at fair value through profit or loss	(280.86)	(94.09)	-
Gain on stake sale of subsidiary	(7,500.32)	-	-
Unwinding of interest on zero coupon non-convertible debentures	(239.18)	(191.45)	-
Unwinding of discount on security deposit	(1.86)	(3.02)	-
Interest income	(124.28)	(105.78)	(126.84)
Dividend income	-	-	(334.50)
Finance costs (including fair value change in financial instruments)	0.54	208.61	-
Operating profit before working capital changes	**(412.38)**	**(434.66)**	**(182.11)**
Working capital adjustments:			
Movements in provisions	27.33	28.87	11.54
(Increase)/decrease in trade and other receivables and prepayments	(193.27)	12.72	(351.35)
Increase/(decrease) in trade and other payables	(55.16)	57.53	282.76
Cash generated from operations	**(633.48)**	**(335.54)**	**(239.16)**
Income tax paid	(747.41)	(117.36)	(57.31)
Net cash flows used in operating activities	**(1,380.89)**	**(452.90)**	**(296.47)**
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment	-	-	47.29
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(10.08)	(34.02)	(14.58)
Loan repaid by subsidiaries	-	1,160.24	-
Loan given to subsidiaries	(3,713.72)	(1,552.23)	-
Interest received	158.57	32.37	25.45
Dividend received	-	-	334.50
Purchase of current investments in mutual funds	(22,240.00)	(14,261.12)	(1,046.39)
Proceeds from redemption of mutual funds	23,842.00	2,075.50	1,071.37
Proceeds from sale of stake in subsidiary	14,187.44	-	-
Acquisition of a subsidiary/investment in subsidiary	(7,300.00)	(6,165.00)	-
Net cash flows from/(used) in investing activities	**4,924.21**	**(18,744.26)**	**417.64**
Cash flow from financing activities			
Proceeds from issuance of equity share capital including security premium	2,017.60	12,043.70	5.00
Proceeds from issuance of ESOP's including security premium	48.73	5.72	
Proceeds from money received from share warrants	-	672.53	-
Interest paid	(0.54)	(208.61)	-
Repayments of short-term borrowings	(5,600.00)	(500.00)	-
Proceeds from short-term borrowings	-	6,100.00	-
Proceeds from long-term borrowings	5.09	10.00	-
Repayment of long-term borrowings	(2.32)	(1.22)	-
Net cash flows from/(used) in financing activities	**(3,531.44)**	**18,122.12**	**5.00**
Net increase/(decrease) in cash and cash equivalents	11.88	(1,075.04)	126.17
Cash and cash equivalents at the beginning of the year/period	51.33	1,126.37	-
Cash and cash equivalents transferred on demerger	-	-	1,000.20
Cash and cash equivalents at year/period end	**63.21**	**51.33**	**1,126.37**

Components of cash and cash equivalents :-

	As at September 30, 2017	As at March 31, 2017	(Rs. in Lacs) As at March 31, 2016 (Proforma)
Balances with banks:			
On current accounts	62.70	50.86	326.02
Cheques/ drafts on hand	-	-	-
Deposits with remaining maturity for less than 3 months			800.00
Cash on hand	0.51	0.47	0.35
	63.21	**51.33**	**1,126.37**

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

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

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

per Atul Seksaria
Partner

Membership Number: 086370

Dinesh Kumar Mittal
(Director)

DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Gurugram
Date: February 14, 2018

Place : Delhi
Date: February 14, 2018

Annexure- III
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Restated Standalone Summary Statement of changes in equity for the six months period ended September 30, 2017

a) Equity share capital

Particulars	Nos.	(Rs. in Lakhs)
As at January 20, 2015 (Proforma)	-	-
Add: Shares issued at incorporation of the Company	50,000	5.00
Add: Equity shares issued during the period under scheme of demerger (refer note 38)	53,396,800	5,339.68
Less: Cancelled pertaining to scheme of demerger (refer note 38)	50,000	5.00
As at March 31, 2016 (Proforma)	**53,396,800**	**5,339.68**
Add: Equity share issued (refer note 37)	15,523,870	1,552.39
Add: Shares issued for stock options exercised during the year	57,208	5.72
As at March 31, 2017	**68,977,878**	**6,897.79**
Add: Equity share issued (refer note 37)	3,448,894	344.89
Add: Shares issued for stock options exercised during the period	221,333	22.13
As at September 30, 2017	**72,648,105**	**7,264.81**

b) Other equity **(Rs. in Lakhs)**

Particulars	Reserves and surplus				Total equity
	Capital reserve	Securities premium account	Employee stock options outstanding	Retained earnings	
As at January 20, 2015 (Proforma)	-	-	-	-	-
Profit/(Loss) for the period	-	-	-	270.51	270.51
Acquired under scheme of demerger (refer note 38)	13,042.52	-	19.16	-	13,061.68
Addition on equity shares issued under ESOP scheme (refer note 10)	-	-	7.47	-	7.47
Deletion on ESOP forfeited during the period (refer note 10)	-	-	(2.35)	-	(2.35)
As at March 31, 2016 (Proforma)	**13,042.52**	**-**	**24.28**	**270.51**	**13,337.31**
Profit/(Loss) for the year	-	-	-	(270.08)	(270.08)
Other comprehensive income for the year	-	-	-	0.86	0.86
Addition/deletion on equity shares (refer note 37(a) and 10)	-	10,556.24	6.67	-	10,562.91
Adjustment due to share issue expenses	-	(64.93)	-	-	(64.93)
Addition on equity shares issued under ESOP scheme (refer note 10)	-	6.67	(6.67)	-	-
As at March 31, 2017	**13,042.52**	**10,497.98**	**24.28**	**1.29**	**23,566.07**
Profit/(Loss) for the period	-	-	-	6,306.86	6,306.86
Other comprehensive income for the period	-	-	-	(2.20)	(2.20)
Addition on equity shares (refer note 37(b))	-	2,345.24	-	-	2,345.24
Addition on equity shares issued under ESOP scheme (refer note 10)	-	6.01	(6.01)	-	-
Addition/deletion on equity shares (refer note 10)	-	26.60	2.22	-	28.82
As at September 30, 2017	**13,042.52**	**12,875.83**	**20.49**	**6,305.95**	**32,244.79**

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Standalone Financial Statement appearing in Annexure VI.

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

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

per Atul Seksaria
Partner
Membership Number: 086370

Dinesh Kumar Mittal
(Director)
DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)
DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Gurugram
Date: February 14, 2018

Place : Delhi
Date: February 14, 2018

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated Standalone financial information

1 Corporate Information

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

The standalone restated financial statements were authorised for issue in accordance with a resolution by the Board of directors of the Company on February 14, 2018.

2A Basis of preparation

The Restated Standalone Statement of Assets and Liabilities of the Company as at September 30, 2017 and March 31, 2017 and the Restated Standalone Statement of Profit and Loss, the Restated Standalone Statement of Changes in Equity and the Restated Standalone Statement of Cash flows for the six months ended September 30, 2017 and for the year ended March 31, 2017 and Restated Other Standalone Financial Information (together referred as 'Restated Standalone Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015. The financial information as at and for the period ended September 30, 2017 along with financial information as at and for the year ended March 31, 2017 are provisional since there is a possibility that it may require adjustment(s) before constituting the final Ind-AS financial statements as at and for the year ended March 31, 2018. The Company is in Phase-2 of Ind-AS adoption, accordingly date of transition is April 1, 2016.

The Company has elected to present all three periods as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated standalone financial information for the period ended January 20, 2015 to March 31, 2016 has been prepared on Proforma basis (i.e. "Proforma Standalone Ind AS financial information") in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS standalone financial information and for the period ended January 20, 2015 to March 31, 2016, the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2016. Accordingly, suitable restatement adjustments (both remeasurements and reclassifications) in the accounting heads are made to the Proforma Ind AS Standalone financial information as at March 31, 2016 and for the period ended January 20, 2015 to March 31, 2016 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2016).The basis of preparation for specific items where exemptions has applied are as follows:

Property Plant & Equipment, Intangible assets and Investment property - As permitted by IND AS 101, the Company has elected to continue with the carrying values under previous GAAP as 'deemed cost' at April 1, 2016 for all the items of property, plant & equipment. For the purpose of Proforma Standalone Ind AS financial information for the period ended January 20, 2015 to March 31, 2016, the Company has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back. Similar approach has been followed with respect to intangible assets.

Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before 1 April 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. For the purpose of Proforma Ind AS financial statements for the period ended January 20, 2015 to March 31, 2016, the Company has continued with the existing exemption on the date of transition (i.e. April 1, 2016) and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of Ind AS 101.

As specified in the Guidance Note, the equity balance computed under Proforma Ind AS financial statements for the year ended March 31, 2016 adjusted for impact of Ind AS 101 items and after considering profit or loss for the period ended January 20, 2015 to March 31, 2016 with adjusted impact due to Ind- AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at March 31, 2016. However, there is no variance in the equity balance computed under Proforma Ind AS financial statements for the year ended March 31, 2016 and the equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013 becuase the Ind-As transition adjustments identified at the transition date in the Company are retrospective adjustments in nature.

The Restated Standalone Financial Information (including Restated Standalone Ind AS financial information for the six months ended September 30, 2017 and for the year ended March 31, 2017 and Restated Standalone Proforma Ind AS financial information for the period ended January 20, 2015 to March 31, 2016) have been compiled by the Company from the Audited Standalone Financial Statements of the Company for the six months ended September 30, 2017 prepared under Ind AS and for the year ended March 31, 2016 and for the period ended January 20, 2015 to March 31, 2016 prepared under the previous generally accepted accounting principles followed in India ('Previous GAAP or Indian GAAP').

For all periods up to and including the year ended March 31, 2017, the Company prepared its audited standalone financial information in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These standalone financial statements for the six months ended September 30, 2017 are the first the Company has prepared in accordance with Ind AS. The date of transition to IndAS is April 1, 2016.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under Previous GAAP to Ind AS of Restated Shareholders' equity as at March 31, 2017 and 2016 and of the Restated Statement of Profit and loss and other comprehensive Income for the six months ended September 30, 2016, for the year ended March 31, 2016 and for the period ended January 20, 2015 to March 31, 2016.
The restated standalone financial information are presented in Indian Rupees (INR) and all values are rounded to the nearest lacs, expect where otherwise indicated.

The Restated Standalone Financial Information have been prepared by the management in connection with the proposed Right issue of the Company to be filed by the Company with SEBI, in accordance with the requirements of:
a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI regulations").
c) Guidance note on reports in company prospectus
These Restated Standalone Financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

2B 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 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 credit and VAT credit availed wherever applicable. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their respective useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

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

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

Capital work- in- progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

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

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

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 trated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss in the expense category consistent with the function of the intangible assets.

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

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

Intangible assets with finite useful life are amortized on a straight line basis over their estimated useful life of 3-5 years.

d. Impairment of non financial assets

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

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

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

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

e. Financial Instruments

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

(i) Financial assets

The Company classified its financial assets in the following measurement categories :-
- Those to be measured subsequently at fair value (either through other comprehensive income or through profit & loss)
- Those measured at amortized cost

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:
(i) Debt instruments at amortized cost
(ii) Equity instruments at fair value through profit or loss (FVTPL)

Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:
(i) Business model test : The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows (rather than to sell the instrument prior to its contractual maturity to released its fair value change), and

(ii) Cash flow characteristics test : Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

-the rights to receive cash flows from the asset have expired, or
-the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

(a) the Company has transferred the rights to receive cash flows from the financial assets or
(b) the Company has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

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

- Financial assets measured at amortised cost; eg Loans, Security deposits, trade receivable, bank balance , other financial assets etc.

The Company follows “simplified approach” for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for estimates. At every reporting date, the historical observed default rates are updated and changes in the estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognizing impairment loss allowance based on 12-months ECL.

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

(ii) Financial liabilities

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

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

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

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

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

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

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

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

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

g. Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Sales tax/ Value added tax (VAT)/ GST (Goods and Service Tax) is not received by the Company on its own account. Rather, it is collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue. 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 on behalf of the government and, therefore it is not an economic benefit flowing to the Company and is thus excluded from revenue.

Interest Income
For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

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

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

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

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

► When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

► In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

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

► When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

► In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

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

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

► When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

► When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of other current assets or liabilties in the balance sheet.

i. Borrowing costs

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

j. Leases

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

Company as a lessee

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

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

k. Provision and Contingent liabilities

Provisions

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

Contingent liabilities

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

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

l. Employee benefits

Provident fund

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

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 it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

Short-term obligations

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

Long term incentive plan

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

m. Share-based payments

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

Equity-settled transactions

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

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

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

When the terms of an equity-settled award are modified, the minimum expense recognized is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

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

Cash-settled transactions

The cost of cash-settled transactions is measured initially at fair value at the grant date using a binomial model, further details of which are given in Note 28.5. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to, and including the settlement date, with changes in fair value recognized in employee benefits expense.

n. Cash and cash equivalents

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

o. Earning per share

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

p. Foreign currencies

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

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

Measurement of foreign currency items at the balance sheet date
Foreign currency monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.
Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

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

q. Fair value measurement

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

(i) In the principal market for the asset or liability, or
(ii) In the absence of a principal market, in the most advantageous market for the asset or liability
The principal or the most advantageous market must be accessible by the Company.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

The Company's management determines the policies and procedures for both recurring and non-recurring fair value measurement measured at fair value.
External valuers are involved for valuation of significant assets, such as properties and financial assets and significant liabilties. Involvement of external valuers is decided upon annually by the management. The management decided, after discussions with the Company's external valuers which valuation techniques and inputs to use for each case.

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

The management in conjuction 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 accouting policy for fair value. Other fair value related disclosures are given in the relevant notes.
- Disclosures for valuation methods, significant estimates and assumptions (note 30)
- Quantitative disclosures of fair value measurement hierarchy (note 30)
- Investment in unquoted equity shares of subsidiary (note no 5)
- Financial instruments (including those carried at amortised cost) (note 30)

2.3 Significant accounting judgements, estimates and assumptions

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

Judgements

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

(a) Operating lease commitments - Company as lessee
The Company has taken various commercial properties on leases. the Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, and that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases. Refer Note 26 .

Estimates and assumptions

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

(a) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds with extrapolated maturity corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates. Further details about the assumptions used, including a sensitivity analysis, are given in Note 28

(b) Fair value measurement of financial instrument

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The Company uses Net asset value for valuation of investment in mutual funds. Refer Note 30 related to Fair value disclosures.

Max Healthcare Institute Limited
Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information

3. Restated summary of Property, plant and equipment (PPE) **(Rs. in Lakhs)**

	Leasehold improvements	Office equipment	Furniture and fixture	Motor vehicles *	Computers and data processing units	Total
At cost						
As at January 20, 2015 (Proforma)	-	-	-	-	-	-
Acquired under demerger (refer note 38)	54.46	-	-	-	-	54.46
Additions	-	-	-	-	14.58	14.58
Disposals	(54.46)	-	-	-	-	(54.46)
As at March 31, 2016 (Proforma)	**-**	**-**	**-**	**-**	**14.58**	**14.58**
Depreciation						
As at January 20, 2015 (Proforma)	-	-	-	-	-	-
Charge	7.17	-	-	-	0.17	7.34
Disposals	(7.17)	-	-	-	-	(7.17)
As at March 31, 2016 (Proforma)	**-**	**-**	**-**	**-**	**0.17**	**0.17**
As at March 31, 2016 (Proforma)	**-**	**-**	**-**	**-**	**14.41**	**14.41**
Deemed Cost as at April 1, 2016	**-**	**-**	**-**	**-**	**14.41**	**14.41**
Additions		1.34	1.80	19.85	6.98	29.97
Disposals					0.59	0.59
As at March 31, 2017	**-**	**1.34**	**1.80**	**19.85**	**20.80**	**43.79**
Additions	-	0.11	-	36.60	1.61	38.32
Disposals	-	-	-	-		-
As at September 30, 2017	**-**	**1.45**	**1.80**	**56.45**	**22.41**	**82.11**
Depreciation						
Charge		0.26	0.08	1.60	2.73	4.67
Disposals						-
As at March 31, 2017	**-**	**0.26**	**0.08**	**1.60**	**2.73**	**4.67**
Charge		0.16	0.08	2.95	2.05	5.24
Disposals						-
As at September 30, 2017	**-**	**0.42**	**0.16**	**4.55**	**4.78**	**9.91**
Net carrying amount						
As at September 30, 2017	**-**	**1.03**	**1.64**	**51.90**	**17.63**	**72.20**
As at March 31, 2017	**-**	**1.08**	**1.72**	**18.25**	**18.07**	**39.12**

* Motor vehicles amounting to Rs. 20.19 lacs (March 31, 2017 - Rs. 13.46 lacs, March 31, 2016 - Nil) subject to charge against vehicle loan. Refer note no 11.

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information
4. Restated summary of Intangible assets

(Rs. in Lakhs)

	Software licences	Total
At cost		
As at January 20, 2015 (Proforma)	-	-
Acquired under demerger	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2016 (Proforma)	-	-
Amortization		
As at January 20, 2015 (Proforma)	-	-
Charge	-	-
Disposals	-	-
As at March 31, 2016 (Proforma)	-	-
As at March 31, 2016 (Proforma)	-	-
Deemed Cost as at April 1, 2016	-	-
Additions	4.64	4.64
Disposals	-	-
As at March 31, 2017	**4.64**	**4.64**
Additions	0.14	0.14
Disposals	-	-
As at September 30, 2017	**4.78**	**4.78**
Amortization		
Charge	0.55	0.55
Disposals	-	-
As at March 31, 2017	**0.55**	**0.55**
Charge	0.49	0.49
Disposals		-
As at September 30, 2017	**1.04**	**1.04**
Net carrying amount		
As at September 30, 2017	**3.74**	**3.74**
As at March 31, 2017	**4.09**	**4.09**

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5. Restated summary of Non-current financial assets- Investments

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
A. Investment carried at Cost			
Unquoted equity shares			
i) Subsidiary Companies			
Max Speciality Films Limited (refer note 41)	10,017.83	16,704.95	16,704.95
1,98,42,191 (March 31, 2017 - 3,34,49,500, March 31, 2016 - 3,34,49,500) Equity shares of Rs. 10 each fully paid up			
Max Estates Limited	800.00	800.00	-
80,00,000 (March 31, 2017 - 80,00,000, March 31, 2016 - Nil) Equity shares of Rs. 10 each fully paid up			
Max Learning Limited	205.00	205.00	-
20,50,000 (March 31, 2017 - 20,50,000, March 31, 2016 - Nil) Equity shares of Rs. 10 each fully paid up			
Max I Limited	5.00	5.00	-
50,000 (March 31, 2017 - 50,000, March 31, 2016 - Nil) Equity shares of Rs. 10 each fully paid up			
B. Investment in debentures of subsidiary companies			
i) Investment in debentures (in nature of equity) of subsidiary companies (at cost)			
Max Estates Limited	3,600.00	-	-
3600 (March 31, 2017 - Nil, March 31, 2016 - Nil) Zero Coupon Compulsory Convertible Debentures of Rs. 100000 each fully paid up			
ii) Investment in debentures of subsidiary companies (at amortised cost)			
Max I Limited (amortised cost)	5,685.64	3,250.69	-
8855 (March 31, 2017 - 5155, March 31, 2016 - Nil) Zero Coupon Non Convertible Debentures of Rs. 100000 each fully paid up			
C. Others			
Investment in subsidiaries arising on account of fair valuation of debentures given below market rate			
Max I Limited	3,599.99	2,095.76	-
Equity portion of 8855 (March 31, 2017 - 5155, March 31, 2016 - Nil) Zero Coupon Non Convertible Debentures of Rs. 100000 each fully paid up			
	23,913.47	**23,061.40**	**16,704.95**
Aggregate value of unquoted investments	**23,913.47**	**23,061.40**	**16,704.95**

6. Restated summary of Non-current financial assets- Other financial assets and other bank balances

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
(a) Other financial assets (amortized cost) (unsecured considered good)			
Security deposits	35.20	33.26	-
Loans to related parties (refer note 32(b)) *	-	-	550.06
	35.20	**33.26**	**550.06**
(b) Other bank balances (amortized cost)			
Deposits with remaining maturity for more than 12 months	0.25	0.25	-
	0.25	**0.25**	**-**

* Loan given to Max Speciality Films Limited at an interest rate between 11.00% - 13.50% . Loan is repayable after 5 years.

7. Restated summary of Non-Current tax assets

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Tax deducted at source recoverable	94.27	137.74	20.40
	94.27	**137.74**	**20.40**

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
8. Restated summary of Current financial assets			
(i) Current investment			
Quoted mutual funds (valued at Fair value through profit and loss)			
UTI Money Market Fund - Institutional Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 185.710 , NAV - 1885.2145) (March 31, 2017 - Units - 11064.87 , NAV - 1824.22 , March 31, 2016 - Nil)	3.50	201.85	-
DSP Black rock Liquidity Fund Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 1312.438 , NAV - 2403.1523) (March 31, 2017 - Units - 110369.862 , NAV - 2325.78, March 31, 2016 - Nil)	31.53	2,566.96	-
Invesco India Liquid Fund Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 188451.248 , NAV - 2,313.2910) (March 31, 2017 - Units - 114668.999 , NAV - 2238.1021, March 31, 2016 - Nil)	4,359.42	2,566.40	-
JM High Liquidity Fund Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 7210101.502 , NAV - 46.0130) (March 31, 2017 - Units - 5767025.534 , NAV - 44.5139, March 31, 2016 - Nil)	3,317.58	2,567.13	-
Kotak Floater Short Term Fund Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 15994.0824 , NAV - 2757.3942) (March 31, 2017 - Units - 96161.913 , NAV - 2669.38, March 31, 2016 - Nil)	441.05	2,566.93	-
Birla Sun Life Cash Plus Fund Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 217.263 , NAV - 270.0157) (March 31, 2017 - Units - 698079.954 , NAV - 261.309, March 31, 2016 - Nil)	0.59	1,824.15	-
DHFL Premica Cash Plus Fund Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 1406246.756 , NAV - 218.3449) (March 31, 2017 - Nil, March 31, 2016 - Nil)	3,070.47	-	-
	11,224.14	**12,293.42**	**-**
(ii) Trade receivables #			
Unsecured :-			
Trade receivables from related parties - considered good (refer note 32(b))	453.98	177.55	328.28
	453.98	**177.55**	**328.28**
# 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.			
(iii) Cash and cash equivalents			
Balances with banks:			
On current accounts	62.70	50.86	326.02
Deposits with remaining maturity for less than 3 months	-	-	800.00
Cash on hand	0.51	0.47	0.35
	63.21	**51.33**	**1,126.37**
(iv) Loans (Unsecured)			
Loans to related parties (refer note 32(b)) *	4,655.77	942.05	-
Interest accrued on deposits (refer note 32(b))	140.50	174.79	101.38
Security deposits to related parties (refer note 32(b))	0.50	48.00	48.00
	4,796.77	**1,164.84**	**149.38**
* Loan given to related parties is repayable at interest rate 9.25% -11.00%. It is repayable on demand			
(v) Other financial assets			
Advance to related parties (refer note 32(b))	60.29	69.25	47.29
Other advances :-			
Unsecured, considered good	-	36.75	-
	60.29	**106.00**	**47.29**
Break up of financial assets at amortised cost			
Non-current financial assets			
Investments (refer note 5)	5,685.64	3,250.69	-
Other financial assets (refer note 6(a))	35.20	33.26	550.06
Other bank balances (refer note 6(b))	0.25	0.25	-
Current financial assets			
Trade receivables (refer 8(ii))	453.98	177.55	328.28
Cash and cash equivalents (refer 8(iii))	63.21	51.33	1,126.37
Loans (refer 8(iv))	4,796.77	1,164.84	149.38
Other current financial assets (refer 8(v))	60.29	106.00	47.29
	11,095.35	**4,783.93**	**2,201.38**
Break up of financial assets (at fair value thorugh profit or loss)			
Investment (refer 8(i))	11,224.14	12,293.42	-
	11,224.14	**12,293.42**	**-**
9. Restated summary of Other current assets (unsecured considered good, unless otherwise stated)			
Other advances :-			
Unsecured, considered good	7.55	4.67	15.19
Prepaid expenses	55.38	44.33	0.14
Balance with statutory authorities	19.19	23.14	7.74
	82.12	**72.14**	**23.07**

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information

10. Restated summary of Share capital and other equity
(i) Equity share capital

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
a) Authorized			
11,00,00,000 (March 31, 2017 - 11,00,00,000, March 31, 2016 - 60,000,000) equity shares of Rs.10/- each	11,000.00	11,000.00	6,000.00
	11,000.00	**11,000.00**	**6,000.00**
Issued, subscribed and fully paid-up			
7,26,48,105(March 31, 2017 - 6,89,77,878, March 31, 2016- 5,33,96,800) equity shares of Rs.10/- each fully paid up	7,264.81	6,897.79	5,339.68
Total issued, subscribed and fully paid-up share capital	**7,264.81**	**6,897.79**	**5,339.68**

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

	September 30, 2017		March 31, 2017		March 31, 2016 (Proforma)	
Equity shares	**No. of shares**	**(Rs. in Lakhs)**	**No. of shares**	**(Rs. in Lakhs)**	**No. of shares**	**(Rs. in Lakhs)**
At the beginning of the period	68,977,878	6,897.79	53,396,800	5,339.68	-	-
Add: Shares issued at incorporation of the Company	-	-	-	-	50,000	5.00
Add: Issued during the period under scheme of demerger (refer note 38)	-	-	-	-	53,396,800	5,339.68
Add: Shares issued for stock options exercised (Refer note no 28.4)	221,333	22.13	57,208	5.72	-	-
Add: Shares issued during the year/period (Refer note no. 37)	3,448,894	344.89	15,523,870	1,552.39	-	-
Less: Cancelled pertaining to scheme of demerger (refer note 38)	-	-	-	-	50,000	5.00
Outstanding at the end of the period	72,648,105	7,264.81	68,977,878	6,897.79	53,396,800	5,339.68

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

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

Name of the Shareholder	**September 30, 2017**		**March 31, 2017**		**March 31, 2016 (Proforma)**	
	No. of shares	**% held**	**No. of shares**	**% held**	**No. of shares**	**% held**
Equity shares of Rs. 10 each fully paid-up						
New York Life International Holdings Limited	15,523,870	21.37%	15,523,870	22.51%	-	-
Max Ventures Investment Holdings Private Limited.	13,105,500	18.04%	13,105,500	19.00%	3,509,233	6.57%
Xenok Limited	-	-	-	-	4,815,940	9.02%
Maxopp Investments Limited	-	-	-	-	3,768,983	7.06%
Liquid Investment and Trading Company Private Limited	4,763,774	6.56%	4,763,774	6.91%	-	-
Siva Enterprises Private Limited	5,810,598	8.00%	2,361,704	3.42%	-	-
GS Mace Holdings Limited	-	-	-	-	3,439,276	6.44%

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

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

f) Increase in Authorised Share Capital
Pursant to shareholders approval in December 2017, the company has increased its authorised share capital from the existing Rs. 11,000 lacs to Rs. 15,000 lacs

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information

(ii) Other equity

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Capital reserve (refer note a below)	13,042.52	13,042.52	13,042.52
Securities premium account (refer note b below)	12,875.83	10,497.98	-
Employee stock options outstanding (refer note c below)	20.49	24.28	24.28
Retained earnings (refer note d below)	6,305.95	1.29	270.51
	32,244.79	**23,566.07**	**13,337.31**

Notes:

a) Capital reserve			
Balance as at beginning of the period/year	13,042.52	13,042.52	-
Add: additions on account of demerger (refer note 38)	-	-	13,042.52
	13,042.52	**13,042.52**	**13,042.52**
b) Securities premium account			
At the beginning of the year	10,497.98	-	-
Add: premium on Preferential issue of equity shares (refer note 37(a) and (b))	2,345.24	10,556.24	-
Add: premium on issue of employee stock options	26.60	-	-
Add: transferred from employee stock options outstanding	6.01	6.67	-
Less: share issue expenses	-	(64.93)	-
	12,875.83	**10,497.98**	**-**
c) Employee stock options outstanding			
At the beginning of the year	24.28	24.28	-
Add: additions on account of demerger	-	-	19.16
Add: expense recognized during the year	2.22	6.67	7.47
Less: forfeited during the year/period	-	-	2.35
Less: transferred to securities premium on exercise of stock options	6.01	6.67	-
	20.49	**24.28**	**24.28**
d) Retained earnings			
At the beginning of the year	1.29	270.51	-
Profit/(Loss) for the period/year	6,306.86	(270.08)	270.51
Items of other comprehensive income recognized directly in retained earnings			
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	(2.20)	0.86	-
	6,305.95	**1.29**	**270.51**

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11. Restated summary of Borrowings

	As at September 30, 2017	As at March 31, 2017	(Rs. in Lakhs) As at March 31, 2016 (Proforma)
Non-current borrowings :-			
Vehicle loans (secured)	11.55	8.78	-
	11.55	**8.78**	**-**
Less: Amount disclosed under "other current financial liabilities" [refer note 14(iii)]	**5.81**	**3.15**	**-**
	5.74	**5.63**	**-**
Aggregate Secured loans	**11.55**	**8.78**	**-**
Aggregate Unsecured loans	-	-	-

Vehicle loan :-

@ Vehicle loans amounting to Rs. 11.55 lacs (March 31, 2017 - Rs. 8.78 lacs, March 31, 2016 - Nil) are secured by way of hypothecation of vehicle. The loans are repayable in 3 years. Interest rate 8.75%-9.40%

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(Rs. in Lakhs)

		As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
12.	**Restated summary of Long term provision**			
	Provision for employee benefits			
	Provision for gratuity (refer note 28.1)	22.35	11.82	2.96
		22.35	**11.82**	**2.96**
13.	**Restated summary of Deferred tax liabilities**			
	(i) Deferred tax liability			
	Differences in depreciation in block of tangible and intangible assets as per tax books and financial books	3.42	2.55	1.39
	Difference in book base and tax base in investments	129.76	32.57	-
	Gross deferred tax liability	**133.18**	**35.12**	**1.39**
	(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	23.89	13.53	3.82
	Others	18.69	2.07	8.12
	Gross deferred tax assets	**42.58**	**15.60**	**11.94**
	Deferred Tax liability/(Assets)	90.60	19.52	(10.56)
	Mat Credit entitlement	(122.81)	-	-
	Deferred Tax liability/(Assets) (Net)	**(32.21)**	**19.52**	**(10.56)**
14.	**Restated summary of Current financial liabilities**			
	(i) Borrowings			
	Loan from related party (unsecured) *	-	5,600.00	-
		-	**5,600.00**	**-**

* Interest free loan and repayable on demand (Refer note 32(b))

(ii) Trade payables			
Total outstanding dues of micro enterprises and small enterprises*	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises #	254.27	262.87	253.65
	254.27	**262.87**	**253.65**

*** 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 restated financial statements.

\# Trade payables include due to related parties Rs. 60.83 lacs (March 31, 2017 - Rs. 69.84 lacs, April 1, 2016 - Rs. 170.82 lacs). Refer note 32(b)

(iii) Other current financial liabilities

Current maturity of long term borrowings (refer note 11)	5.81	3.15	-
Security deposits	11.60	7.96	-
Capital creditors*	30.32	1.94	-
	47.73	**13.05**	**-**

*Capital creditors include due to related parties Rs.29.88 lacs (March 31, 2017 - Rs. Nil, April 1, 2016 - Rs. Nil). Refer note 32(b)

15.	**Restated summary of Short term provision**			
	Provision for employee benefits			
	- Provision for leave encashment	46.69	27.23	8.58
	- Provision for gratuity (refer note 28.1)	0.17	0.04	-
	Provision for taxation	926.59	-	
		973.45	**27.27**	**8.58**
16.	**Restated summary of Other current liabilities**			
	Statutory dues	18.70	64.59	32.59
		18.70	**64.59**	**32.59**

17. Restated summary of Revenue from operations

(Rs. in Lakhs)

	for the six months period September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
(a) Income from rendering services			
(i) Income from shared services	612.49	1,081.39	494.11
(b) Income from investment activities			
(i) Interest on loans to subsidiary companies	124.27	101.84	71.70
(ii) Unwinding of interest on zero coupon non-convertible debentures	239.18	191.45	-
(iii) Dividend Income	-	-	334.50
(iv) Gain on mutual fund investments	251.87	13.67	24.99
(v) Fair value gain on financial instruments at fair value through profit or loss	280.86	94.09	-
(vi) Interest income on fixed deposits	0.02	3.94	55.13
Total	**1,508.69**	**1,486.38**	**980.43**

18. Restated summary of Other income

Other income- recurring			
Unwinding of discount on security deposit	1.86	3.02	-
Interest income-others	0.25	-	-
Other income- non recurring			
Gain on stake sale of subsidiary (refer note 39(b))	7,500.32	-	-
	7,502.43	**3.02**	**-**

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19. Restated summary of Employee benefits expense

(Rs. in Lakhs)

	for the six months period September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Salaries, wages and bonus	319.68	536.48	200.25
Contribution to provident and other funds	14.14	26.90	5.61
Gratuity expense (refer note 28.1)	7.86	8.66	2.96
Staff welfare expenses	6.51	24.86	8.35
	348.19	**596.90**	**217.17**
20. Restated summary of Finance costs			
Interest on borrowings	0.52	208.44	-
Bank charges	0.02	0.17	-
	0.54	**208.61**	**-**
21. Restated summary of Depreciation and amortization expense			
Depreciation of property, plant and equipment (refer note 3)	5.25	4.67	7.34
Amortization of intangible assets (refer note 4)	0.49	0.54	-
	5.74	**5.21**	**7.34**
22. Restated summary of Other expenses			
Rent	80.59	159.59	106.48
Insurance	2.29	4.34	1.90
Rates and taxes	0.49	3.17	48.15
Shared Service charges	71.68	141.61	146.73
Repairs and maintenance:	-	-	-
Building	34.46	83.28	0.93
Printing and stationery	10.83	24.28	0.59
Travelling and conveyance	26.94	54.48	21.80
Communication	6.19	8.45	0.85
Legal and professional	350.36	257.76	85.39
Directors' sitting fee	50.12	115.58	35.18
Advertisement and publicity	0.50	16.08	0.21
Recruitment expenses	-	-	-
Charity and donation	-	0.05	0.02
Establishment expenses	13.91	28.52	9.37
Miscellaneous expenses	28.58	21.96	1.44
	676.94	**919.15**	**459.04**
Payment to auditor (included in legal and professional fee)			
As auditor:			
Audit fee	8.31	12.50	9.00
Other services (certification fees)	2.25	2.50	-
Reimbursement of expenses	0.55	0.44	-
	11.11	**15.44**	**9.00**

23 **Restated summary of Income Tax**

The major components of income tax expense for the period ended September 30, 2017, March 31, 2017 and March 31, 2016 are :

Statement of profit and loss :

Profit and loss section

(Rs. in Lakhs)

Particulars	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Current income tax :			
Current tax	1,723.99	-	36.92
MAT credit entitlement	(122.81)	-	-
Deferred tax :			
Relating to origination and reversal of temporary differences	71.67	29.61	(10.55)
Income tax expense reported in the statement of profit and loss	**1,672.85**	**29.61**	**26.37**

OCI section :

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

(Rs. in Lakhs)

Particulars	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Income tax charge/(credit) on remeasurements of defined benefit plans	0.59	(0.46)	-
Income tax charged to OCI	**0.59**	**(0.46)**	**-**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2016, March 31, 2017 and September 30, 2017:

(Rs. in Lakhs)

Particulars	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Accounting profit/(loss) before tax	7,979.71	(240.47)	296.88
Accounting profit/(loss) before income tax	**7,979.71**	**(240.47)**	**296.88**
At India's statutory income tax rate of 34.608 % (March 31, 2017: 34.608 %, March 31, 2016: 33.06%)	2,761.62	(83.22)	98.15
Non-Taxable Income for tax purposes:			
Dividend income	-	-	(110.58)
Unwinding of interest on zero coupon non-convertible debentures	(82.77)	(66.26)	-
Impact of indexation on capital gain	(290.73)	-	-
Non-deductible expenses for tax purposes:			
Disallowances on account of exempt income u/s 14A	24.87	59.55	27.61
Disallowance on account of finance costs incurred on business investments	-	72.19	-
Other non-deductible expenses	1.27	47.35	26.18
Others :			
Carry forward losses	-	-	(14.98)
Income Taxable at Lower rate	(741.41)	-	-
Total tax expense	**1,672.85**	**29.61**	**26.38**
Income tax expense reported in the statement of profit and loss	1,672.85	29.61	26.37
Total tax expense	**1,672.85**	**29.61**	**26.37**

Deferred tax relates to the following:

(Rs. in Lakhs)

Particulars	As at September 30, 2017	As at March 31, 2017	for the year ended March 31, 2016 (Proforma)	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Deferred tax liabilities	**133.18**	**35.12**	**1.39**	**98.06**	**33.73**	**1.39**
Differences in depreciation in block of tangible and intangible assets as per tax books and financial books	3.42	2.55	1.39	0.87	1.16	1.39
Difference in book base and tax base in investments	129.76	32.57	-	97.19	32.57	-
Gross deferred tax liabilities (a)	**133.18**	**35.12**	**1.39**	**98.06**	**33.73**	**1.39**
Deferred tax assets	**42.58**	**15.60**	**11.94**	**26.98**	**3.65**	**11.94**
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	23.89	13.53	3.82	10.36	9.70	3.82
Others	18.69	2.07	8.12	16.62	(6.05)	8.12
Gross deferred tax assets (b)	**42.58**	**15.60**	**11.94**	**26.98**	**3.65**	**11.94**
MAT Credit (c)	**122.81**	**-**	**-**	122.81	-	-
Deferred tax liabilities (net)	**(32.21)**	**19.52**	**(10.55)**	**(51.73)**	**30.07**	**(10.55)**

Reconciliation of deferred tax liabilities (net):

(Rs. in Lakhs)

Particulars	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Opening balance as of	19.52	(10.55)	-
Tax expense/(income) during the period recognised in profit or loss	71.67	29.61	(10.55)
Tax expense/(income) during the period recognised in OCl	(0.59)	0.46	-
Closing balance as at March 31 (before adjustment of MAT Credit)	**90.60**	**19.52**	**(10.55)**
MAT Credit	(122.81)	-	-
Closing balance as at	**(32.21)**	**19.52**	**(10.55)**

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

The Company has business losses in March 31, 2017 of INR 193 lacs (March 31, 2016 : Nil) that are available for offsetting against future taxable profits of the Company which will expire in March 2025. The permanent and temporary differences for the six months period ended September 30, 2017 are based on the draft tax computation for the said period.

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information

24 Restated summary of Other comprehensive income

(Rs. in Lakhs)

	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Re-measurement losses on defined benefit plans	(2.79)	1.32	-
Income tax effect	0.59	(0.46)	-
	(2.20)	**0.86**	**-**

25 Restated summary of Earning Per Share

	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Basic EPS			
Profit/ (Loss) after tax (Rs. in Lakhs)	6,306.86	(270.08)	270.51
Net profit/(loss) for calculation of basic EPS	6,306.86	(270.08)	270.51
Weighted average number of equity shares outstanding during the year (Nos.)	71,463,211	55,242,723	53,364,617
Basic earnings per share (Rs.)	**8.83**	**(0.49)**	**0.51**
Dilutive EPS			
Profit/ (Loss) after tax (Rs. in Lakhs)	6,306.86	(270.08)	270.51
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)*	72,870,276	56,132,659	53,908,387
Diluted earnings per share (Rs.)	**8.65**	**(0.48)**	**0.50**
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.)	71,463,211	55,242,723	53,364,617
Add: ESOP/Warrants	1,407,065	- 889,936	- 543,770
	72,870,276	**56,132,659**	**53,908,387**

26 Restated summary of Commitments

Lease commitments

The Company has entered into operating leases for its office spaces under operating lease agreements. The lease rental expense recognised in the statement of profit and loss for the year is Rs. 80.59 Lakhs (March 31, 2017 - Rs. 159.59 Lakhs, March 31, 2016 - 106.48 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) Information in respect of non-cancellable leases (Rs. in Lakhs)

	for the six months period ended September 30, 2017	**for the year ended March 31, 2017**	**For the January 20, 2015 to March 31, 2016 (Proforma)**
The Total of minimum lease payments for a period:			
- Not later than one year	176.90	165.24	-
- Later than one year and not later than five years	766.81	959.07	-
- Later than five years	597.32	445.62	-

27 Restated summary of Investment in subsidiaries

(a) These restated financial statement are separate restated 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 September 30, 2017**	**Portion of ownership interest as at March 31, 2017**	**Portion of ownership interest as at March 31,2016 (Proforma)**	**Method used to account for the investment**
Max Speciality Films Limited	India	51%	99%	99%	At transition date at deemed cost and subsequently at cost
Max Estates Limited	India	100%	100%	-	At transition date at deemed cost and subsequently at cost
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

28.1 Restated summary of Gratuity

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

The gratuity plan is governed by the Payment of Gratuity Act, 1972. 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:

(Rs. in Lakhs)

	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)
a) Reconciliation of opening and closing balances of defined benefit obligation			
Defined benefit obligation at the beginning of the year	11.85	2.96	-
Interest expense	0.44	0.23	-
Acquisition on account of demerger	-	-	0.91
Current service cost	7.43	8.43	2.96
Benefit paid	-	(1.00)	(0.91)
Acquisition adjustment		2.55	-
Remeasurement of (Gain)/loss in other comprehensive income			-
Actuarial changes arising from changes in demographic assumptions	-	-	-
Actuarial changes arising from changes in financial assumptions	-	1.58	-
Actuarial changes arising from changes in experience adjustments	2.79	(2.90)	-
Defined benefit obligation at year end	**22.51**	**11.85**	**2.96**
b) Net defined benefit asset/ (liability) recognized in the balance sheet			
Present value of defined benefit obligation	22.51	11.85	2.96
Amount recognized in balance sheet- asset / (liability)	**(22.51)**	**(11.85)**	**(2.96)**
c) Net defined benefit expense (recognized in the statement of profit and loss for the year)			
Current service cost	7.43	8.43	2.96
Interest cost on benefit obligation	0.43	0.23	-
Net defined benefit expense debited to statement of profit and loss	**7.86**	**8.66**	**2.96**

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

Assumption particulars	**As At September 30, 2017**	**As At March 31, 2017**	**As At March 31, 2016 (Proforma)**
Discount rate	7.35%	7.90%	8.00%
Salary escalation rate	10.00%	10.00%	10.00%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%	100.00%

(Rs. in Lakhs)

e) **Quantitative sensitivity analysis for significant assumptions is as below:**	**for the six months period ended September 30, 2017**	**Year ended March 31, 2017**	**for the period January 20, 2015 to March 31, 2016 (Proforma)**
Increase / (decrease) on present value of defined benefits obligations at the end of the year			
Discount rate			
Increase by 0.50%	(1.95)	(5.28)	(0.23)
Decrease by 0.50%	2.17	8.88	0.23
Salary growth rate			
Increase by 0.50%	2.10	8.82	0.22
Decrease by 0.50%	(1.91)	(5.31)	(0.22)

(Rs. in Lakhs)

f) **Maturity profile of defined benefit obligation (valued on undiscounted basis)**	**for the six months period ended September 30, 2017**	**Year ended March 31, 2017**	**for the period January 20, 2015 to March 31, 2016 (Proforma)**
Within the next 12 months (next annual reporting period)	0.17	0.04	0.02
Between 2 and 5 years	1.35	0.88	0.22
Beyond 5 Years	20.99	10.93	2.72

g) The average duration of the defined benefit plan obligation at the end of the reporting period is 21 Years (March 31, 2017 : 20 years, March 31, 2016 : 15 years).

h) 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.

i) 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.

j) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

28.2 Restated summary of 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 September 30, 2017 as per the actuarial valuation of active members are as follows:

(Rs. in Lakhs)

	September 30, 2017	**March 31, 2017**	**March 31, 2016 (Proforma)**
Plan assets at year end at fair value	94.37	60.74	10.01
Present value of defined benefit obligation at period/year end	87.35	59.83	9.94
Surplus as per actuarial certificate	7.02	0.91	0.07
Shortfall recognized in balance sheet	**-**	**-**	**-**
Active members as at period/year end (Nos)	11	8	5

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

	September 30, 2017	**March 31, 2017**	**March 31, 2016 (Proforma)**
Discount rate	6.63%	7.51%	7.72%
Withdrawal rate			
Yield on existing funds	9.01%	8.79%	9.06%
Expected guaranteed interest rate	8.65%	8.65%	8.75%

Contribution to Defined benefit Plan, recognized as expense for the period/year is as under: **(Rs. in Lakhs)**

	September 30, 2017	**March 31, 2017**	**March 31, 2016 (Proforma)**
Employer's Contribution towards Provident Fund (PF)	11.81	21.19	3.29
	11.81	**21.19**	**3.29**

28.3 Restated summary of Leave Encashment (unfunded)

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

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

(Rs. in Lakhs)

	September 30, 2017	**March 31, 2017**	**March 31, 2016 (Proforma)**
Liability at the beginning of the period/year	27.23	8.58	-
Benefit paid during the period/year	-	2.70	-
Acquisition adjustment during the period/year	-	1.90	-
Provided during the period/year	19.46	19.45	8.58
Liability at the end of the period/year	46.69	27.23	8.58

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28.4 Restated summary of Employee Stock Option Plan

1) 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, 5,00,712 stock options were granted to the employees of MFSL and outstanding as on Effective date i.e. January 15, 2016 are eligible for stock options under new ESOP scheme on similar terms and conditions.

The details of activity under the Scheme are summarized below:

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

For options exercised during the year, the weighted average share price at the exercise date was Rs.10.00 per share (March 31, 2017: Rs 10.00, March 31, 2016: Rs 10.00 per share.)

The weighted average remaining contractual life for the stock options outstanding as at September 30, 2017 are as follows:

Date of grant	September 30, 2017		March 31, 2017		March 31, 2016 (Proforma)	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
21-Jan-16	222,171	1.87	443,504	2.61	500,712	3.61

During the six months period ended September 30, 2017, 221,333 (March 31, 2017 - 57,208) nos of stock options were alloted to the aforesaid option holders by the Company.

2) The Company has constituted an Employee Stock Option Plan - 2016 which have been approved by the Board in the meeting held on 9th August 2016 and by shareholders of the Company in its annual general meeting held on September 27, 2016 based on similar terms and conditions to the relevant ESOP plan of MFSL. The 2016 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees of the Company. The 2016 Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors.
The 2016 Plan gives an option to the employee to purchase the share at a price determined by Nomination and Remuneration committee subject to minimum par value of shares (Rs. 10/-). The Company has valued Employee Stock Option outstanding as at year end presuming all the employees will exercise their option in favor of cash settlement or equity settlement based on trend.
No options were granted / vested / exercised during the period/ year.

28.5 Restated summary of Phantom Stock Policy (Cash Settled)

On May 2017, Nomination & Remuneration Committee has approved the Phantom stock policy where company 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 company between grant date and the time of excercise.

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Opening Balance	-	-	-
Expensed during the period/year	17.32	-	-
Closing Balance	17.32	-	-

29 Restated summary of Segment reporting

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/ chief operating decision maker (CODM) considers that having investments in various subsidiaries and providing shared services to group companies consitutes 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.

30 A. Financial instruments

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

(Rs. in Lacs)

Category	Carrying value September 30, 2017	Carrying value March 31, 2017	Carrying value March 31, 2016 (Proforma)	Fair Value September 30, 2017	Fair Value March 31, 2017	Fair Value March 31, 2016 (Proforma)
1) Financial asset at amortized cost						
Non-Current						
Investment (refer note 5)	5,685.64	3,250.69	-	5,685.64	3,250.69	-
Other financial assets (refer note 6(a))	35.20	33.26	550.06	35.20	33.26	550.06
Other bank balances (refer note 6(b))	0.25	0.25	-	0.25	0.25	-
Current						
Loans (refer note 8)	4,796.77	1,164.84	149.38	4,796.77	1,164.84	149.38
Other financial assets (refer note 8)	60.29	106.00	47.29	60.29	106.00	47.29
2) Financial liabilities at amortized cost						
Non-Current						
Borrowings (refer note 11)	5.74	5.63	-	5.74	5.63	-
Current						
Borrowings (refer note 14)	-	5,600.00	-	-	5,600.00	-
Other financial liabilities (refer note 14	47.73	13.05	-	47.73	13.05	-
3) Financial asset carried at fair value through statement of profit & loss						
Current investments (refer note 8)	11,224.14	12,293.42	-	11,224.14	12,293.42	-

The Company 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:

Fixed-rate borrowings are evaluated by the Company based on parameters such as interest rates, individual creditworthiness of the Company and the risk characteristics of the financed project.

The Company has investment in quoted mutual funds being valued at quoted market price in active markets.
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.

30 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 September 30, 2017

(Rs. in Lakhs)

Particulars	Carrying value September 30, 2017	Fair value Level 1	Fair value Level 2	Fair value Level 3
Non-Current				
Investment (refer note 5)	5,685.64	-	5,685.64	-
Other financial assets (refer note 6(a))	35.20	-	35.20	-
Other bank balances (refer note 6(b))	0.25	-	0.25	-
Current				
Loans (refer note 8)	4,796.77	-	4,796.77	-
Other financial assets (refer note 8)	60.29	-	60.29	-
Current investments (refer note 8)	11,224.14	11,224.14	-	-

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

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2017	Fair value Level 1	Fair value Level 2	Fair value Level 3
Non-Current				
Investment (refer note 5)	3,250.69	-	3,250.69	-
Other financial assets (refer note 6(a))	33.26	-	33.26	-
Other bank balances (refer note 6(b))	0.25	-	0.25	-
Current				
Loans (refer note 8)	1,164.84	-	1,164.84	-
Other financial assets (refer note 8)	106.00	-	106.00	-
Current investments (refer note 8)	12,293.42	12,293.42	-	-

(iii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2016

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2016 (Proforma)	Fair value Level 1	Fair value Level 2	Fair value Level 3
Non-Current				
Loans (refer note 6)	550.06	-	550.06	-
Current				
Loans (refer note 8)	149.38	-	149.38	-
Other financial assets (refer note 8)	47.29	-	47.29	-

(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on September 30, 2017

(Rs. in Lakhs)

Particulars	Carrying value September 30, 2017	Fair value Level 1	Fair value Level 2	Fair value Level 3
Non-Current				
Borrowings (refer note 11)	5.74	-	5.74	-
Current				
Borrowings (refer note 14)	-	-	-	-
Other financial liabilities (refer note 14	47.73	-	47.73	-

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

(Rs. in Lakhs)

Particulars	Carrying value March 31, 2017	Fair value Level 1	Fair value Level 2	Fair value Level 3
Non-Current				
Borrowings (refer note 11)	5.63	-	5.63	-
Current				
Borrowings (refer note 14)	5,600.00	-	5,600.00	-
Other financial liabilities (refer note 14	13.05	-	13.05	-

31 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 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, 2016, March 31, 2017 and September 30, 2017 based on contractual undiscounted payments :-

March 31, 2016 (Proforma)	**0-1 Years**	**1-5 Years**	**More than 5 Years**	**Total**
Interest bearing borrowings		-		-
Trade payable	253.65	-	-	253.65
Other financial liabilities	-	-	-	-
March 31, 2017				
Interest bearing borrowings	5,603.15	5.63		5,608.78
Trade payable	262.87	-	-	262.87
Other financial liabilities	9.90	-	-	9.90
September 30, 2017				
Interest bearing borrowings	5.81	5.74		11.55
Trade payable	254.27	-	-	254.27
Other financial liabilities	41.92	-	-	41.92

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 September 30, 2017, March 31, 2017 and March 31, 2016 is the carrying amounts as illustrated in note 5, 6 and 8 .

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 prices comprises three types of risk: currency rate risk and interest rate 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 September 30, 2017, March 31 2017 and March 31, 2016. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of September 30, 2017, March 31, 2017 and March 31, 2016.

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Annexure- V

Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)

Notes to restated standalone financial information

32 Restated summary of Related party disclosures

Names of related parties where control exists irrespective of whether transactions have occurred or not	
Subsidiary companies	Max Speciality Films Limited Max Estates Limited Max I. Limited (w.e.f June 23rd, 2016) Max Learning Limited (w.e.f August 23rd, 2016)
Step down subsidiary	Wise Zone Builders Private Limited
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. Alok Goel (Company Secretary) Mr. Mohit Talwar Mr. K.N Murthy Mr. D.K Mittal Mr. Sujata Keshavan Mr. Ashok Kacker Mr. Sujatha Ratnam Mr. S.K Bijlani Mr. N.C Singhal
Relatives of Key Management personnel	Mr. Veer Singh (Son of Mr. Analjit Singh - Director)
Entities controlled or jointly controlled by person or entities where person has significantly influence	Max Ventures Private Limited Piveta Estates Private Limited Siva Realty Ventures Private Limited New Delhi House Services Limited Vana Enterprises Limited Four Season Foundation Lake View Enterprises Max Life Insurance Company Limited Max Healthcare Institute Limited Siva Enterprises Private Limited Pharmax Corporation Limited Max India Limited Max Financial Services Limited Max UK Limited
Employee benefit Trust	Max Finanical Services Limited Employees' Provident Fund Trust

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information

32 (a) Details of restated transactions and balance outstandings with related parties

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
1	**Reimbursement of expenses (Received from)**	Max Speciality Films Limited	5.54	17.44	0.88
		Max Estates Limited	6.12	25.09	-
		Max Learning Limited	9.66	98.40	-
		Max I Limited	5.88	1.97	-
		Piveta Estates Private Limited	11.20	2.79	-
		Four Season Foundation	-	12.60	-
		Siva Realty Ventures Private Limited	-	0.75	-
		Total	**38.40**	**159.04**	**0.88**
2	**Reimbursement of expenses (Paid to)**	Max Financial Services Limited	82.19	151.33	421.51
		Max India Limited	0.13	-	56.00
		New Delhi House Services Limited	12.28	21.73	-
		Max Ventures Private Limited	1.86	13.56	-
		Max Estates Limited	-	5.98	-
		Max Healthcare Institute Limited	0.04	0.08	-
		Max Life Insurance Company Limited	2.28	1.30	-
		Vana Enterprises Limited	0.27	-	-
		Max I Limited	-	5.00	-
		Total	**99.05**	**198.98**	**477.51**
3	**Shared Services rendered (to)**	Max Speciality Films Limited	351.63	706.27	494.11
		Max Estates Limited	149.50	227.96	-
		Max Learning Limited	32.33	32.83	-
		Max I. Limited	2.98	-	-
		Max Ventures Private Limited	48.52	53.37	-
		Piveta Estates Private Limited	26.82	10.40	-
		Four Season Foundation	0.71	47.85	-
		Siva Realty Ventures Private Limited	-	2.72	-
		Total	**612.49**	**1,081.40**	**494.11**
4	**Interest received (from)**	Max Speciality Films Limited	-	63.52	71.70
		Max Estates Limited	111.05	37.66	-
		Max Learning Limited	12.25	0.66	-
		Max I. Limited	240.15	191.45	-
		Total	**363.45**	**293.29**	**71.70**
5	**Establishment Expense**	Max Ventures Private Limited	-	61.97	6.73
		Total	**-**	**61.97**	**6.73**
6	**Travelling and conveyance**	Max Ventures Private Limited	0.35	2.10	-
		Piveta Estates Private Limited	1.89	1.38	0.45
		Siva Realty Ventures Private Limited	3.86	15.42	3.27
		Total	**6.10**	**18.90**	**3.72**
7	**Legal and professional**	Max UK Limited	3.55	5.59	5.42
		Total	**3.55**	**5.59**	**5.42**
8	**Rent**	Veer Singh	-	-	66.55
		Lake View Enterprises	-	-	39.93
		Total	**-**	**-**	**106.48**
9	**Dividend Income (from)**	Max Speciality Films Limited	-	-	334.50
		Total	**-**	**-**	**334.50**
10	**Purchase of Tangible Assets**	Max Ventures Private Limited	-	3.90	-
		Piveta Estates Private Limited	5.54	2.48	
		Siva Realty Ventures Private Limited	24.34	-	-
		Total	**29.88**	**6.38**	**-**
11	**Sale/Transfer of Fixed Assets (to)**	Max Speciality Films Limited	-	-	47.29
		Total	**-**	**-**	**47.29**
12	**Contribution to Provident Fund Trust**	Max Financial services Limited Employees’ Provident Fund Trust	23.60	41.29	3.18
		Total	**23.60**	**41.29**	**3.18**
13	**Key managerial remuneration***	Sahil Vachani	110.53	229.97	23.50
		Alok Goel	33.74	59.96	11.76
		Nitin Kumar Kansal $	34.61	38.76	-
		Total	**178.87**	**328.69**	**35.26**
14	**Sitting Fees to Directors**	Analjit Singh	2.00	6.00	2.00
		Mohit Talwar	14.00	25.00	6.00
		K.N Murthy	8.00	19.00	6.00
		D.K Mittal	12.00	24.00	8.00
		Sujata Keshavan	2.00	1.00	-
		Ashok Kacker	11.00	26.00	5.00
		Sujatha Ratnam	1.00	7.00	3.00
		S.K Bijlani	-	3.00	2.00
		N.C Singhal	-	4.00	3.00
		Total	**50.00**	**115.00**	**35.00**
15	**Loan given (net)**	Max Estates Limited	3,202.72	897.05	-
		Max Learning Limited	465.00	45.00	-
		Max I. Limited	46.00	-	-
		Total	**3,713.72**	**942.05**	**-**
16	**Loan taken**	Analjit Singh	-	6,100.00	-
		Total	**-**	**6,100.00**	**-**
17	**Loan repaid**	Analjit Singh	5,600.00	500.00	
		Total	**5,600.00**	**500.00**	**-**
18	**Investment made**	Max Estates Limited	3,600.00	800.00	-
		Max Learning Limited	-	205.00	-
		Max I Limited - Deemed Equity	1,504.24	2,095.76	
		Max I Limited	2,434.95	3,250.69	-
		Total	**7,539.19**	**6,351.45**	**-**
19	**Convertible Warrants Issued**	Siva Enterprises Private Limited	2,017.60	672.53	-
		Total	**2,017.60**	**672.53**	**-**
20	**Purchase of stake in subsidiary**	Pharmax Corporation Limited	352.79	-	-
		Total	**352.79**	**-**	**-**

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information

32 (b) Restated Balances outstanding at year end

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
1	**Statutory dues payable**	Max Financial services Limited Employees' Provident Fund Trust	4.24	3.38	3.01
		Total	**4.24**	**3.38**	**3.01**
2	**Interest Accrued on ICD's**	Max Speciality Films Limited	-	158.55	101.38
		Max Estates Limited	126.81	15.76	-
		Ma Learning Limited	12.72	0.48	-
		Max I. Limited	0.97	-	-
		Total	**140.50**	**174.79**	**101.38**
3	**Trade Receivables**	Max Speciality Films Limited	154.64	91.28	328.28
		Max Estates Limited	164.73	42.43	-
		Max Learning Limited	54.80	20.52	-
		Max I. Limited	3.24	-	-
		Max Ventures Private Limited	55.21	-	-
		Piveta Estates Private Limited	20.52	1.93	-
		Four Season Foundation	0.84	18.44	-
		Siva Realty Ventures Private Limited	-	2.95	-
		Total	**453.98**	**177.55**	**328.28**
4	**Other Receivables**	Max Speciality Films Limited	7.53	29.78	47.29
		Max Estates Limited	9.77	3.65	-
		Max Learning Limited	16.37	12.68	-
		Max I. Limited	5.97	1.97	-
		Max Ventures Private Limited	8.19	6.31	-
		Piveta Estates Private Limited	12.46	1.26	-
		Four Season Foundation	-	12.60	-
		Max Financial Services Limited	-	-	-
		Max India Limited	-	0.25	-
		Siva Realty Ventures Private Limited	-	0.75	-
		Total	**60.29**	**69.25**	**47.29**
5	**Inter Corporate Deposit Receivable**	Max Speciality Films Limited	-	-	550.06
		Max Estates Limited	4,099.77	897.05	-
		Max Learning Limited	510.00	45.00	-
		Max I. Limited	46.00	-	-
		Total	**4,655.77**	**942.05**	**550.06**
6	**Investment in Debentures**	Max Estates Limited	3,600.00	-	-
		Max I Limited - Deemed Equity	3,599.99	2,095.75	
		Max I. Limited	5,685.64	3,250.69	-
		Total	**12,885.63**	**5,346.44**	**-**
7	**Loan outstanding**	Analjit Singh	-	5,600.00	-
		Total	**-**	**5,600.00**	**-**
8	**Security Deposit (Receivable)**	Veer Singh	-	30.00	30.00
		Lake View Enterprises	0.50	18.00	18.00
		Total	**0.50**	**48.00**	**48.00**
9	**Trade payables and Capital Creditors**	Max Financial Services Limited	48.32	38.33	96.13
		Max India Limited	-	0.25	58.52
		Max Estates Limited	-	6.28	-
		Max Speciality Films Limited	-	2.80	-
		Max I. Limited	-	4.50	-
		Max Ventures Private Limited	-	-	7.03
		Piveta Estates Private Limited	10.27	2.83	0.45
		Siva Realty Ventures Private Limited	28.19	6.92	3.27
		Max UK Limited	1.90	5.59	5.42
		New Delhi House Services Limited	2.03	2.34	-
		Total	**90.71**	**69.84**	**170.82**

Terms and conditions of transactions with related parties
a) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions
b) There have been no guarantees provided or received for any related party receivables or payables

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information

33 Restated Disclosure required under Section 186 (4) of the Companies Act, 2013.

(a) Particulars of Loans given:

(Rs. in Lakhs)

Sr. No	Name of the Loanee	Opening Balance as on March 31, 2017	Loan given	Loan repaid	Closing Balance as on September 30, 2017	Purpose
1	Max Estates Limited	897.05	3,202.72	-	4,099.77	Operational Cash Flow requirement
2	Max Learning Limited	45.00	465.00	-	510.00	Operational Cash Flow requirement
3	Max I. Limited		46.00	-	46.00	Operational Cash Flow requirement
		942.05	3,713.72	-	4,655.77	

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

(Rs. in Lakhs)

Sr. No	Name of the Investee	Opening Balance as on March 31, 2017	Investment made	Investment redeemed	Closing Balance as on September 30, 2017	Purpose
	Investment in Equity					
1	Max Speciality Films Limited	16,704.95	-	6,687.12	10,017.83	Strategic investment
2	Max Estates Limited	800.00	3,600.00	-	4,400.00	Strategic investment
3	Max Learning Limited	205.00	-	-	205.00	Strategic investment
4	Max I. Limited	2,100.76	1,504.23	-	3,604.99	Strategic investment
	Investment in Debentures					
	Max I. Limited	3,250.69	2,434.95		5,685.64	
		23,061.40	7,539.18	6,687.12	23,913.47	

(c) Particulars of Loans given:

(Rs. in Lakhs)

Sr. No	Name of the Loanee	Opening Balance as on March 31, 2016 (Proforma)	Loan given	Loan repaid	Closing Balance as on March 31, 2017	Purpose
1	Max Speciality Films Limited	550.06	-	550.06	-	Operational Cash Flow requirement
2	Max Estates Limited	-	1,442.23	545.18	897.05	Operational Cash Flow requirement
3	Max Learning Limited	-	105.00	60.00	45.00	Operational Cash Flow requirement
		550.06	1,547.23	1,155.24	942.05	

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

(Rs. in Lakhs)

Sr. No	Name of the Investee	Opening Balance as on March 31, 2016 (Proforma)	Investment made	Investment redeemed	Closing Balance as on March 31, 2017	Purpose
	Investment in equity					
1	Max Speciality Films Limited	16,704.95	-	-	16,704.95	Strategic investment
2	Max Estates Limited		800.00		800.00	Strategic investment
3	Max Learning Limited		205.00		205.00	Strategic investment
4	Max I. Limited		2,100.76	-	2,100.76	Strategic investment
	Investment in Debentures					
	Max I. Limited		3,250.69		3,250.69	
		16,704.95	6,356.45	-	23,061.40	

(e) Particulars of Loans given:

(Rs. in Lakhs)

Sr. No	Name of the Loanee	Opening Balance as on January, 20 2015 (Proforma)	Loan given	Loan repaid	Closing Balance as on March 31, 2016 (Proforma)	Purpose
1	Max Speciality Films Limited (refer note 41)	-	550.06	-	550.06	Operational Cash Flow requirement
		-	550.06	-	550.06	

(f) Particulars of Investments made in equity:

(Rs. in Lakhs)

Sr. No	Name of the Investee	Opening Balance as on January, 20 2015 (Proforma)	Investment made	Investment redeemed	Closing Balance as on March 31, 2016 (Proforma)	Purpose
	Investment in equity					
1	Max Speciality Films Limited (refer note 41)	-	16,704.95	-	16,704.95	Strategic investment
		-	16,704.95	-	16,704.95	

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information
34 **A. Restated Reconciliation statement of equity as previously reported under IGAAP to Ind AS as at March 31, 2016 (Proforma)**

(Rs. in Lakhs)

	Footnotes	Balance sheet as at March 31, 2016 (Proforma)			
		IGAAP	Restatement adjustment	Ind AS adjustment	Ind AS (Proforma)
ASSESTS					
Non-current assets					
Property, plant and equipment		14.41		-	14.41
Financial assets					
(i) Investments		16,704.95			16,704.95
(ii) Loans		550.06		-	550.06
Deferred tax assets	8	2.44	8.12	-	10.56
Non-Current tax assets	12	21.17	(0.77)	-	20.40
		17,293.03	**7.35**	**-**	**17,300.38**
Current assets					
Financial assets					
(i) Trade receivables		328.28		-	328.28
(ii) Cash and cash equivalents		1,126.37		-	1,126.37
(iii) Loans		149.38		-	149.38
(iv) Other financial assets		47.29		-	47.29
Other current assets		23.07		-	23.07
		1,674.39	**-**	**-**	**1,674.39**
TOTAL ASSETS		**18,967.42**	**7.35**	**-**	**18,974.77**
EQUITY AND LIABILITIES					
Equity					
Equity share capital		5,339.68		-	5,339.68
Other equity	10	13,354.52	(17.21)		13,337.31
Total Equity		**18,694.20**	**(17.21)**	**-**	**18,676.99**
Non-current liabilities					
Long term provisions		2.96		-	2.96
		2.96	**-**	**-**	**2.96**
Current liabilities					
Financial Liabilities					
Trade payables	11	229.09	24.56	-	253.65
Short term provisions		8.58	-	-	8.58
Other current liabilities		32.59	-	-	32.59
		270.26	**24.56**	**-**	**294.82**
TOTAL LIABILITIES		**273.22**	**24.56**	**-**	**297.78**
TOTAL EQUITY AND LIABILITIES		**18,967.42**	**7.35**	**-**	**18,974.77**

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information
B. Restated Reconciliation statement of equity as previously reported under IGAAP to Ind AS as at March 31, 2017

(Rs. in Lakhs)

	Footnotes	Balance sheet as at March 31, 2017			
		IGAAP	Restatement adjustment	Ind AS adjustment	Ind AS
ASSESTS					
Non-current assets					
Property, plant and equipment		39.12	-	-	39.12
Intangible assets		4.09	-	-	4.09
Financial assets			-	-	
Investments	6	22,869.95	-	191.45	23,061.40
Loans	1	77.75	(0.01)	(44.48)	33.26
Other financial assets		0.25	-	-	0.25
Non-Current tax assets	12	138.52	(0.77)		137.74
		23,129.68	**(0.78)**	**146.96**	**23,275.86**
Current assets					
Inventories					-
Financial assets					
Investments	5	12,199.30	-	94.12	12,293.42
Trade receivables		177.55	-	-	177.55
Cash and cash equivalents		51.33	-	-	51.33
Loans		1,164.84	-	-	1,164.84
Other financial assets		106.00	-	-	106.00
Other current assets	1	29.24	-	42.90	72.14
		13,728.26	**-**	**137.02**	**13,865.28**
TOTAL ASSETS		**36,857.94**	**(0.78)**	**283.98**	**37,141.14**
EQUITY AND LIABILITIES					
Equity					
Equity share capital		6,897.79	-	-	6,897.79
Other equity	10	23,292.12	(0.77)	274.72	23,566.07
Money received against share warrants		672.53	-	-	672.53
Total Equity		**30,862.44**	**(0.77)**	**274.72**	**31,136.39**
Non-current liabilities					
Financial Liabilities					
(i) Borrowings		5.63	-	-	5.63
(ii) Other financial liabilities		-	-	-	-
Long term provisions		11.82	-	-	11.82
Deferred tax liabilities	8	-	-	19.52	19.52
Other non-current liabilities	7	10.26	-	(10.26)	-
		27.71	**-**	**9.26**	**36.97**
Current liabilities					
Financial Liabilities					
(i) Borrowings		5,600.00	-	-	5,600.00
(ii) Trade payables		262.87	-	-	262.87
(iii) Other financial liabilities		13.06	(0.01)	-	13.05
Short term provisions		27.27	-	-	27.27
Other current financial liabilities		64.59	-	-	64.59
		5,967.79	**(0.01)**	**-**	**5,967.78**
TOTAL LIABILITIES		**5,995.50**	**(0.01)**	**9.26**	**6,004.75**
TOTAL EQUITY AND LIABILITIES		**36,857.94**	**(0.78)**	**283.98**	**37,141.14**

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information

C. Restated Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS for the year ended March 31, 2017

(Rs. in Lakhs)

	Footnotes	for the year ended March 31, 2017			
		IGAAP	**Restatement adjustment**	**Ind AS adjustment**	**Ind AS**
INCOME					
Revenue from operations	5,6	1,200.84	-	285.54	1,486.38
Other income	1	-	-	3.02	3.02
Total income		**1,200.84**	**-**	**288.56**	**1,489.40**
Expenses					
Employee benefits expense	3, 11	620.14	(24.56)	1.32	596.90
Depreciation and amortization expense		5.21	-	-	5.21
Finance costs		208.61	-	-	208.61
Other expenses	1, 7, 9	989.75	-	(70.60)	919.15
Total expense		**1,823.71**	**(24.56)**	**(69.28)**	**1,729.87**
Loss before tax		(622.87)	24.56	357.84	(240.47)
Tax expenses	8	2.43	8.12	19.06	29.61
Loss for the year		(625.30)	16.44	338.78	(270.08)
Other comprehensive income					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Re-measurement losses on defined benefit plans	2, 3	-	-	1.32	1.32
Income tax effect	8	-	-	(0.46)	(0.46)
Other comprehensive income for the year, net of tax		-	-	0.86	0.86
Total comprehensive income for the year, net of tax		**(625.30)**	**16.44**	**339.64**	**(269.22)**

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Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information
D. Restated Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS for the period January 20, 2015 to March 31, 2016 (Proforma)

(Rs. in Lakhs)

	Footnotes	for the period January 20, 2015 to March 31, 2016 (Proforma)			
		IGAAP	**Restatement adjustment**	**Ind AS adjustment**	**Ind AS (Proforma)**
INCOME					
Revenue from operations		980.43	-		980.43
Other income		-	-		-
Finance income		-	-		-
Total income		**980.43**	**-**	**-**	**980.43**
Expenses					
Employee benefits expense	11	192.61	24.56		217.17
Depreciation and amortization expense		7.34	-		7.34
Finance costs		-	-		-
Other expenses		459.04	-		459.04
Total expense		**658.99**	**24.56**	**-**	**683.55**
Loss before tax	11	321.44	(24.56)		296.88
Tax expenses	8, 12	33.72	**(7.35)**		26.37
Loss for the year		287.72	(17.21)	-	270.51
Other comprehensive income					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Re-measurement losses on defined benefit plans		-	-		-
Income tax effect		-	-		-
Other comprehensive income for the year, net of tax		-	-	-	-
Total comprehensive income for the year, net of tax		**287.72**	**(17.21)**	**-**	**270.51**

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Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information

35 Footnotes to the reconciliation of equity as at March 31, 2016 (Proforma) and March 31, 2017 and profit or loss for the period January 20,2015 to March 31, 2016 and for year ended March 31, 2017

1) Security deposits
Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the company has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

2) Remeasurements of post-employment benefit obligations
Both under previous GAAP and Ind AS, the Company recognized costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to statement of profit or loss. Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognized in balance sheet through other comprehensive income.

3) Other comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires orpermits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' and includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

4) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows

5) Mutual Fund investments
Under Indian GAAP, All current investments including mutual funds are measured at lower of cost or market value. As per Ind AS 109, Investments in mutual funds are required to be recognized at their fair value, for which changes in fair value being recognized in profit & loss.

6) Zero Coupon non-convertible debentures
In the restated financial statements prepared under previous GAAP, the carrying value of zero coupon non convertible debentures was recognised at the principal amount payable by the borrower. Under IND AS, interest free non convertible debentures being a financial asset is required to be recognised intially at fair value and subsequently measured at amortised cost using the effective interest method. The difference between such fair value and the carrying value is recognised as investment in equity disclosed under investments

7) Straight lining of lease escalation
Indian GAAP mandated straight lining of lease escalation in case of non cancellable leases. Ind AS 17 does not mandate straight lining of lease escalation, it they are in line with the expected general inflation compensating the lessor for expected inflationary cost. Accordingly, the Company has reversed Lease equalisation reserve created in books

8) Deferred tax
Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional and restatement adjustments lead to temporary differences.

9) Share issue expenses
Under the Indian GAAP, share issues expense is to be charged to the statement of profit and loss. Under Ind AS, share issue expenses will deducted from the securities premium account

10) Retained earnings

Retained earnings as at March 31, 2016 and March 31, 2017 has been adjusted consequent to the Ind AS transition and restatement adjustments mentioned herewith

11) For the year ended March 31, 2017, employee benefit expense amounting to INR 24.56 lacs have been identified as adjustments which pertains to period before April 1, 2016. These adjustments were recorded in the year when identified.

12) Tax expense for period ended March 31, 2016 is adjusted in accordance with the Income Tax return filed for the said year.

36 Ind AS (Exception and exemption availed)

The Restated Standalone Statement of Assets and Liabilities of the Company as at March 31, 2017 and March 31, 2016 and the Restated Standalone Statement of Profit and Loss, the Restated Standalone Statement of Changes in Equity and the Restated Standalone Statement of Cash flows for the years ended March 31, 2017 and March 31 2016 and Restated Other Standalone Financial Information (together referred as 'Restated Standalone Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

The Company has elected to present all two years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. This note explains the principal adjustments made by the Company in restating its Indian GAAP restated financial statements, including the balance sheet as at March 31, 2016 and the restated financial statements as at and for the year ended March 31, 2017.

Ind-AS optional exemption

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost

Ind AS 101 permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the restated financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind-AS 38.

The Company has elected to consider carrying value of its property, plant and equipment and intangible assets as its deemed cost on the date of transition to Ind AS.

Share based payment transactions

Ind AS 101 permits a first time adopter to elect not to apply principles of Ind AS 102 to liabilities arising from share based payment transactions that were settled before the date of transition.

The Company has elected not to apply Ind AS 102- "Share based payment" on stock options that vested before date of transition.

Investments in subsidiaries

Ind AS 101 permits the first time adopter to measure investment in subsidiaries, joint ventures and associates in accordance with Ind AS 27 at one of the following:
a) cost determined in accordance with Ind AS 27 or
b) Deemed cost:
(i) fair value at date of transition
(ii) previous GAAP carrying amount at that date.
The Company has elected to consider previous GAAP carrying amount of its investments in subsidiaries on the date of transition as its deemed cost for the purpose of determining cost in accordance with principles of IND AS 27- "Separate financial statements".

Business Combinations

The Company has used the exemption under Ind AS 101 at the date of transition to Ind- AS i.e. carrying amounts of assets and liabilties, that are required to be recognized under Ind - AS, is their deemed cost at the date of acquisition. After the date of acquisition, measurement is in accordance with the respective Ind AS. The Company recognizes all assets and liabilities assumed in a past business combination.

Ind AS mandatory exceptions

Estimates

An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at the date of transition are consistent with the estimates as at the same date made in conformity with previous GAAP.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Company has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

Classification of financial assets and liabilities

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Company has applied the above requirement prospectively.

Impairment of financial assets

Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare it to the credit risk at the date of transition to Ind AS. The Company has applied this exception prospectively.

37 a) During the year ended March 31, 2017, the company has issued 1,55,23,870 equity shares of Rs. 10/- each at security premium of Rs. 68/- per share determined in accordance with SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009, as ammended ("ICDR Regulations); to New York Life International Holdings Limited (the "Investor") for the consideration of Rs. 12,108.62 Lakhs on preferential basis.

b) Further, during year ended March 31, 2017, the Company received Rs.672.53 Lakhs (25% of total value of consideration) against the issue of 3,448,894 share warrants ("Warrants") to Siva Enterprises Private Limited, forming part of the Promoter Group at a price of Rs.78 per share determined in accordance with ICDR regulations. During the six months period ended September 30, 2017, the Company has received Rs.2,017.60 Lakhs against the balance 75% outstanding of total value on conversion of share warrants ("Warrants") into equity shares.

c) Given below are the details of utilisation of proceeds through preferential issue (Rs. in Lakhs)

	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)
Unutilised amount at the beginning of the year	12,036.15	-	-
Proceeds received during the period/year	2,017.60	12,781.15	-
Less: amount utilised during the period/year			-
- Repayment of Loan	5,600.00	500.00	-
- Loan given to subsidiary companies	3,713.00	245.00	-
- Investments in debentures issued by subsidiary companies	3,600.00	-	-
- Investment in equity shares of subsidiary company	352.79	-	-
Unutilised amount at the end of the year	**787.96**	**12,036.15**	**-**

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

	As at September 30, 2017	As at March 31, 2017	March 31, 2016 (Proforma)
Investment in Debt based Mutual funds	787.96	12,036.15	-

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

The Board of Directors of Max Financial Services Limited (MFS, erstwhile Max India Limited) in meeting held during the financial year 2015-16, have approved the Corporate Restructuring plan to vertically split Max Financial Services Limited through a Scheme of demerger ('Scheme'), into three separate listed companies.

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

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

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

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

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

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

39 a) On April 03, 2017, the Company has purchased 338,350 equity shares of Max Speciality Films Limited face value of Rs.10/- each from Pharmax Corporation Limited at a premium of Rs.94.27 per share aggregating to a total consideration of Rs.352.80 Lakhs.

b) On April 06, 2017, the Company divested 35.84% (on fully diluted basis of equity shares as at March 31, 2017) stake in Max Speciality Films Limited (MSF) by transferring 1,39,45,659 equity shares of Rs.10/- each at a premium of Rs.94.27 per share to Toppan Printing Co. Ltd. (Toppan) for a consideration of Rs.14,541.14 Lakhs. Further, MSF also issued and allotted 51,18,407 equity shares (representing 13.16% on fully diluted basis of equity shares as at March 31, 2017) of face value of Rs.10/- each at a premium of Rs. 94.27 per share to Toppan, for an aggregate consideration of Rs.5336.96 Lakhs on a private placement basis, free of all liens or other encumbrances or rights of third parties. Post share issuance by MSF, Toppan holding is 49% and the Company holding is 51% in MSF. This has resulted into gain of Rs.7500.32 Lakhs.

40 Capital Management

For the purpose of the Company's capital management, capital includes issued equity attributable to the equity shareholders of the Company, share premium and all other equity reserves. The primary objective of the Company's capital management is that it maintain an efficient capital structure and maximize the shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, The Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio between 20% to 40%. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Borrowings	5.74	5,605.63	-
Trade payables	254.27	262.87	253.65
Less: Cash and Cash equivalents	63.21	51.33	1,126.37
Net Debt	196.80	5,817.17	(872.72)
Equity	39,509.60	31,136.39	18,676.99
Total Equity	**39,509.60**	**31,136.39**	**18,676.99**
Total Capital and net debt	**39,706.40**	**36,953.56**	**17,804.27**
Gearing ratio	0%	16%	-5%

41 The figures have been rounded off to the nearest Lakhs of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than Rs. 50,000/-.

42 The restated financial statements for six months period ended September 30, 2017 are not comparable to year ended March 31, 2017 and for the period January 20, 2015 to March 31,2016.

As per our report of even date

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

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

per Atul Seksaria
Partner
Membership Number: 086370

Dinesh Kumar Mittal
(Director)
DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)
DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Gurugram
Date: February 14, 2018

Place : Delhi
Date: February 14, 2018

Annexure- VI
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Note on material adjustment to the standalone financial statements

Below mentioned is the summary of results of adjustments made in the audited standalone financial statements of the respective period and its impact on restated standalone summary statement of profit and loss

(All amounts in Rupees Lacs)

	Particulars	**For the six months ended Sep 30, 2017**	**For the year ended March 31, 2017**	**For the period January 20, 2015 to March 31, 2016 (Proforma)**
	Net profit/(loss) after tax as per audited financial statements prepared under applicable GAAP	6,304.66	-625.31	287.72
I	**Adjustments:**			
	On account of interest income on interest free security deposits recognised at amortised cost (Refer Note 1)		3.02	
	On account of amortisation of security deposits recognised at amortised cost (Refer Note 1)		-4.60	
	On account of interest free non convertible debentures from subsidiary recognised at amortised cost (Refer Note 2)		191.45	
	On account of straightlining of land leases/ structured payments (Refer Note 3)		10.26	
	Investment in mutual funds accounted at fair value through profit and loss (Refer Note 4)		94.10	
	On account of share issue expenses adjusted from Securities premium account (Refer Note 5)		64.93	
	Adjustment of earlier years (Refer Note 7)		24.56	-24.56
	Deferred tax impact (Refer Note 6)		-27.63	7.35
II	**Qualification adjustments:**	-	-	-
III	**Total restated comprehensive income/(loss)**	6,304.66	-269.22	270.51

Notes

Note 1
Based on Ind AS - 109, financial assets in the form of long term interest free deposits to landlords have been accounted at fair value on the date of transition and subsequently measured at amortized cost using the effective interest rate method.

Note 2
Based on Ind AS - 109, financial assets in the form of non-convertible debentures in subsidiaries is valued at fair value and the difference is considered as deemed investment in equity shares. Subsequently the investments in subsidiary is carried at cost and the debentures are measured at amortized cost using the effective interest rate method.

Note 3
Under Indian GAAP, operating lease excluding land leases were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. As per Ind-AS 17, Operating lease includes land leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either (a) another systematic basis is more representative of the time pattern of the user’s benefit even if the payments to the lessors are not on that basis, or (b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor’s expected inflationary cost increases.

Note 4
Based on Ind AS - 109, financial assets in the form of investments in mutual funds have been accounted as fair value through profit and loss as at balance sheet date.

Note 5
Based on Ind AS - 32, transaction costs incurred on issuance of share capital accounted for as a deduction from equity.

Note 6
Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional and restatement adjustments lead to temporary differences.

Note 7
For the year ended March 31, 2017, employee benefit expense amounting to INR 24 lacs have been identified as adjustments which pertains to period before April 1, 2016. These adjustments were recorded in the year when identified.

Annexure- VII
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Restated Standalone Statement of Accounting Ratios

(All amounts in Rupees Lacs)

Particulars	**For the six months ended Sep 30, 2017**	**For the year ended March 31, 2017**	**For the period January 20, 2015 to March 31, 2016 (Proforma)**
Earnings per equity share			
Basic EPS (Rs.)	8.83	-0.49	0.51
Anti Diluted/Diluted EPS (Rs.)	8.65	-0.49	0.50
Return on Net Worth %	15.96%	-0.89%	1.45%
Net asset value per equity share (Rs.)	54.38	44.16	34.98
Weighted average number of equity shares for Basic Earnings Per Equity Share	71,463,211	55,242,723	53,364,617
Weighted average number of equity shares for Diluted Earnings Per Equity Share	72,870,276	56,132,659	53,908,387
Net Profit after tax, as restated	6,306.86	-270.08	270.51
Share Capital	7,264.81	6,897.79	5,339.68
Reserves (other equity), as restated	32,244.79	23,566.07	13,337.31
Net worth, as restated	39,509.60	30,463.86	18,676.99

Notes:
1. The ratio on the basis of Restated financial information have been computed as follows:

$$\text{Basic Earnings per share (Rs.)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$$

$$\text{Diluted Earnings per share (Rs.)} = \frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$$

$$\text{Returns on net worth (\%)} = \frac{\text{Net profit after tax, as restated}}{\text{Net worth at the end of the year/period}}$$

$$\text{Net Assets Value (NAV) per equity share (Rs)} = \frac{\text{Net worth, as restated at the end of the year/period}}{\text{Number of equity shares outstanding at the end of the year/period}}$$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.

3. Net worth = Equity share capital + Other equity (including Securities premium and Surplus/(Deficit))

4. Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 ‘Earnings per Share’, notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

5. The above ratios have been computed on the basis of Restated Standalone Financial Information.

Annexure- VIII
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Standalone Capitalisation statement as at September 30, 2017

(All amounts in Rupees Lacs)

Particulars	**Pre issue as at September 30, 2017**	**As adjusted for offer (Refer note 5 below)**
Debt		
Short Term Borrowings (A)		
Current financial liabilities - Borrowings	-	
Current maturities of long term borrowings	5.81	
Non Current financial liabilites - Borrowings (B)	5.74	
Total borrowings (C)= (A+B)	11.55	
Shareholder's funds		
Share capital	7,264.81	
Reserves and Surplus, as restated		
Securities premium	12,875.83	
Retained earnings	6,305.95	
Capital reserve	13,042.52	
Share-based payment reserve	20.49	
Total shareholders' funds (D)	39,509.60	
Long term debt/ equity (B/D)	0.0001	
Total Debt /equity (C/D)	0.0003	

Notes:

1. Long term debt/ equity has been computed as $\frac{\text{Non Current financial liabilites - Borrowings}}{\text{Total equity}}$

2. Total debt/ equity has been computed as $\frac{\text{Total Borrowings}}{\text{Total equity}}$

3. Short term Borrowings represents borrowings due within 12 months from the balance sheet date.
4. Long term Borrowings represents borrowings due after 12 months from the balance sheet date and also includes current maturities of long term borrowings.
5. The corresponding post right issue capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the right issue and hence the same have not been provided in the above statement.

6. The figures disclosed above are based on the restated standalone summary statement of assets and liabilities of the Company.

7. The above statement should be read with the notes to restated standalone summary statements of assets and liabilties, profits and losses and cash flows as appearing in Annexure- I, II, IV

Annexure- IX
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Statement of Tax Shelter

Particulars	**For the six months ended Sep 30, 2017**	**For the year ended March 31, 2017**	**For the period January 20, 2015 to March 31, 2016 (Proforma)**
Restated profit/(loss) before tax (A)	7,979.71	-240.47	296.88
Tax Rate (B)	34.61%	34.61%	33.06%
Tax at statutory income tax rate (C=A*B)	2,761.62	-83.22	98.15
Permanent Differences :			
Disallowance of expenses	1.41	339.21	25.95
Rates and Taxes	0.05	-	49.60
Interest on TDS and service tax	0.02	0.03	-
Donation	-	0.05	-
Dividend Income	-	-	-334.50
Impact of indexation of capital gain	-840.07	-	-
Difference of tax rates of Long term capital gain and business income	-2,142.30	-	-
Disallowances on account of exempt income	71.86	-	83.52
Total permanent differences (D)	**-2,909.03**	**339.29**	**-175.43**
Temporary Differences :			
Mark to Market Gain on mutual fund investments	-280.86	-94.10	-
On measurement of security deposit (rent on amortised cost of reporting date)	-1.86	-3.02	-
Unwinding of interest on zero coupon non-convertible debentures	-239.18	-191.45	-
Rent on amortisation of security deposit (Rent)	2.63	5.66	-
Gratuity expense	10.66	6.34	2.05
Leave Encashment (provision for the year)	19.46	16.74	5.96
Variable Pay	47.45	-24.56	24.56
Tax Depreciation	-8.10	-13.01	-4.37
Depreciation as per Companies Act	5.74	5.22	7.34
Business losses	-	-	-45.33
Total temporary differences(E)	**-444.06**	**-292.18**	**-9.79**
Total adjustments (F=D+E)	**-3,353.09**	**47.12**	**-185.22**
Tax on adjustments (G=D*B)	**-1,160.44**	**16.31**	**-61.23**
Total Current Tax (H=C+G)	1,601.18	-	36.92
MAT payable (I)	-	-	-
Deferred tax (credit)/charge for the period/ year (including MAT credit written off/(entitlement) (J)	71.67	29.61	-10.55
Tax for the year (K=H+I+J)	**1,672.85**	**29.61**	**26.37**
As per restated statement of profit and loss			
- Current tax	1,601.18	-	36.92
- Deferred tax	71.67	29.61	-10.55
Total tax expense as per restated statement of profit and loss	**1,672.85**	**29.61**	**26.37**

Notes:
1) The permanent and temporary differences for the year ended March 31, 2017 and period ended March 31, 2016 have been computed based on the tax computations of the income tax returns for the respective years/periods. The permanent and temporary differences for the six months period ended September 30, 2017 are based on the draft tax computation for the said period.

2) Tax rate includes applicable surcharge, education cess and secondary and higher education cess for the respective year/period concerned.
3) The aforesaid Statement of tax shelter has been prepared as per the standalone summary statement of assets and liabilities and profits and losses of the Company.
4) The above statement should be read with the notes to restated standalone summary statements of assets and liabilties, profits and losses and cash flows as appearing in Annexure I, II and IV

Auditors' Report on the Restated Consolidated Summary Statement of Assets and Liabilities as at September 30, 2017, March 31, 2017 and March 31, 2016 and Profits and Losses, Statement of changes in equity and Cash Flows for six months period ended September 30, 2017, year ended March 31, 2017 and period from January 20, 2015 to March 31, 2016 of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited) (collectively, the "Restated Consolidated Summary Statements")

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

Dear Sirs,

1. We have examined the attached Restated Consolidated Summary Statements of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited) (the "Company") and its subsidiaries (together referred to as "the Group", refer note29 of Annexure V to the attached Restated Consolidated Summary Statements for details) as at September 30, 2017, March 31, 2017 and March 31, 2016 and for period ended September 30, 2017, year ended March 31, 2017 and period from January 20, 2015 to March 31, 2016, annexed to this report and prepared by the Company for the purpose of inclusion in the Draft Letter of Offer (referred to as "DLOF") in connection with its proposed offering of equity shares on rights basis (Rights Issue"). The Restated Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

    a. sub-clauses (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules"); and
    b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992 read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016.

Management's Responsibility for the Restated Consolidated Summary Statements

2. The preparation of the Restated Consolidated Summary Statements which are to be included in the DLOF, is the responsibility of the Management of the Company for the purpose set out in Para 14 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and the ICDR Regulations.

Auditors' Responsibilities

3. We have examined such Restated Consolidated Summary Statements taking into consideration:

    a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated January 15, 2018, requesting us to carry out the assignment, in connection with the proposed Rights Issue of the equity shares of the Company;
    b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and
    c. the requirements of Section 26 of the Act read with applicable provisions within Rule 4 to 6 of the Rules and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the Rights Issue.

4. The Company proposes to make a rights issue which comprises of issue of equity shares having a face value of Rs. 10 each on rights basis, at such premium, as may be decided by the Company's Board of Directors.

Restated Consolidated Summary Statements as per audited consolidated financial statements:

5. The Restated Consolidated Summary Statements have been prepared under Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules 2015 read with section 133 of the Companies Act 2013 and have been compiled by the management from:

   a) the audited interim consolidated financial statements of the Company as at September 30, 2017 and for the six months ended September 30, 2017 prepared in accordance with Ind AS, which have been approved by the Board of Directors at their meeting held on February 14, 2018;
   b) the audited consolidated financial statements of the Company as at and for the year ended March 31, 2017, prepared in accordance with accounting principles generally accepted in India ("Indian GAAP") at the relevant time, which have been approved by the Board of Directors at their meeting held on May 25, 2017; and
   c) the audited consolidated financial statements of the Company as at March 31, 2016 and for the period from January 20, 2015 to March 31, 2016, prepared in accordance with Indian GAAP at the relevant time, which have been approved by the Board of Directors at their meeting held on May 10, 2016.
   d) the financial information in relation to the Company's subsidiaries as listed below, which are included in the abovementioned consolidated financial statements :

Name of the entity	Name of the audit firm	Period covered
Max Speciality Films Limited	S. R. Batliboi & Co. LLP	As at and for the six months period ended September 30, 2017,as at and for the years ended March 31, 2017 and March 31, 2016
Max Estates Limited	KK Mankeshwar & Co.	As at and for the six months period ended September 30, 2017,as at and for the period from March 22, 2016 to March 31, 2017
Max I Limited	KK Mankeshwar & Co.	As at and for the six months period ended September 30, 2017, as at and for the period from June 23, 2016 to March 31, 2017
Max Learning Limited	KK Mankeshwar & Co.	As at and for the six months period ended September 30, 2017 As at nd for the period from August 23, 2016 to March 31, 2017
Wise Zone Builders Private Limited	KK Mankeshwar & Co.	As at and for the period from April 28, 2017 to September 30, 2017

6. (a) For the purpose of our examination, we have relied on Auditors' Report issued by us dated February 14, 2018, May 25, 2017 and May 10, 2016 on the interim consolidated financial statements of the Company as at and for the six months period ended September 30, 2017, on the consolidated financial statements of the Company as at and for the year ended March 31, 2017 and as at and for the period from January 20, 2015 to March 31, 2016, respectively, as referred in Para 5(a), 5(b) and 5(c) above.
   (b) As indicated in auditors report on consolidated financial statements as at September 30, 2017 and March 31, 2017 and for the six months ended September 30, 2017 and year ended March 31, 2017 referred to in Para 6(a) above, we did not audit financial statements of certain subsidiaries, whose share of total assets, total revenues and net cash inflows / (outflows) included in the Consolidated Financial Statements, for the relevant years is tabulated below:

(Rs. In lakhs)

Period	Total assets	Total revenues	Net cash (outflows)/ inflows
As at and period ended March 31, 2017	8,906.78	421.41	97.51
As at and period ended September 30, 2017	74,599.89	65.17	279.76

These financial statements have been audited by other firm of Chartered Accountants as listed in Para 5(d) above, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statements are based solely on the reports of other auditors.

a) The examination reports issued by other auditors of subsidiaries of the Company on the restated standalone summary statement of the respective subsidiary as at and for the year/period covered as indicated below, which forms the basis of our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statements, are mentioned below:

Name of the entity	Name of the audit firm	Examination report dated
Max Estates Limited	KK Mankeshwar & Co.	Dated February 12, 2018 on restated financial statements as at and for the six months period ended September 30, 2017, as at and for the period from March 22, 2016 to March 31, 2017
Max I Limited	KK Mankeshwar & Co.	Dated February 12, 2018 on restated financial statements as at and for the six months period ended September 30, 2017,as at and for the period from June 23, 2016 to March 31, 2017
Max Learning Limited	KK Mankeshwar & Co.	Dated February 12, 2018 on restated financial statements as at and for the six months period ended September 30, 2017,,as at and for the period from August 23, 2016 to March 31, 2017
Wise Zone Builders Private Limited	KK Mankeshwar & Co.	Dated February 12, 2018 on restated financial statements as at and for the period from April 28, 2017 to September 30, 2017

For the six months ended Sep 30, 2017 and financial year ended March 31, 2017, share of above mentioned subsidiaries in the total assets, total revenues and net cash inflows /(outflows) included in the Restated Consolidated Summary Statements, for the relevant years/periods is tabulated below:

(Rs. In lakhs)

Period	Number of subsidiaries	Total assets	Total revenues	Net cash (outflows)/ inflows
As at and period ended March 31, 2017	3	11,054.58	97.64	71.28
As at and period ended September 30, 2017	4	74,599.65	53.75	279.76

These restated standalone summary statements have been examined by other firm of Chartered Accountants, KK Mankeshwar & Co., whose examination reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Consolidated Summary Statements are based solely on the examination reports of other auditors. The other auditor, as mentioned above, have confirmed that:

i) these restated standalone summary statements have been made after incorporating such adjustments, as fully described in the notes appearing in Annexure VI to this report, for the changes in accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
ii) these restated standalone summary statements have been made after incorporating adjustments and regroupings for the material amounts in the respective financial years / periods to which they relate; and
iii) these restated standalone summary statements do not contain any extra-ordinary items that need to be disclosed separately in the restated standalone summary statements, examined by them, and do not contain any qualification requiring adjustments.

7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, ICDR Regulations and the Guidance Note, we report that

we have examined the following summarised financial statements of the Group contained in Restated Consolidated Summary Statements which, as stated in Para 2A of Annexure V to this report, have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Restated Consolidated Summary Statement of Material Adjustments, read with Para 10 and Para 11 below :

a) The Restated Consolidated Summary Statement of Assets and Liabilities of the Company as at September 30, 2017, March 31, 2017 and March 31, 2016, as set out in Annexure I to this report,

b) The Restated Consolidated Summary Statement of Profit and Loss of the Company for the six months ended September 30, 2017, year ended March 31, 2017 and period from January 20, 2015 to March 31, 2016, as set out in Annexure II to this report,

c) The Restated Consolidated Summary Statement of Change in Equity of the Company for the six months period ended September 30, 2017, year ended March 31, 2017 and period from January 20, 2015 to March 31, 2016, as set out in Annexure III to this report,

d) The Restated Consolidated Summary Statement of Cash Flows of the Company for the six months ended September 30, 2017, year ended March 31, 2017 and period from January 20, 2015 to March 31, 2016, as set out in Annexure IV to this report,

e) Based on the above and according to the information and explanations given to us, and also as per reliance placed on the reports submitted by the other auditors as referred to in Para 6(c) above for the respective years, we further report that:

    i) Restated Consolidated Summary Statements have been made after incorporating adjustments for the changes in accounting policies retrospectively in respective financial year/periods to reflect the same accounting treatment as per changed accounting policy for all the reporting periods;
    ii) Restated Consolidated Summary Statements have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year/periods to which they relate;
    iii) Restated Consolidated Summary Statements do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Summary Statements; and
    iv) There are no qualifications in the auditors' reports on the audited interim Consolidated financial statements of the Company as at and for the six months period ended September 30, 2017 and audited consolidated financial statements as at and for the year ended March 31, 2017 and as at and for the period from January 20, 2015 to March 31, 2016, which require any adjustments to the Restated Consolidated Summary Statements.
    v) Emphasis of matter reported in the auditor's report on the interim consolidated financial statements as at and for the six months period ended September 30, 2017, which do not require corrective adjustments in the Restated Consolidated Summary Statements, is as follows:
    We draw attention to Note 55 of Annexure- V to the Restated Consolidated financial statement which describes the impact of the recognition of Land Development Rights by its subsidiary Max Estates Limited, which has led to a restatement of the interim consolidated financial statements for the six months ended September 30, 2017 (and corresponding period of the previous financial year).

   Our opinion was not qualified in respect of above matter.

8. We have not audited any financial statements of the Group for any period subsequent to September 30, 2017. Accordingly, we express no opinion on the financial position, results of operations, changes in equity or cash flows of the Group as of any date or for any period subsequent to September 30, 2017.

Other Financial Information:

9. At the Company's request, we have also examined the following Restated Consolidated financial information proposed to be included in the DLOF, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group as at September

30, 2017, March 31, 2017 and March 31, 2016 and for the six months period ended September 30, 2017, for the year ended March 31, 2017 and for the period from January 20, 2015 to March 31, 2016:

i. Restated Consolidated Statement of Material Adjustments and Regroupings enclosed as Annexure VI.
ii. Restated Consolidated Statement of accounting ratios enclosed as Annexure VII.
iii. Consolidated Capitalization Statement as at September 30, 2017, enclosed as Annexure VIII

10. According to the information and explanations given to us, in our opinion, the Restated Consolidated Summary Statements for the six months period ended September 30, 2017, year ended March 31, 2017 and March 31, 2016 and the abovementioned Restated Consolidated financial information contained in Annexures V accompanying this report, read with Summary of Significant Accounting Policies disclosed in Para 2 of Annexure V, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure VI and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.

11. According to information and explanations given to us in our opinion, the Proforma Ind AS Restated Consolidated Summary Statements of the Company as at March 31, 2016 and for the period from January 20, 2015 to March 31, 2016, read with summary of accounting policies disclosed in para 2A of Annexure V are prepared after making proforma adjustments as mentioned in Annexure VI and have been prepared in accordance with the Rules, ICDR Regulations and the Guidance Note.

12. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

13. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

14. Our report is intended solely for use of the management of the Company for inclusion in the DLOF to be filed with Securities and Exchange Board of India SEBI, BSE Limited and National Stock Exchange (NSE), in connection with the proposed Rights Issue of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

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

per Atul Seksaria
Partner
Membership No: 086370

Place: Gurugram
Date: 14th February, 2018

Annexure- I
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Consolidated Restated Summary Statement of Assets and Liabilities as at September 30, 2017

(Rs. in Lakhs)

	Note of Annexure V	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
ASSETS				
Non-current assets				
Property, plant and equipment	3	31,620.15	31,752.05	26,667.68
Capital work-in-progress	3	11,712.84	1,590.77	2,161.45
Goodwill	4	167.09	167.09	222.79
Other Intangible assets	4	334.33	353.40	272.78
Intangible assets under development	4	69.87	43.41	-
Financial assets	5			
(i) Investments		8,804.72	5,104.72	-
(ii) Other non- current financial assets		1,151.32	356.29	299.99
(iii) Other bank balances		0.25	0.25	-
Non-current tax assets	6	191.28	311.40	20.39
Other non current assets	7	3,101.35	239.35	1,956.60
		57,153.20	**39,918.73**	**31,601.68**
Current assets				
Inventories	8	66,223.66	12,860.50	5,807.05
Financial assets	9			
(i) Investments		12,059.39	12,293.43	-
(ii) Trade receivables		12,334.49	11,400.56	14,643.43
(iii) Cash and cash equivalents		457.89	193.08	1,288.01
(iv) Other bank balances		5.18	4.88	1.24
(v) Loans		42.99	93.56	67.66
(vi) Derivative instruments		-	41.91	18.63
(vii) Other current financial assets		114.90	182.40	140.22
Other current assets	10	4,827.48	2,166.15	2,223.08
		96,065.98	**39,236.47**	**24,189.32**
TOTAL ASSETS		**153,219.18**	**79,155.20**	**55,791.00**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	7,264.81	6,897.79	5,339.68
Other equity	12	33,531.57	25,499.08	15,674.28
Money received against share warrants		-	672.53	-
Non-controlling interest		12,415.64	197.62	192.54
Total equity		**53,212.02**	**33,267.02**	**21,206.50**
Non-current liabilities				
Financial liabilities				
(i) Borrowings	13	17,226.53	18,870.53	17,300.28
(ii) Trade payables	14	484.93	2,033.42	-
Long term provisions	15	533.61	470.13	353.26
Deferred tax liabilities (net)	16	11.20	48.26	142.58
Government grant	17	1,071.91	441.36	286.31
		19,328.18	**21,863.70**	**18,082.43**
Current liabilities				
Financial liabilities	18			
(i) Borrowings		16,013.81	12,045.62	7,724.36
(ii) Trade payables		21,114.10	8,459.69	5,397.64
(iii) Derivative instruments		12.63	-	-
(iv) Other current financial liabilities		3,041.50	2,021.20	2,629.59
Short term provisions	19	1,246.01	273.38	242.20
Other current liabilities	20	39,250.92	1,224.58	508.28
		80,678.97	**24,024.47**	**16,502.07**
TOTAL LIABILITIES		**100,007.16**	**45,888.18**	**34,584.50**
TOTAL EQUITY AND LIABILITIES		**153,219.18**	**79,155.20**	**55,791.00**

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VI.

As per our report of even date

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

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

per Atul Seksaria
Partner
Membership Number: 086370

Dinesh Kumar Mittal
(Director)
DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)
DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Gurugram
Date: February 14, 2018

Place : Delhi
Date: February 14, 2018

Annexure- II
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Restated Consolidated Summary Statement of profit and loss for the six months period ended September 30, 2017

(Rs. in Lakhs)

	Note of Annexure V	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
INCOME				
Revenue from operations	21	36,009.86	71,953.80	76,897.76
Other income	22	492.95	1,184.25	917.36
Total income		**36,502.81**	**73,138.05**	**77,815.12**
EXPENSES				
Cost of materials consumed	23	26,799.07	52,635.83	48,522.09
Change in inventories of finished goods and work in progress	24	(2,137.42)	(6,089.89)	22.82
Excise duty on sale of goods		1,419.43	5,808.50	6,131.11
Employee benefits expense	25	2,085.65	4,146.47	3,962.09
Finance costs	26	1,220.79	3,275.97	3,448.48
Depreciation and amortization expense	27	1,131.78	2,028.43	1,869.73
Other expenses	28	5,835.99	11,930.28	11,174.32
Total expenses		**36,355.29**	**73,735.59**	**75,130.64**
Restated Profit/(Loss) before tax		**147.52**	**(597.54)**	**2,684.48**
Tax expenses	30			
Current income tax charge		263.03	99.80	638.52
Mat Credit Entitlement				
- Current year		(144.66)	(99.80)	(346.07)
Deferred Tax		177.82	7.22	374.63
Total Tax expenses		**296.19**	**7.22**	**667.08**
Restated Profit/(Loss) after tax		**(148.67)**	**(604.76)**	**2,017.40**
Attributable to:				
Equity holders of the parent		(311.93)	(609.91)	1,996.59
Non-controlling interests		163.26	5.15	20.81
		(148.67)	**(604.76)**	**2,017.40**
Other comprehensive income				
Items not to be reclassified to profit or loss in subsequent periods:				
Re-measurement of defined benefit plans	31	(10.59)	(9.37)	(23.11)
Income tax effect		(2.26)	(1.72)	(4.71)
		(8.33)	(7.65)	(18.40)
Restated Other comprehensive income		(8.33)	(7.65)	(18.40)
Restated Total comprehensive income		**(157.00)**	**(612.41)**	**1,999.00**
Attributable to:				
Equity holders of the parent		(317.06)	(617.50)	1,978.35
Non-controlling interests		160.06	5.08	20.65
Earnings per equity share (Nominal Value of share Rs.10/-)	32			
Basic (Rs.)		(0.44)	(1.10)	3.74
Anti Diluted/Diluted (Rs.)		(0.44)	(1.10)	3.70

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VI.

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

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

per Atul Seksaria
Partner
Membership Number: 086370

Dinesh Kumar Mittal
(Director)
DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)
DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Gurugram
Date: February 14, 2018

Place : Delhi
Date: February 14, 2018

Annexure- III
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Restated Consolidated Summary Statement of changes in equity for the six months period ended September 30, 2017

a) Equity share capital

Particulars	Nos.	(Rs. in Lakhs)
As at January 20, 2015 (Proforma)	-	-
Add: Shares issued at incorporation of the Company	50,000	5.00
Add: Equity shares issued during the period under scheme of demerger (refer note 47)	53,396,800	5,339.68
Less: Cancelled pertaining to scheme of demerger (refer note 47)	50,000	5.00
As at March 31, 2016 (Proforma)	**53,396,800**	**5,339.68**
Add: Equity share issued (refer note 48)	15,523,870	1,552.39
Add: Shares issued for stock options exercised during the year/period (refer note 11)	57,208	5.72
As at March 31, 2017	**68,977,878**	**6,897.79**
Add: Equity share issued (refer note 48)	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 September 30, 2017	**72,648,105**	**7,264.81**

b) Other equity (Rs. in Lakhs)

Particulars	Reserves and surplus					Non-controlling interest	Total equity
	Capital reserve	Securities premium account	Employee stock options outstanding	Retained earnings	Total		
As at January 20, 2015 (Proforma)							
Acquired under scheme of demerger (refer note 47)	13,741.64	-	19.16	-	13,760.80	175.97	13,936.76
Addition on equity shares issued under ESOP scheme (refer note 11)	-	-	7.47	-	7.47	-	7.47
Restated Profit for the year	-	-	-	1,996.59	1,996.59	20.81	2,017.40
Re-measurement of defined benefit plans	-	-	-	(18.24)	(18.24)	(0.16)	(18.40)
Interim dividend [amount per share - Rs. 1]	-	-	-	-	-	(3.38)	(3.38)
Tax on interim dividend	-	-	-	(69.99)	(69.99)	(0.70)	(70.69)
Deletion on forfeited during the period (refer note 11)	-	-	(2.35)	-	(2.35)	-	(2.35)
As at March 31, 2016 (Proforma)	**13,741.64**	**-**	**24.28**	**1,908.36**	**15,674.28**	**192.54**	**15,866.81**
Impact of Ind AS Adjustments for earlier years on reserves (Refer Annexure VI)				(55.70)	(55.70)		(55.70)
Restated Balance at April 1, 2016	**13,741.64**	**-**	**24.28**	**1,852.66**	**15,618.58**	**192.54**	**15,811.11**
Restated Loss for the year	-	-	-	(609.91)	(609.91)	5.15	(604.76)
Re-measurement of defined benefit plans	-	-	-	(7.57)	(7.57)	(0.07)	(7.63)
Addition/deletion on equity shares issued (refer note 46)	-	10,556.24	6.67	-	10,562.91	-	10,562.91
Addition on equity shares issued under ESOP scheme (refer note 36.2)		6.67	(6.67)		-	-	-
Share issue expenses		(64.93)		-	(64.93)	-	(64.93)
As at March 31, 2017	**13,741.64**	**10,497.98**	**24.28**	**1,235.18**	**25,499.08**	**197.62**	**25,696.71**
Transaction with Non-controlling interest on stake purchase (refer note 48)	-	-	-	198.37	198.37	(198.37)	-
Transaction with Non-controlling interest on stake sale (refer note 48)	-	-	-	-	-	12,256.33	12,256.33
Restated Profit for the period	-	-	-	(311.93)	(311.93)	163.26	(148.67)
Re-measurement of defined benefit plans	-	-	-	(5.13)	(5.13)	(3.20)	(8.33)
Gain on sale of subsidiary (net off tax) (refer note 48)	-	-	-	5,782.45	5,782.45	-	5,782.45
Addition on equity shares issued (refer note 46)	-	2,345.25	-	-	2,345.25	-	2,345.25
Addition on equity shares issued under ESOP scheme (refer note 36.2)	-	6.01	(6.01)	-	-	-	-
Addition/deletion on equity shares (refer note 11)	-	26.60	2.22	-	28.82	-	28.82
Share issue expenses		(5.34)			(5.34)	-	(5.34)
As at September 30, 2017	**13,741.64**	**12,870.50**	**20.49**	**6,898.95**	**33,531.57**	**12,415.64**	**45,947.22**

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VI.

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

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

per Atul Seksaria
Partner

Membership Number: 086370

Dinesh Kumar Mittal
(Director)

DIN: 00040000

Sahil Vachani
(Managing Director & Chief Executive Officer)

DIN: 00761695

Nitin Kumar Kansal
(Chief Financial Officer)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Gurugram
Date: February 14, 2018

Place : Delhi
Date: February 14, 2018

Annexure- IV
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Restated Consolidated Summary Statement of cash flows for the six months period ended September 30, 2017

(Rs. in Lakhs)

	for the six months period ended September 30, 2017	For the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Cash flow from operating activities			
Restated Net Profit/(Loss) before tax and non- controlling interest	147.52	(597.54)	2,684.48
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation of property, plant and equipment	1,072.94	1,915.56	1,776.12
Amortization of intangible assets	58.84	112.87	93.61
Provision for doubtful debts	-	-	100.36
Bad debts written off	-	182.39	0.29
(Gain) on fair valuation of investments	-	-	-
(Gain) \ Loss on disposal of property, plant and equipment	(5.70)	(2.79)	290.40
Gain on mutual fund investments	(267.12)	(13.67)	(24.99)
Liabilities/provisions no longer required written back	-	-	(16.81)
Interest income	(94.63)	(143.84)	(186.05)
Unwinding of discount on security deposit	(4.67)	(3.19)	-
Finance costs (including fair value change in financial instruments)	1,220.79	3,275.97	3,448.48
Operating profit before working capital changes	**2,127.97**	**4,725.76**	**8,165.89**
Working capital adjustments:			
Movements in provisions, gratuity and government grant	729.47	297.49	(361.14)
(Increase)/decrease in trade and other receivables and prepayments	(4,234.22)	2,986.81	(1,867.53)
(Increase)/decrease in inventories	(53,363.16)	(7,053.45)	437.23
Increase in trade and other payables	49,107.16	5,842.68	990.61
Cash generated (used in)/from operations	**(5,632.77)**	**6,799.30**	**7,365.06**
Income tax paid	(783.67)	(390.81)	(715.04)
Net cash flows (used in)/from operating activities	**(6,416.45)**	**6,408.49**	**6,650.01**
Cash flow from investing activities			
Proceeds from sale of property, plant and equipment	20.13	52.91	227.64
Purchase of property, plant and equipment (including intangible assets, CWIP and capital advances)	(14,143.89)	(4,904.35)	(5,152.46)
Interest received	107.29	146.10	159.19
Purchase of current investments	(23,075.20)	(14,355.25)	(1,046.39)
Proceeds from redemption of mutual funds	23,576.35	2,075.50	1,071.37
Proceeds from sale of stake in subsidiary	14,187.44	-	-
Purchase of non-current investments	(3,700.00)	(5,104.97)	-
Net cash flows used in investing activities	**(3,027.88)**	**(22,090.06)**	**(4,740.65)**
Cash flow from financing activities			
Proceeds from issuance of equity share capital including security premium, net of expenses incurred for shares issued	7,328.64	12,043.70	5.00
Proceeds from issuance of ESOP's including security premium	48.73	5.72	-
Proceeds from money received from share warrants	-	672.53	-
Proceeds/(Repayments) from short term borrowings	3,968.19	4,321.26	(1,382.52)
Proceeds from long-term borrowings	408.65	2,903.44	3,063.08
Repayment of long-term borrowings	(824.28)	(2,084.05)	(536.19)
Interest paid	(1,220.79)	(3,275.97)	(2,939.33)
Dividend paid	-	-	(3.38)
Net cash flows from/(used in) financing activities	**9,709.14**	**14,586.63**	**(1,793.34)**
Net increase/(decrease) in cash and cash equivalents	264.82	(1,094.93)	116.02
Cash and cash equivalents at the beginning of the period/year	193.08	1,288.01	-
Cash and cash equivalents transferred on demerger	-	-	1,171.99
Cash and cash equivalents at period/year end	**457.89**	**193.08**	**1,288.01**

Components of cash and cash equivalents :-

(Rs. in Lacs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Balances with banks:			
On current accounts	453.41	191.25	485.80
Deposits with remaining maturity for less than 3 months	-	-	800.00
Cash on hand	4.48	1.83	2.21
	457.89	**193.08**	**1,288.01**

The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Note 2 of Annexure V of Notes to the Restated Financial Information and Statement of adjustments to Audited Consolidated Financial Statement appearing in Annexure VI.

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

per Atul Seksaria
Partner

Membership Number: 086370

Place : Gurugram
Date: February 14, 2018

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)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Delhi
Date: February 14, 2018

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated consolidated financial information

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 six months period ended September 30, 2017. The Company is registered under Companies Act, 2013 and incorporated on January 20, 2015. The Company's shares got listed on National Stock Exchange and Bombay Stock Exchange as on June 22, 2016. Registered office of the Company is located at 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab - 144533.
The Group is principally engaged in the buisness 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;
- Constrution and developement 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 restated 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 February 14, 2018

2 Significant accounting policies

2.1 a) Basis of preparation

The Restated Consolidated Statement of Assets and Liabilities of the Group as at September 30, 2017 and March 31, 2017 and the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the six months ended September 30, 2017 and for the year ended March 31, 2017 and Restated Other Consolidated Financial Information (together referred as ‘Restated Consolidated Financial Information’) has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015 as amended. The financial information as at and for the period ended September 30, 2017 along with financial information as at and for the year ended March 31, 2017 are provisional since there is a possibility that it may require adjustment(s) before constituting the final Ind-AS financial statements as at and for the year ended March 31, 2018. The Company is in Phase-2 of Ind-AS adoption, accordingly date of transition is April 1, 2016.

The Group has elected to present all three periods as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. The restated consolidated financial information for the period ended January 20, 2015 to March 31, 2016 has been prepared on Proforma basis (i.e. “Proforma consolidated Ind AS financial information”) in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (“SEBI Circular”) and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS consolidated financial information and for the period ended January 20, 2015 to March 31, 2016, the Group has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e. April 1, 2016. Accordingly, suitable restatement adjustments (both remeasurements and reclassifications) in the accounting heads are made to the Proforma Ind AS consolidated financial information as at March 31, 2016 and for the period ended January 20, 2015 to March 31, 2016 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2016).The basis of preparation for specific items where exemptions has applied are as follows:

i) Property Plant & Equipment and Intangible assets - As permitted by IND AS 101, the Group has elected to continue with the carrying values under previous GAAP as ‘deemed cost’ at April 1, 2016 for all the items of property, plant & equipment. For the purpose of Proforma Consolidated Ind AS financial information for the period ended January 20, 2015 to March 31, 2016, the Group has provided the depreciation based on the estimated useful life of respective years and as the change in estimated useful life is considered as change in estimate, accordingly there is no impact of this roll back on Property, Plant & Equipment. However, under Ind AS, Goodwill has been considered at cost and tested for impairment. Reconciliation of the same is disclosed in Note 42 of Annexure VI.

ii) The Group has availed exemption under Ind AS 101 and not recognized the sharebased payment transactions as per Ind AS 102 ‘Share Based Payments’ that vested before 1 April 2016. For the purpose of Proforma Ind AS consolidated financial information for the period ended January 20, 2015 to March 31, 2016, the Group has recorded expense on fair value basis for all share based payments vesting during the years/period.

iii) Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before 1 April 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. For the purpose of Proforma Ind AS financial
statements for the period ended January 20, 2015 to March 31, 2016, the Group has continued with the existing exemption on the date of transition (i.e. April 1, 2016) and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of Ind AS 101.

iv) As specified in the Guidance Note, the equity balance computed under Proforma Ind AS financial statements for the year ended March 31, 2016 adjusted for impact of Ind AS 101 items and after considering profit or loss for the period ended January 20, 2015 to March 31, 2016 with adjusted impact due to Ind- AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at March 31, 2016 Accordingly, the closing equity balance as at March 31, 2016 of the Proforma Ind AS financial statements has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in Note 42 of Annexure VI.

The Restated Consolidated Financial Information (including Restated consolidated Ind AS financial information for the six months ended September 30, 2017 and for the year ended March 31, 2017 and Restated consolidated Proforma Ind AS financial information for the period ended January 20, 2015 to March 31, 2016) have been compiled by the Group from the Audited consolidated Financial Statements of the Company for the six months ended September 30, 2017 prepared under Ind AS and for the year ended March 31, 2016 and for the period ended January 20, 2015 to March 31, 2016 prepared under the previous generally accepted accounting principles followed in India (‘Previous GAAP or Indian GAAP’).

For all periods up to and including the year ended March 31, 2017, the Group prepared its audited consolidated financial information in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These consolidated financial statements for the six months ended September 30, 2017 are the first the Group has prepared in accordance with Ind AS. The date of transition to IndAS was April 1, 2016.

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value
(i) Certain financial assets and liabilities
(ii) Derivative financial instruments,
(iii) Defined benefit plans - plan assets

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of Restated Financial Information under Accounting Standards notified under Previous GAAP to Ind AS of Restated Shareholders' equity as at March 31, 2017 and 2016 and of the Restated Statement of Profit and loss and other comprehensive Income for the six months ended September 30, 2016, for the year ended March 31, 2016 and for the period ended January 20, 2015 to March 31, 2016.
The restated consolidated financial information are presented in Indian Rupees (INR) and all values are rounded to the nearest lacs, expect where otherwise indicated.

The Restated Consolidated Financial Information have been prepared by the management in connection with the proposed Right issue of the Company to be filed by the Company with SEBI, in accordance with the requirements of:
a) Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013; and
b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 2016 (together referred to as the "SEBI regulations").
c) Guidance note on reports in company prospectus
These Restated Consolidated Financial statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

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 September 30, 2017.Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:
► Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
► Exposure, or rights, to variable returns from its involvement with the investee, and
► The ability to use its power over the investee to affect its 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., six months period ended September 30, 2017. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.
Consolidation procedure:
(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
(iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(iv) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
► Derecognises the assets (including goodwill) and liabilities of the subsidiary
► Derecognises the carrying amount of any non-controlling interests
► Derecognises the cumulative translation differences recorded in equity
► Recognises the fair value of the consideration received
► Recognises the fair value of any investment retained
► Recognises any surplus or deficit in profit or loss
Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.2 Summary of significant accounting policies
a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:
(i) It is expected to be settled in normal operating cycle
(ii) It is held primarily for the purpose of trading
(iii) It is due to 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

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

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

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

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

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

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

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

In respect of others assets, depreciation is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management and in the manner prescribed in Schedule II of the Companies Act 2013. The useful life is as follows:

Assets	**Useful lives**
Leasehold Improvements	Over life of lease or life of asset whichever is less
Factory building	30
Other building	60
Plant and Equipment	15-25
Office Equipment	3 - 5
Computers & Data Processing Units	3 - 6
Furniture and Fixtures	10
Motor Vehicles	3 - 8

c. Intangible assets

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

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangibles, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of Profit and Loss in the period in which the expenditure is incurred. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

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

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

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

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

d. 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 selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Companies or other available fair value indicators.

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

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

An assessments is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the 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.

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.

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.

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 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
(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.

Debt instruments at FVTPL
FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for amortized cost or FVTOCI, is classified as at FVTPL. A gain or loss on a Debt instrument that is subsequently measured at FVTPL and is not a part of a hedging relationship is recognized in statement of profit or loss and presented net in the statement of profit and loss within other gains or losses in the period in which it arises. Interest income from these Debt instruments is included in other income.

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

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

Derecognition

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

-the rights to receive cash flows from the asset have expired, or

-the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass through" arrangement and either;

(a) the Group has transferred the rights to receive cash flows from the financial assets or

(b) the Group has retained the contractual right to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

Impairment of financial assets

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

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through other comprehensive income (FVTOCI);

The Group follows “simplified approach” for recognition of impairment loss allowance on trade receivables. Under the simplified approach, the Group does not track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. the Group uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analyzed.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognizing impairment loss allowance based on 12- months ECL.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward- looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward- looking estimates are analysed.

Reclassification of financial assets

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

(ii) Financial liabilities

Initial recognition and measurement

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

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

Trade Payables

These amounts represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 0-180 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at fair value and subsequently measured at amortised cost using EIR method.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in IND AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or medication 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 consolidated balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

f. Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on educational material on Ind AS-18 issued by the ICAI, the Group has assumed that recovery of excise duty flows to the Group on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since, the recovery of excise duty flows to the Group on its own account, revenue includes excise duty. However, sales tax/value added tax (VAT)/Goods and Service tax is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods
Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods and is measured at fair value of consideration received/receivable, net of returns and allowances, trade discounts and volume rebates.

Revenue from constructed properties
Revenue from constructed properties is recognized on the “Percentage of Completion method”. Total sale consideration as per duly executed agreements to sell is recognized as revenue based on the percentage of actual project costs incurred thereon to total estimated project cost, subject to such actual cost incurred being 25 percentage or more of the total estimated project cost as per the Guidance Note on Accounting for Real Estate Transactions for entities to whom Ind AS is applicable issued by The Institute of Chartered Accountants of India in 2016.

Shared Service Income
Revenue from shared services is recognised by reference to the stage of completion. The Group collects Service tax and GST on behalf of the government and, therefore it is not an economic benefit flowing to the Group and is thus excluded from revenue.

Interest Income
For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial assets. When calculating the effective interest rate, the group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

Dividend Income
Dividend income is recognized when the Group’s right to receive dividend is established by the reporting date.

Job work income
Revenue from job work is recognised by reference to stage of completion of job work as per terms of agreement. Revenue from job work is measured at the fair value of the consideration received or receivable, net of allowances, trade discounts and volume rebates, if any.

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

g. 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 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.

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, 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

► When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

► In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

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

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

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

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

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

GST (Goods and Service tax)/ Sales/ value added taxes paid on acquisition of assets or on incurring expenses

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

► When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

► When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of Other Current Assets or Liabilities in the balance sheet.

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. 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 weignted 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.

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.

Group as a lessee

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

Finance leases are capitalized at the commencement of the lease at the inception date at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs .

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

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

k. Provision and Contingent liabilities

Provisions

A provision is recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities

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

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

l. 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. The group has 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 Sepciality Films Limited, subsdiary 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 Sepciality 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 it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

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

Short-term obligations

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

Long term incentive plan

Employees of the Group receives defined incentive, whereby employees render services for a specified period. Long term incentive is measured on accrual basis over the period as per the terms of contract.

m. Share-based payments

Employees of the Group 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.

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

p. Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the 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.

Measurement of foreign currency items at the balance sheet date

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

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

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

q. Fair value measurement

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 date are avilable to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

The Group’s management determines the policies and procedures for both recurring and non-recurring fair value measurement, such as derivative instruments measured at fair value.

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

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

The management in conjuction 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)

r. 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.

s. 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 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 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 (c).

Estimates and assumptions

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

(a) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective domicile of the companies.

(b) Gratuity benefit

The cost of defined benefit plans (i.e. Gratuity benefit) is determined using actuarial valuations. An actuarial valuation involves making various assumptions which may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. In determining the appropriate discount rate, management considers the interest rates of long term government bonds . 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.

(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.

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated consolidated financial information

3. Restated summary of Property, plant and equipment (PPE) **(Rs. in Lakhs)**

	Land (Freehold)	Building	Leasehold improvements (refer note 34 (c))	Plant and equipment	Furniture and fixture	Office equipment	Computers and data processing units	Motor vehicles	Total
At cost									
As at January 20, 2015 (Proforma)			-		-	-	-	-	-
Acquired under demerger (refer note 47)	1,685.81	4,276.73	-	21,048.76	30.43	143.04	155.99	131.73	27,472.49
Additions	-	85.14	101.75	1,057.15	80.09	27.29	71.61	66.33	1,489.36
Disposals	-	-	(54.46)	(570.52)	(0.30)	(21.61)	(0.79)	(13.56)	(661.24)
As at March 31, 2016 (Proforma)	**1,685.81**	**4,361.87**	**47.29**	**21,535.39**	**110.22**	**148.72**	**226.81**	**184.50**	**28,300.61**
Depreciation									
As at January 20, 2015	-	-	-		-	-	-	-	-
Charge	-	114.01	9.76	1,471.62	23.06	42.28	54.96	60.43	1,776.12
Disposals	-	-	(7.17)	(122.12)	(0.12)	(5.80)	(0.68)	(7.30)	(143.19)
As at March 31, 2016 (Proforma)	**-**	**114.01**	**2.59**	**1,349.50**	**22.94**	**36.48**	**54.28**	**53.13**	**1,632.93**
As at March 31, 2016 (Proforma)	**1,685.81**	**4,247.86**	**44.70**	**20,185.89**	**87.28**	**112.24**	**172.53**	**131.37**	**26,667.68**
Deemed Cost as at April 1, 2016	**1,685.81**	**4,247.86**	**44.70**	**20,185.89**	**87.28**	**112.24**	**172.53**	**131.37**	**26,667.68**
Additions	17.97	364.53	0.71	6,334.56	38.30	28.51	114.94	150.44	7,049.96
Disposals	-	-	-	(1.99)	(23.29)	(33.54)	(7.21)	(82.78)	(148.81)
As at March 31, 2017	**1,703.78**	**4,612.39**	**45.41**	**26,518.46**	**102.29**	**107.21**	**280.26**	**199.03**	**33,568.83**
Additions	30.31	3.03	2.82	844.16	0.53	2.06	11.72	61.22	955.85
Disposals	-	-	-	(0.57)	-	-	(1.01)	(23.83)	(25.41)
As at September 30, 2017	**1,734.09**	**4,615.42**	**48.23**	**27,362.05**	**102.82**	**109.27**	**290.97**	**236.42**	**34,499.27**
Depreciation									
Charge	-	122.44	15.76	1,573.57	18.92	36.22	84.72	64.07	1,915.70
Disposals	-	-	-	(1.44)	(15.87)	(31.02)	(6.28)	(44.31)	(98.92)
As at March 31, 2017	**-**	**122.44**	**15.76**	**1,572.13**	**3.05**	**5.20**	**78.44**	**19.76**	**1,816.78**
Additions	-	64.58	9.67	906.78	8.08	15.48	42.28	26.44	1,073.32
Disposals	-	-	-	(0.14)	-	-	(0.55)	(10.29)	(10.98)
As at September 30, 2017	**-**	**187.02**	**25.43**	**2,478.77**	**11.13**	**20.68**	**120.17**	**35.91**	**2,879.12**
Net carrying amount									
As at September 30, 2017	**1,734.09**	**4,428.40**	**22.80**	**24,883.28**	**91.69**	**88.59**	**170.80**	**200.51**	**31,620.15**
As at March 31, 2017	**1,703.78**	**4,489.95**	**29.65**	**24,946.33**	**99.24**	**102.01**	**201.82**	**179.27**	**31,752.05**

Restated summary of capital work in progress

Particulars	**September 30, 2017**	**March 31, 2017**	**March 31, 2016 (Proforma)**
Capital work-in-progress	11,712.84	1,590.77	2,161.45
Total	**11,712.84**	**1,590.77**	**2,161.45**

Notes :
a) Restated summary of Property, plant and equipment (PPE) given as security
Refer note no 13 for charge created on property, plant and equipment as security against borrowings.

b) Capitalised borrowing costs
The Company started the construction of a Thermal Line and Coating Line in financial year 2015-16. This project was completed in financial year 2016-17. Borrowing cost capitalised in Thermal Line and Coating line was Rs. 111.64 Lakhs and Rs 84.03 Lakhs respectively. (September 30, 2017: Rs. Nil, March 31, 2017: Rs 51.08 Lakhs & Rs 21.10 Lakhs, March 31, 2016: Rs 60.58 Lakhs & Rs 62.93 Lakhs).

The rate used to determine the amount of borrowing costs eligible for capitalisation was based on effective interest rate of the borrowing.

c) Asset under construction as at September 30, 2017 comprises expenditure for the BOPP Line 5 plant in the course of construction. Borrowing cost capitalised is Rs. 193.73 Lakhs (March 31, 2017: Rs 145.40 Lakhs, March 31, 2016: Rs 17.30 Lakhs) in respective years.

d) Depreciation includes Rs. 0.38 lacs (March 31, 2017 - Rs. 0.14 lacs, March 31, 2016 - Rs. Nil) is capitalised and part of inventory (work in progress)

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated consolidated financial information

4. Restated summary of Intangible assets

(Rs. in Lakhs)

	Computer software	Books - ISC	Goodwill	Total	Intangible assets under development
At cost					
As at January 20, 2015 (Proforma)	-			-	-
Acquired under demerger (refer note 47)	249.54	-	222.79	472.33	-
Additions	116.85	-	-	116.85	-
Disposals	-	-	-	-	-
As at March 31, 2016 (Proforma)	**366.39**	**-**	**222.79**	**589.18**	**-**
Amortization					
As at January 20, 2015				-	-
Charge	93.61	-	-	93.61	-
Disposals	-	-	-	-	-
As at March 31, 2016 (Proforma)	**93.61**	**-**	**-**	**93.61**	**-**
As at March 31, 2016 (Proforma)	**272.78**	**-**	**222.79**	**495.57**	**-**
Deemed Cost as at April 1, 2016 (refer Annexure VI)	**272.78**	**-**	**167.09**	**439.87**	-
Additions	193.72	-	-	193.72	43.41
Disposals	(4.66)	-	-	(4.66)	
As at March 31, 2017	**461.84**	**-**	**167.09**	**628.93**	**43.41**
Additions	13.81	25.96	-	39.77	26.46
Disposals	-	-	-	-	-
As at September 30, 2017	**475.65**	**25.96**	**167.09**	**668.70**	**69.87**
Amortization					
Charge	112.87	-	-	112.87	-
Disposals	(4.43)	-	-	(4.43)	-
As at March 31, 2017	**108.44**	**-**	**-**	**108.44**	**-**
Charge	57.54	1.30	-	58.84	-
Disposals	-	-	-	-	-
As at September 30, 2017	**165.98**	**1.30**	**-**	**167.28**	**-**
Net carrying amount					
As at September 30, 2017	**309.67**	**24.66**	**167.09**	**501.42**	**69.87**
As at March 31, 2017	**353.40**	**-**	**167.09**	**520.49**	**43.41**

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

Max Speciality Films Limited (Subsidiary of Max Ventures and Industries Limited) performed its annual impairment test for period ended September 30, 2017, March 31, 2017 and March 31, 2016 respectively. The Company considers the relationship between its market capitalisation and its book value, among other factors when reviewing for indicators of impairment. As at period end, the market capitalisation of the company was above the book value of its equity, indicating no potential impairment of goodwill .

Annexure- V
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes to restated standalone financial information

5. Non-Current Financial Assets
i) Restated summary of Investments

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
a) **Investment in Equity Shares (valued at Fair value through profit and loss)**			
FSN E-Commerce Ventures Private Limited	1,754.71	1,754.71	-
2,69,955 (March 31, 2017 - 2,69,955, March 31, 2016 - Nil) Equity Shares of Nominal Value Rs. 10 each fully paid up			
Azure Hospitality Private Limited	0.04	0.04	-
Unquoted equity instruments			
100 (March 31, 2017 - 100) , March 31, 2016 - Nil) Equity Shares of Face Value Rs.10 each fully paid up			
b) **Investment in Debentures (valued at Fair value through profit and loss)**			
Azure Hospitality Private Limited	3,349.97	3,349.97	-
76,15,947 (March 31, 2017 - 76,15,947, March 31, 2016 - Nil) Series-B Compulsary Convertible Debentures			
c) **Investment in Preference Shares (valued at Fair value through profit and loss)**			
Azure Hospitality Private Limited	3,700.00	-	-
86,18,882 (March 31, 2017 - Nil, March 31, 2016 - Nil) Series-C Preference Shares of Nominal Value Rs. 20 each fully paid up			
Non-Current	**8,804.72**	**5,104.72**	**-**
Aggregate value of unquoted investments	**8,804.72**	**5,104.72**	**-**

Note:
a) Series-B 0.01% Coupon Compulsary Convertible Debentures will be convertiable into one equity share per debenture maximum upto fifteen years .
b) Series-C 0.01% Cumulative Dividend Preference Shares of Nominal will be convertiable into one equity share per preference shares maximum upto fifteen years

ii) Restated summary of Other non-current financials assets (amortized cost) (unsecured considered good)

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Security deposits	402.16	354.52	295.43
Loan to employees	1.87	1.77	3.80
Insurance claims recoverable	747.29	-	0.76
	1,151.32	**356.29**	**299.99**

iii) Restated summary of Other bank balances

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Deposits with remaining maturity for more than 12 months	0.25	0.25	-
	0.25	**0.25**	**-**

6. Restated Summary of Non- current tax assets

Advance Income Tax and Tax deducted at source	191.28	311.40	20.39
	191.28	**311.40**	**20.39**

7. Restated summary of Other non current assets

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
(i) Other non current assets			
Capital advances	3,099.46	233.10	1,942.33
Prepaid expenses	1.89	6.25	14.27
	3,101.35	**239.35**	**1,956.60**

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
8 Restated summary of Inventories (at lower of cost or net realisable value)			
Raw materials [including stock in transit Rs 2,080.77 Lakhs (March 31, 2017: Rs. 1,100.37 Lakhs, March 31, 2016: Rs.582.50 Lakhs)]	4,894.83	3,734.79	2,804.17
Packing materials	89.08	85.20	54.79
Stores and spares	675.27	1,229.45	1,226.91
Work in progress-			
Real Estate	58,078.27	5,057.57	-
BOPP Film	1,996.24	1,929.71	1,040.80
Finished goods [(including in transit Rs. 495.89 Lakhs (March 31, 2017: Rs. 648.47 Lakhs, March 31, 2016: Rs. 319.94 Lakhs)), (including trial run stock of Rs. Nil (March 31, 2017: Rs. Nil, March 31, 2016: Rs. 3.27 Lakhs))]	489.97	823.78	680.38
	66,223.66	**12,860.50**	**5,807.05**
9. Current financial assets			
(i) Restated summary of Other investment			
Quoted mutual funds (valued at Fair value through profit and loss)			
UTI Money Market Fund - Institutional Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 185.710 , NAV - 1,885.2145) (March 31, 2017 - Units - 11,064.87 , NAV - 1,824.22 , March 31, 2016 - Nil)	3.50	201.85	-
DSP Black rock Liquidity Fund Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 1,312.438 , NAV - 2,403.1523) (March 31, 2017 - Units - 1,10,369.862 , NAV - 2,325.78, March 31, 2016 - Nil)	31.53	2,566.96	-
Invesco India Liquid Fund Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 1,88,451.248 , NAV - 2,313.2910) (March 31, 2017 - Units - 1,14,668.999 , NAV - 2,238.1021, March 31, 2016 - Nil)	4,359.42	2,566.41	-
JM High Liquidity Fund Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 72,10,101.502 , NAV - 46.0130) (March 31, 2017 - Units - 57,67,025.534 , NAV - 44.5139, March 31, 2016 - Nil)	3,317.58	2,567.13	-
Kotak Floater Short Term Fund Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 15,994.0824 , NAV - 2,757.3942) (March 31, 2017 - Units - 96,161.913 , NAV - 2,669.38, March 31, 2016 - Nil)	441.05	2,566.93	-
Birla Sun Life Cash Plus Fund Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 217.263 , NAV - 270.0157) (March 31, 2017 - Units - 6,98,079.954 , NAV - 261.309, March 31, 2016 - Nil)	0.59	1,824.15	-
DHFL Premica Cash Plus Fund Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 14,06,246.756 , NAV - 218.3449) (March 31, 2017 - Nil, March 31, 2016 - Nil)	3,070.47	-	-
Axis Mutal Fund Plan - Direct Fund Growth - Face value Rs.1000/- per unit fully paid (Units - 44,822.717 , NAV - 1,863.448) (March 31, 2017- Nil) (March 31, 2016- Nil)	835.25	-	-
	12,059.39	**12,293.43**	**-**
Aggregate amount of quoted mutual fund	12,059.39	12,293.43	-
(ii) Restated Summary of Trade receivables			
Unsecured :-			
Trade receivables - considered good	12,257.92	11,374.14	14,643.42
Trade receivables - considered doubtful	219.58	219.58	226.39
Trade receivables from related parties - considered good (refer note 40(b))	76.57	26.42	0.00
Less: Impairment allowance for trade receivable considered doubtful	(219.58)	(219.58)	(226.39)
	12,334.49	**11,400.56**	**14,643.42**

No trade or other receivable are due from related parties, directors or other officers of the company either severally or jointly with any other person.

Trade receivables are non-interest bearing and are generally on terms of 0 to 120 days.

(iii) Restated Summary of Cash and cash equivalents			
Balances with banks:			
On current accounts	453.41	191.25	485.80
Deposits with remaining maturity for less than 12 months	-	-	800.00
Cash on hand	4.48	1.83	2.21
	457.89	**193.08**	**1,288.01**
(iv) Restated Summary of Other bank balances			
Deposits:			
(i) Margin money deposits #	5.18	4.88	1.24
	5.18	**4.88**	**1.24**

 # 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) Restated Summary of Loans (amortized cost) (unsecured considered good)			
Loan to employee	16.02	16.01	19.66
Advance to related parties	16.71	21.18	-
Security deposits	9.76	8.37	-
Security deposits to related parties (refer note 40 (b))	0.50	48.00	48.00
	42.99	**93.56**	**67.66**
(vi) Restated Summary of Derivative instruments at fair value through profit or loss			
Foreign exchange forward contracts	-	41.91	18.63
	-	**41.91**	**18.63**
(vii) Restated Summary of Other financial assets			
Interest accrued on deposits	24.21	36.83	31.21
Other advances	90.69	145.57	109.01
	114.90	**182.40**	**140.22**

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.

10. Restated Summary of Other current assets (unsecured considered good, unless otherwise stated)			
Other advances :-			
Unsecured, considered good	1,793.42	993.88	440.42
Prepaid expenses	293.11	356.80	353.66
Excise duty recoverable on export goods	169.82	-	412.63
Balance with statutory authorities	2,211.41	381.75	679.52
Export benefits receivables	359.72	433.72	336.85
	4,827.48	**2,166.15**	**2,223.08**

11. Restated Summary of Share capital and other equity

(i) Equity share capital

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
a) Authorized			
11,00,00,000 (March 31, 2017 - 11,00,00,000, March 31, 2016 - 60,000,000) equity shares of Rs.10/- each	11,000.00	11,000.00	6,000.00
	11,000.00	**11,000.00**	**6,000.00**
Issued, subscribed and fully paid-up			
7,26,48,105(March 31, 2017 - 6,89,77,878, March 31, 2016- 5,33,96,800) equity shares of Rs.10/- each fully paid up	7,264.81	6,897.79	5,339.68
Total issued, subscribed and fully paid-up share capital	**7,264.81**	**6,897.79**	**5,339.68**

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

	September 30, 2017		March 31, 2017		March 31, 2016 (Proforma)	
Equity shares	**No. of shares**	**(Rs. in Lakhs)**	**No. of shares**	**(Rs. in Lakhs)**	**No. of shares**	**(Rs. in Lakhs)**
At the beginning of the period	68,977,878	6,897.79	53,396,800	5,339.68	-	-
Add: Shares issued at incorporation of the Company	-	-	-	-	50,000	5.00
Add: Issued during the period under scheme of demerger (refer note 47)	-	-	-	-	53,396,800	5,339.68
Add: Shares issued for stock options exercised during the year/period (Refer note no 36.2)	221,333	22.13	57,208	5.72	-	-
Add: Shares issued during the year/period (Refer note no. 46)	3,448,894	344.89	15,523,870	1,552.39	-	-
Less: Cancelled pertaining to scheme of demerger (refer note 47)	-	-	-	-	50,000	5.00
Outstanding at the end of the period	72,648,105	7,264.81	68,977,878	6,897.79	53,396,800	5,339.68

c) Terms and rights attached to equity shares

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

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

Name of the Shareholder	**September 30, 2017**		**March 31, 2017**		**March 31, 2016 (Proforma)**	
	No. of shares	**% held**	**No. of shares**	**% held**	**No. of shares**	**% held**
Equity shares of Rs. 10 each fully paid-up						
New York Life International Holdings Limited	15,523,870	21.37%	15,523,870	22.51%	-	-
Max Ventures Investment Holdings Private Limited.	13,105,500	18.04%	13,105,500	19.00%	3,509,233	6.57%
Xenok Limited	-	-	-	-	4,815,940	9.02%
Maxopp Investments Limited	-	-	-	-	3,768,983	7.06%
Liquid Investment and Trading Company Private Limited	4,763,774	6.56%	4,763,774	6.91%	-	-
Siva Enterprises Private Limited	5,810,598	8.00%	2,361,704	3.42%	-	-
GS Mace Holdings Limited	-	-	-	-	3,439,276	6.44%

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

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

f) Increase in Authorised Share Capital

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

Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes forming part of the financial statements

12. Restated Summary of Other equity

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Capital reserve (refer note a below)	13,741.64	13,741.64	13,741.64
Securities premium account (refer note b below)	12,870.50	10,497.98	-
Employee stock options outstanding (refer note c below)	20.49	24.28	24.28
Retained earnings (refer note d below)	6,898.94	1,235.18	1,908.36
	33,531.57	**25,499.08**	**15,674.28**

Notes:

a) Capital reserve			
At the beginning of the year/ period	13,741.64	13,741.64	-
Add: additions on account of demerger (refer note 47)	-	-	13,741.64
	13,741.64	**13,741.64**	**13,741.64**
b) Securities premium account			
At the beginning of the year/ period	10,497.98	-	-
Add: premium on Preferential issue of equity shares (refer note 46)	2,345.25	10,556.24	-
Add: additions on ESOPs exercised (refer note 36.2)	6.01	6.67	-
Add: Addition/deletion on equity shares (refer note 11)	26.60		
Less: share issue expenses	(5.34)	(64.93)	-
	12,870.50	**10,497.98**	**-**
c) Employee stock options outstanding			
At the beginning of the year/ period	24.28	24.28	-
Add: additions on account of demerger (refer note 47)	-	-	19.16
Add: expense recognized during the year (refer note 36.2)	2.22	6.67	7.47
Less: forfeited during the year/period	-	-	2.35
Less: transferred to securities premium on exercise of stock options	6.01	6.67	-
	20.49	**24.28**	**24.28**
d) Retained earnings			
At the beginning of the year/ period	1,235.18	1,852.66	-
Restated Profit/(Loss) for the period/year	(311.93)	(609.91)	1,996.59
Non-controlling interest on stake purchase (refer note 48)	198.37	-	-
Gain on sale of subsidiary (refer note 48)	5,782.45	-	-
Interim dividend [amount per share Rs.Nil (March 31, 2017: Rs. Nil, March 31, 2016: Rs. 1)]	-	-	-
Tax on interim dividend	-	-	(69.99)
Items of other comprehensive income recognized directly in retained earnings			
Re-measurement of post employment benefit obligation (net of tax) (item of OCI)	(5.13)	(7.57)	(18.24)
	6,898.94	**1,235.18**	**1,908.36**

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13. Restated Summary of Borrowings

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Non-current borrowings :-			
Term loans (secured)			
From banks [refer note (i) to (v) below]	12,581.97	13,067.52	12,361.48
From non-banking financial company [refer note (vi) below]	2,850.00	2,887.50	2,962.50
Other loan and advances			
Buyers credit foreign currency (secured) [refer note (viii) below]	1,734.48	2,837.19	1,917.64
Vehicle loans (secured) [refer note (ix) below]	60.08	78.32	58.66
Current borrowings :-			
Term loans (secured)			
From banks [refer note (i) to (v) below]	1,392.50	947.50	846.34
From non-banking financial company [refer note (vi) below]	75.00	75.00	37.50
Other loan and advances			
Buyers credit foreign currency (secured) [refer note (vii) below]	1,164.04	363.81	1,250.84
Vehicle loans (secured) [refer note (ix) below]	37.93	49.91	37.26
Interest accrued and due on borowings	-	114.60	168.59
Interest accrued but not due on borowings	156.20	46.48	7.62
	20,052.20	**20,467.83**	**19,648.43**
Less: Amount disclosed under "other current financial liabilities" [refer note 18(iii)]	**2,825.67**	**1,597.30**	**2,348.15**
	17,226.53	**18,870.53**	**17,300.28**
Aggregate Secured loans	**20,052.20**	**20,467.83**	**19,648.43**
Aggregate Unsecured loans	-	-	-

Term loan from banks :-

i) Term loan from Yes Bank Limited amounting to Rs. 7,987.33 Lakhs (March 31, 2017: Rs. 8,063.92 Lakhs, March 31, 2016: Rs. 8,123.82 Lakhs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 32 structured quarterly instalments commenced from 3rd December 2016 carrying interest rate ranging from 8.80% p.a. to 13.00% p.a..

ii) Term loan from Yes Bank Limited amounting to Rs. 4,304.24 Lakhs(March 31, 2017: Rs. 4,540.17 Lakhs, March 31, 2016: Rs. 4,768.93 Lakhs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 20 structured quarterly instalments commnenced from 3rd December 2016 carrying interest rate ranging from 8.80% p.a. to 12.35% p.a.

iii) Term loan from Yes Bank Limited amounting to Rs. 1,434.67 Lakhs (March 31, 2017: Rs. 1,410.93 Lakhs, March 31, 2016: Rs. 315.10) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 20 structured quarterly instalments commnenced from 28rd February 2019 carrying interest rate ranging from 8.80% p.a. to 9.30% p.a..

iv) Term loan from Indusind Bank Limited amounting to Rs. 248.23 Lakhs (March 31, 2017: Rs. Nil, March 31, 2016: Rs.Nil) was secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan was repayable in 27 structured quarterly instalments to be commenced from 30st September 2018 carrying interest rate of 8.95% p.a.

Term loan from non-banking financial company :-

v) Term loan from Tourism Finance Corporation of India Limited amounting to Rs. 2,925.00 Lakhs (March31, 2017: Rs. 2,962.50 Lakhs, March 31, 2016: Rs. 3,000.00 Lakhs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable in 32 structured quarterly instalments commenced from December 03, 2016 carrying interest rate ranging from 12.30% p.a. to 13.00% p.a..

Buyers credit foreign currency (secured)

vi) Buyer credit foreign currency facility from Yes Bank Limited amounting to Rs. 2,898.52 Lakhs (March 31, 2017: Rs. 3,201.00 Lakhs, March 31, 2016: Rs. 3,168.48 Lakhs) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable next 2-3 years carrying interest rate ranging from 0.61% p.a. to 2.40% p.a..

Vehicle loan (secured) :-

vii) Vehicle loans amounting to Rs. 98.01 Lacs (March 31, 2017: Rs. 128.23 Lacs, March 31, 2016: Rs. 95.92 Lacs) are secured by way of hypothecation of respective vehicles. The loans are repayable in 3 to 5 years. The rate of interest varies between 8.60 % p.a. to 11.50% p.a.

The Group has complied with all the covenants related to borrowings obtained by the Group.

Undrawn borrowings:

viii) Term loan from Indusind bank has been sanctioned amounting to Rs. 5,100 Lakhs against which Rs. 1,652.65 Lakhs has been disbursed as on September 30, 2017.

Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)
Notes forming part of the financial statements

(Rs. in Lakhs)

		As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
14.	**Restated Summary of Trade payables**			
	Total outstanding dues of micro enterprises and small enterprises	-	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises #	484.93	2,033.42	-
		484.93	**2,033.42**	**-**
	# Trade payables include due to related parties Rs. 489.43 lacs (March 31, 2017 - Rs. 2,033.42 lacs, March 31, 2016 - Rs. Nil)			
15.	**Restated Summary of Long term provision**			
	Provision for employee benefits			
	Provision for gratuity (refer note 36)	533.61	470.13	353.26
		533.61	**470.13**	**353.26**
16.	**Restated Summary of Deferred tax liabilities**			
	(i) Deferred tax liability			
	Fixed Assets: Impact of differences in depreciation in block of fixed assets as per tax books and financial books	3,151.29	2,633.70	1,313.56
	Difference in book base and tax base in investments	129.43	32.56	-
	Others	4.24	2.00	2.56
	Gross deferred tax liability	**3,284.96**	**2,668.26**	**1,316.12**
	(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	460.41	396.36	526.11
	Allowance for doubtful debts	75.99	75.99	13.77
	Unabsorbed depreciation/ Business Losses	1,417.74	1,331.59	-
	Pending obligations under goverment grant	370.97	93.77	22.00
	Others	32.55	15.93	8.13
	Gross deferred tax assets	**2,357.66**	**1,913.64**	**570.01**
	Deferred Tax liability (i)- (ii)	**927.30**	**754.62**	**746.11**
	Mat Credit entitlement	**916.10**	**706.36**	**603.53**
	Deferred Tax liability (net)	**11.20**	**48.26**	**142.58**
17.	**Restated Summary of Other non current liabilities**			
	Goverment grants	1,071.91	441.36	286.31
		1,071.91	**441.36**	**286.31**
	Movement of goverment grant is as below:			
	At the beginning of the period	441.36	286.31	738.01
	Received during the period	771.64	796.66	413.95
	Released to the statement of profit and loss	(141.09)	(641.61)	(865.65)
	At the end of the period	**1,071.91**	**441.36**	**286.31**

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

		As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
18.	**Restated Summary of Current financial liabilities**			
	(i) Borrowings (Current)			
	Cash credit from banks (secured) [refer note (i) below]	1,778.53	2,445.34	5,701.78
	Packing credit foreign currency (secured) [refer note (ii) below]	113.92	0.28	225.15
	Loan from related party [Unsecured interest free) (refer note (iii) below]	-	5,600.00	-
	Packing credit (unsecured) [refer note (iv) below]	-	-	1,500.00
	Bills discounted from banks [refer note (vii) below]	-	-	297.43
	Working capital demand loan [refer note (vi) below]	3,600.00	4,000.00	-
	Buyers credit (secured) [refer note (v) below]	10,521.36	-	-
		16,013.81	**12,045.62**	**7,724.36**

(i) Cash credit facilities from Citi Bank NA, Yes Bank Limited, Kotak Mahindra Bank Limited, Ratnakar Bank Limited, Indusind Bank Limited,HDFC Bank Limited and IDFC Bank Limited are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Max Speciality Films, subsidairy both present and future. The rate of interest on cash credit varies between banks ranging from 8.75% p.a. to 13.85% p.a. and are repayable on demand.

(ii) Packing credit foreign currency facility from Yes Bank Limited is repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Max Speciality Films Limited, subsidairy, both present and future. The rate of interest on packing credit foreign currency varies between 1.50% p.a. to 2.79% p.a.

(iii) Interest free loan and repayable on demand

(iv) Packing credit facility from Deutsche Bank is repayable on demand carried interest rate of 9.50%.

(v) Buyer credit foreign currency facility from Yes Bank Limited amounting to Rs. 10,521.36 Lakhs (March 31, 2017: Rs. Nil, March 31, 2016: Rs. Nil) is secured by way of first pari passu charge on the movable fixed assets (excluding assets/equipment/vehicles etc specifically charged to other lenders) and immovable fixed assets both present and future. The loan is repayable next 2-3 years carrying interest rate ranging from 0.22% p.a. to 2.30% p.a..

(vi) Working capital demand loan from IDFC and Indusind bank are repayable on demand and are secured by a first pari passu hypothecation charge on all current assets of the Max Speciality Films Limited, subsidairy, 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 11.15% p.a.

(vii) Bills discounted Rs. Nil (March 31, 2017: Rs. Nil, March 31, 2016: Rs 297.43 Lakhs) represents debtors discount without Letter of credit from Ratnagar Bank Limited with a tenor of 3 to 4 months.

Undrawn borrowings:

(viii) Cash credit \Working capital demand loan\Packing credit\Bill discounting facilities from Yes bank Limited, Kotak Mahindra bank Limited, Indusind Bank Limited, IDFC bank Limited and HDFC bank Limited has been sanctioned to the tune of Rs 3,000 Lakhs, Rs 5,000 Lakhs, Rs. 2,000 Lakhs, Rs 4,000 Lakhs and Rs. 4,000 Lakhs respectively. The amount utilised against the sanction facility as on September 30, 2017 from Yes bank Limited, Kotak Mahindra bank Limited, Indusind Bank Limited and HDFC bank Limited is Rs 169.70 Lakhs, Rs 1,700 Lakhs, Rs 1,600 Lakhs, Rs. 2,000 Lakhs and Rs. 22.76 Lakhs respectively.

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
(ii) Restated Summary of Trade payables			
Total outstanding dues of micro enterprises and small enterprises	18.88	18.62	89.24
Total outstanding dues of creditors other than micro enterprises and small enterprises #	21,095.22	8,441.07	5,308.38
	21,114.10	**8,459.69**	**5,397.62**

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

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
The principal amount due and remaining unpaid to any supplier as at the end of each accounting year.	8.53	Nil	22.58
The interest due on unpaid principal amount remaining as at the end of each accounting year	0.10	Nil	0.13
The amount of interest paid by the buyer in terms of Section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprise Development Act, 2006	Nil	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	0.28	0.17	0.17
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprise Development Act, 2006	0.36	0.28	0.01

Trade payables include due to related parties. Refer Note 40(b) for amount due to related parties.

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 0 - 180 day terms

(iii) Restated Summary of Derivative instruments at fair value through profit or loss			
Foreign exchange forward contracts	12.63	-	-
	12.63	**-**	**-**

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.

(iv) Restated Summary of Other current financial liabilities			
Current maturity of long term borrowings (refer note 13)	2,825.67	1,597.30	2,348.15
Security deposits	125.02	154.68	127.19
Capital creditors*	90.81	269.22	154.25
	3,041.50	**2,021.20**	**2,629.59**

*Capital creditors include due to related parties Rs.29.88 lacs (March 31, 2017 - Rs. Nil, March 31, 2016 - Rs. Nil). Refer note 40(b)

(Rs. in Lakhs)

		As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
19.	**Restated Summary of Short term provision**			
	Provision for employee benefits			
	- Provision for leave encashment	215.81	182.48	147.91
	- Provision for gratuity (refer note 36)	103.61	90.90	90.53
	Provision for taxation	926.59	-	3.76
		1,246.01	**273.38**	**242.20**
20.	**Restated Summary of Other current liabilities**			
	Advance from customers	39,040.38	863.57	162.69
	Statutory dues	210.54	361.01	274.89
	Dividend distribution tax payable	-	-	70.70
		39,250.92	**1,224.58**	**508.28**

21. Restated Summary of Revenue from operations

(Rs. in Lakhs)

	for the six months period ended September 30, 2017	For the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Sale of products			
Bi-axially oriented polypropylene film (BOPP)	34,835.19	70,267.63	74,896.51
Soft leather finishing foil	-	-	143.30
Total sale of products	**34,835.19**	**70,267.63**	**75,039.81**
Revenue from services			
Income from shared services	114.44	200.50	-
Other operating Income			
Gain on mutual fund investments	251.87	13.67	24.99
Fair value gain on financial instruments at fair value through profit or loss	280.86	94.09	-
Interest income on fixed deposits	0.02	3.94	55.13
Export benefits	154.56	284.98	590.43
Job work income	-	-	20.09
Scrap - waste of plastic sale	169.67	447.38	301.66
Income from goverment grant	203.25	641.61	865.65
Total	**36,009.86**	**71,953.80**	**76,897.76**

a) Sale of goods includes excise duty collected from customers of Rs. 1,419.43 Lakhs (March 31, 2017: Rs. 5,808.50 Lakhs, March 31, 2016: Rs. 6,131.11 Lakhs). Sale of goods net of excise duty is Rs. 33,415.76 Lakhs (March 31, 2017: Rs. 64,459.13 Lakhs, March 31, 2016: Rs. 68,908.70 Lakhs)

b) According to the requirement of IND AS, revenue for the corresponding previous year ended March 31, 2017 and March 31, 2016 were reported inclusive of excise duty. The Government of India has inplemented Goods and Service Tax ("GST") from July 1, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. Accordingly, per IND AS 18, the revenue for the six months period ended September 30, 2017, is reported net of GST. Had the previously reported revenue shown net of excise duty, compartive income from operations of the Group would have been as follows:

(Rs. in Lakhs)

	for the six months period ended September 30, 2017	For the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Revenue from sale of products	33,415.76	64,459.13	68,908.70

22. Restated Summary of Other income

Other income- recurring			
Interest income	94.65	147.78	130.91
Fair value gain on financial instruments at fair value through profit or loss	15.25	-	-
Gain on foreign exchange fluctuation (net)	289.41	800.76	550.70
Gain on sale of fixed assets (net)	5.70	2.97	-
Scrap sale	59.72	207.04	223.58
Unwinding of discount on security deposit	4.67	3.19	-
Miscellaneous income	23.55	22.51	12.17
	492.95	**1,184.25**	**917.36**

23. Restated Summary of Cost of raw materials consumed

Inventories at beginning of year	3,819.99	2,858.96	-
Acquired under demerger			2,646.88
Add: Purchases	27,962.99	53,596.86	48,734.17
Less: inventory at the end of year	4,983.91	3,819.99	2,858.96
Cost of raw materials consumed	**26,799.06**	**52,635.83**	**48,522.09**

24. Restated Summary of (Increase)/ decrease in work-in-progress and finished goods

	for the six months period ended September 30, 2017	For the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
a) Inventories at end of the year			
Work in progress-			
Real Estate	58,078.27	5,057.57	-
BOPP Film	1,996.24	1,929.71	1,040.80
Finished goods*	489.97	823.79	680.38
	60,564.48	**7,811.07**	**1,721.18**
b) Acquistion adjustment- Real Estate	50,615.99	-	-
c) Inventories acquired under demerger			
Work in progress-			
Real Estate			
BOPP Film	-	-	985.16
Finished goods*	-	-	758.84
	-	**-**	**1,744.00**

d) Inventories at beginning of the year			
Work in progress-			
Real Estate	5,057.57	-	
BOPP Film	1,929.71	1,040.80	
Finished goods*	823.78	680.38	
	7,811.06	**1,721.18**	**-**
Net (Increase)/ decrease in work-in-progress and finished goods (d+c+b-a)	**(2,137.43)**	**(6,089.89)**	**22.82**

*including trial run stock of Rs. Nil (March 31, 2017: Rs. Nil, March 31, 2016: Rs. 3.27 lacs)

Details of inventory

Work-in-progress			
BOPP Film	1,996.25	1,929.72	1,040.80
Real Estate	58,078.26	5,057.56	-
	60,074.51	**6,987.28**	**1,040.80**

Finished goods			
BOPP Film	489.97	823.78	680.38
	489.97	**823.78**	**680.38**

25. Restated Summary of Employee benefits expense

(Rs. in Lakhs)

	for the six months period ended September 30, 2017	For the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Salaries, wages and bonus	1,821.61	3,612.67	3,537.22
Contribution to provident and other funds	106.42	202.05	155.91
Gratuity expense* (refer note 36)	65.38	101.66	82.31
Staff welfare expenses	92.24	230.09	186.65
	2,085.65	**4,146.47**	**3,962.09**

*excludes cost capitalised Rs. 1.47 lakhs (March 31, 2017 - Rs. 9.47 lacs, March 31, 2016 - Nil) in inventory and Capital work in progress.

26. Restated Summary of Finance costs

Interest on term loans	1,166.30	2,398.82	2,348.55
Interest on others	62.54	816.27	826.02
Interest on late deposit of advance tax	-	0.09	4.30
Bank charges	185.68	278.37	410.42
	1,414.52	**3,493.55**	**3,589.29**
Less : Interest cost capitalised	(193.73)	(217.58)	(140.81)
	1,220.79	**3,275.97**	**3,448.48**

27. Restated Summary of Depreciation and amortization expense*

Depreciation of property, plant and equipment (refer note 3)	1,072.94	1,915.56	1,776.12
Amortization of intangible assets (refer note 4)	58.84	112.87	93.61
	1,131.78	**2,028.43**	**1,869.73**

* Depreciation includes Rs. 0.38 lacs (March 31, 2017 - Rs. 0.14 lacs, March 31, 2016 - Rs. Nil) is capitalised and part of inventory (work in progress)

28. Restated Summary of Other expense

Consumption of stores and spares	332.09	812.32	809.99
(Increase) / decrease of excise duty on inventories	(82.08)	11.89	(38.02)
Power and fuel	2,425.78	4,437.00	4,265.38
Processing charges	22.09	21.71	4.43
Recruitment and training expenses	37.48	48.58	93.92
Rent expense (refer note no 34(c))	152.36	314.77	165.37
Insurance expenses	98.64	185.52	172.94
Rates and taxes	66.89	247.42	263.53
Repairs and maintenance:			
Building	54.94	135.16	77.29
Plant and equipments	221.14	462.07	659.92
Others	134.64	261.50	330.84
Printing and stationery expenses	16.83	55.74	30.41
Travelling and conveyance expenses	262.22	562.75	432.81
Communication expenses	32.55	68.12	53.54
Legal and professional expenses (refer note no 28.1)	519.83	689.66	351.55
Directors' fee	72.23	158.00	68.24
Sales promotion expenses	22.10	145.37	87.99
Product development expenses	45.92	312.60	168.16
Commission to other than sole selling agents	54.29	86.03	126.78
Freight and forwarding expenses	1,217.19	2,422.97	2,445.12
Recruitment and training expenses	0.50	16.08	0.21
Provision for doubtful debts	-	-	100.36
Loss on sale of fixed assets (net)	-	0.18	290.40
Bad debts written off	-	182.39	0.29
Charity and donation	0.05	0.45	0.81
CSR expenditure (refer note no 41)	7.59	26.57	10.03
Shared Service charges	81.19	142.52	146.73
Miscellaneous expenses	39.53	122.91	55.30
	5,835.99	**11,930.28**	**11,174.32**

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

As auditor:			
Audit fee	24.36	39.95	34.50
Other services (certification fees)	2.25	4.00	2.00
Reimbursement of expenses	0.55	0.44	-
	27.16	**44.39**	**36.50**

Annexure- V
Notes forming part of the financial statements

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		
			September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)
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%*	99%	99%
Max Estates Limited (refer note a)	Constrution and developement of residential and commercial properties.	India	100%	100%	-
Max I. Limited (refer note b)	Making investments in various companiess and primarily engaged in growing and nurturing these business investments	India	100%	100%	-
Max Learning Limited (refer note c)	Exploring opportunities/establishing schools	India	100%	100%	-
Wise Zone Builders Private Limited (refer note d)	Constrution and developement of residential and commercial properties	India	100%		

a) Incorporated on 22nd March 2016

b) Incorporated on 23rd June 2016

c) Incorporated on 23rd August 2016

d) It was acquired by Max Estates Limited on 28th April 2017

* Refere note 48

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Annexure- V
Notes forming part of the financial statements

30 Restated summary of Income Tax **(Rs. in Lakhs)**

	for the six months period ended September 30, 2017	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016 (Proforma)
INCOME TAXES			
(a) Income tax expense in the statement of profit and loss comprises :			
Current Income Tax			
Current income tax charge	263.03	99.80	638.52
Mat Credit Entitlement			
- Current year	(144.66)	(99.80)	(346.07)
Deferred Tax	-	-	-
Relating to origination and reversal of temporary differences	177.82	7.22	374.63
Income tax expense reported in the statement of profit or loss	**296.19**	**7.22**	**667.08**

31 **Restated summary of Other Comprehensive Income**

Re-measurement (gains)/ losses on defined benefit plans (refer note: 36)	(10.59)	(9.37)	(23.11)
Less : Tax related to items recognized in OCI during the period/year	(2.26)	(1.72)	(4.71)
	(8.33)	**(7.65)**	**(18.40)**

32 **Restated summary of Earning Per Share**

	for the six months period ended September 30, 2017	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016 (Proforma)
Basic EPS			
Profit after tax (Rs. in Lakhs)	(311.93)	(609.91)	1,996.59
Net profit/(loss) for calculation of basic EPS	(311.93)	(609.91)	1,996.59
Weighted average number of equity shares outstanding during the period/year (Nos.)	71,463,211	55,242,723	53,364,617
Basic earnings per share (Rs.)	**(0.44)**	**(1.10)**	**3.74**
Dilutive EPS			
Profit after tax (Rs. in Lakhs)	(311.93)	(609.91)	1,996.59
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)*	72,870,276	56,132,659	53,908,387
Anti Diluted/Diluted earnings per share (Rs.)*	**(0.44)**	**(1.10)**	**3.70**

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

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.)	71,463,211	55,242,723	53,364,617
Add: ESOP/Warrants	1,407,065	889,936	543,770
	72,870,276	**56,132,659**	**53,908,387**

Annexure- V
Notes forming part of the financial statements

33 Restated summary of Income Tax
The major components of income tax expense for the period ended September 30, 2017, March 31, 2017 and March 31, 2016 are :

Statement of profit and loss :

Profit and loss section

(Rs. in Lakhs)

Particulars	for the six months ended September 30, 2017	for the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016 (Proforma)
Current income tax :			
Current tax	263.03	99.80	638.52
Mat Credit Entitlement	-	-	-
- Current year	(144.66)	(99.80)	(346.07)
Deferred tax :			
Relating to origination and reversal of temporary differences	177.82	7.22	374.63
Income tax expense reported in the statement of profit and loss	**296.19**	**7.22**	**667.08**

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

(Rs. in Lakhs)

Particulars	for the six months ended September 30, 2017	for the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016 (Proforma)
Tax charge/(credit) on remeasurements of defined benefit plans	(2.26)	(1.72)	(4.71)
Tax related to items recognized in OCI during the period/year	**(2.26)**	**(1.72)**	**(4.71)**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2016, March 31, 2017 and September 30, 2017:

(Rs. in Lakhs)

Particulars	for the six months ended September 30, 2017	for the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016 (Proforma)
Accounting profit before income tax	**147.52**	**(597.55)**	**2,684.49**
At India's statutory income tax rate of 34.608 % (March 31, 2017: 34.608 %, March 31, 2016 : 33.06%)	51.05	(206.80)	887.49
Non-deductible expenses for tax purposes:			
Disallowances on account of exempt income u/s 14A	24.87	59.55	27.61
Disallowance on account of finance costs incurred on business investments	-	72.14	-
Other non-deductible expenses	237.50	304.59	114.20
Others			
Carry forward of losses	(51.87)	-	(362.22)
Losses of subsidiary not being considered for deferred tax	34.64	94.46	-
Additional investment allowance	-	(316.72)	-
At the effective income tax rate	**296.19**	**7.22**	**667.08**
Income tax expense reported in the statement of profit and loss	296.19	7.22	667.08
Total tax expense	**296.19**	**7.22**	**667.08**

Deferred tax relates to the following:

(Rs. in Lakhs)

Particulars	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)	for the six months period ended September 30, 2017	for the year ended March 31, 2017
Deferred tax liabilities	**3,284.96**	**2,668.26**	**1,316.12**	**616.70**	**1,352.14**
Differences in depreciation in block of fixed assets as per tax books and financial books	3,151.29	2,633.70	1,313.56	517.59	1,320.14
Difference in book base and tax base in investments	129.43	32.56	-	96.87	32.56
Others	4.24	2.00	2.56	**2.24**	(0.56)
Gross deferred tax liabilities (a)	**3,284.96**	**2,668.26**	**1,316.12**	**616.70**	**1,352.14**
				-	-
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	460.41	396.36	526.11	64.05	(129.75)
Allowance for doubtful debts	75.99	75.99	13.77	-	62.22
Unabsorbed depreciation/ Business Losses	1,417.74	1,331.59	-	86.15	1,331.59
Pending obligations under goverment grant	370.97	93.77	22.00	277.20	71.77
Others	32.55	15.93	8.13	16.62	7.80
Gross deferred tax assets (b)	**2,357.66**	**1,913.64**	**570.01**	**444.02**	**1,343.63**
				-	-
Mat Credit (c)	916.10	706.36	603.53	209.74	102.83
				-	-
Deferred tax liabilities (net)	**11.20**	**48.26**	**142.58**	**(37.06)**	**(94.32)**

Reconciliation of deferred tax liabilities (net):

Particulars	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Opening balance as of April 1	48.26	142.57	-
Adjustment on account of acquisition	-	-	118.72
Tax expense/(income) during the period recognised in profit or loss	176.27	5.03	369.92
Tax expense/(income) during the period recognised in OCl	(0.59)	0.46	-
Closing balance as at March 31 (before adjustment of MAT Credit)	**223.94**	**148.06**	**488.64**
Mat Credit	(212.74)	(99.80)	(346.07)
Closing balance as at March 31	**11.20**	**48.26**	**142.57**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
The Group has business losses of INR 383.50 lacs for March 31, 2017 for that are available for offsetting against future taxable profits of the Company which will expire in March 2025 and unabsorbed depreciation of INR 3,946.33 lacs for March 31, 2017 for that are available for offsetting. The permanent and temporary differences for the six months period ended September 30, 2017 are based on the draft tax computation for the said period.

34 a. Restated summary of Commitments and contingencies

A. Contingent liabilities not provided for

(Rs. in Lakhs)

S. No.	Particulars	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
i.	Claims against the Group not acknowledged as debts (Refer note (a))	1,414.78	1,414.78	1,469.00
	- Excise duty demands			
	- Service tax demands			
ii.	Contingent liability for pending C form's from customers (Refer note (b))	883.52	677.30	762.27

Note:

a Contingent liability with respect to item (i) above represents disputed excise and service tax demands pertaining to various years ranging from Financial Year 2005-06 to 2014-15.
All these matters are pending with various judicial/appellate authorities and the Group believes that it has merit in these cases and more likely than not the Group will succeed in these cases.

b Contingent liability for pending C forms from customers represent pending liability C forms liability from FY 2011-12 to 2016-17. The Group is under process of collecting the same from respective customers and the Group believes that the same would be collected before assessment of respective years.

B Capital commitments

(Rs. in lakhs)

	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Estimated amount of contracts remaining to be executed on capital account and not provided for	7,983.92	12,769.93	14,000.12
Less: Capital advances	3,099.46	233.10	1,942.33
Net capital commitment for acquisition of capital assets	**4,884.46**	**12,536.83**	**12,057.79**

C Lease commitments

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 period is Rs. 152.36 lakhs (March 31, 2017 - Rs. 314.77 lakhs, March 31, 2016 - 165.37 lakhs).

(i) Information in respect of non-cancellable leases **(Rs. in lakhs)**

	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
The Total of minimum lease payments for a period:			
- Not later than one year	339.24	319.85	129.91
- Later than one year and not later than five years	823.50	1,129.14	271.74
- Later than five years	597.32	445.62	-

D Other Commitments

The Group has entererd into an Agreement To Sell with Pharmax Corporation Limited, related party for purchase of part of the building underlying land equivallent to fifty percent (50%) of the land parcel in lieu of the payment of an agreegate sale consideration of Rs.2,750 lakhs.

Annexure- V
Notes forming part of the financial statements

35 Other notes to accounts

A) Acquisition of Wise Zone Builders Private Limited (Wise)

On April 28th 2017,the Group has acquired 100% stake in Wise Zone Builders Private Limited, a non-listed entity in India. The identifiable assets and liabilities of Wise as at the date of acquisition were:-

	Rs. in lakhs
Assets	
Inventories (Refer note (i))	50,616.33
Cash and cash equivalents	0.87
	50,617.20
Liabilities	
Other non-current liabilties	4,825.48
Short term borrowings	6,315.00
Other current liabilities	39,475.72
	50,616.20
Total identifiable net assets at fair value	**1.00**
Purchase consideration transferred	**1.00**
Net Cash flows on acquisition	**1.00**

(i) The Group has got 3352 sqmt of land in Delhi one Project situated at Plot no C 001/A, Sector 16, Noida
(ii) The Group has taken over the liabilities payable to Piveta Estates Priavte Limited, related party and to the Noida Authority .

(B) Approval from shareholders for cancellation of area purchase agreement

Noida Authority had leased Plot No. C-001/A, Sector 16B, Noida admeasuring 40,056.72 square meters (Forty thousand fifty six point seventy two) (hereinafter referred to as the "Land") in favour of Boulevard Projects Private Limited ("BPPL"),the special purpose company of Vistar Constructions Private Limited, Three C Developers Private Limited, Advance eGraphics Complogic Solutions Private Limited and Jaksons Limited for a term of ninety (90) years commencing from June 29, 2010 ("Lease Deed"). In terms of the said Lease Deed and after obtaining requisite approvals, BPPL initiated the process of constructing a commercial complex for commercial activities including hotel, commercial areas, office, retail outlets etc. by the name of 'Delhi One' ("Complex") on the Land.

Piveta Estates Private Limited ('Piveta'), an entity forming part of the Promoter group is a customer of BPPL who had executed an Agreement dated September 4, 2013 and an addendum thereto dated July 27, 2016 with BPPL for purchase of Super Built Up Area admeasuring 5,91,104 square feet (Five lakh ninety one thousand one hundred and four) alongwith car parking area, all passageways and other facilities at the Complex (referred as 'Piveta's Tower').

BPPL obtained an in-principle approval from Noida Authority dated February 3, 2017 for the sub-division of the Plot No. C-001/A, Sector-16B, Noida into sub plot no. C-1A/1, Sector 16B, Noida admeasuring 3,352 square meters (Three thousand three hundred fifty-two) containing Piveta's Tower ("Sub-Divided Plot") in favour of Wise Zone Builders Private Limited (then a wholly owned subsidiary of BPPL) ("Wise"). Subsequently, BPPL, Wise and the Noida Authority entered into a Sub-Lease Deed dated April 28, 2017 by which BPPL demised the Sub-Divided Plot on lease to Wise.

In the year 2013, Piveta sold out 115,000 sqft. collectively to (i) Max India Limited, now renamed as Max Financial Services Limited ('MFSL') and (ii) Max Life Insurance Company Limited ("MLIC") for Rs. 140.30 Crores.

Upon obtaining consent from Piveta, BPPL and Wise entered into a Novation Agreement dated April 29, 2017 under which BPPL novated its rights and obligations for development, further construction and conveyance of Piveta's Tower, and assets/area under construction in favour of Wise.

Thereafter, Max Estates Limited, a wholly owned subsidiary of the Company purchased 100% of the share capital of Wise by executing a share purchase agreement dated April 29, 2017. Basis the above, Wise became a step down wholly owned subsidiary of the Company w.e.f. April 29, 2017. Further, Noida Authority also recognized the change in shareholding pattern of Wise vide their letter dated October 26, 2017. Piveta requested Wise to cancel the entire Area Purchase Agreement dated September 4, 2013, addendum agreement dated July 27, 2016, Agreement 2 dated July 27, 2016 and all other related agreements executed by it for purchase of aggregate Super Built Up Area admeasuring 591,104 square feet along with car parking area, all passageways and other facilities at the Complex.

Piveta requested Wise to cancel the entire Area Purchase Agreement dated September 4, 2013, addendum agreement dated July 27, 2016, Agreement 2 dated July 27, 2016 and all other related agreements executed by it for purchase of aggregate Super Built Up Area admeasuring 591,104 square feet along with car parking area, all passageways and other facilities at the Complex.

The Company has conducted the Postal Ballot process on November 7, 2017 to take approval from its shareholders on cancellation of area purchase agreement. On December 19, 2017, Results of Postal ballot declared and shareholders has approved the transaction.

Consequent to above approval, rights and obligations of Piveta towards sale of 1,15,000 Sq.Ft. area to Max Financial Services Limited and Max Life Insurance Company Limited aggregating to Rs.140.30 Crores will be assigned/novated in favour of Wise And, a refund of Rs. 24510 lakhs and entailing a refund of an amount aggregating to Rs. 245.10 crores from Wise to Piveta based on valuation report of independent agency i.e. KPMG and CBRE on account of cancellation of the aforesaid agreement(s).

The accounting effect of above transaction has not been considered pending execution of Area Cancellation Agreement/novation agreement.

36 Restated Summary of 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. 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. The group 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 :

(Rs. in Lakhs)

		September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)
a)	**Reconciliation of opening and closing balances of defined benefit obligation**			
	Defined benefit obligation at the beginning of the period/year	691.84	670.75	-
	Interest expense	25.27	52.32	49.82
	Current service cost	47.36	71.70	52.52
	Benefit paid	(31.25)	(111.77)	(81.68)
	Acquisition adjustment	-	2.55	639.66
	Remeasurement of (Gain)/loss in other comprehensive income			-
	Actuarial changes arising from changes in demographic assumptions	-	-	-
	Actuarial changes arising from changes in financial assumptions	22.23	27.61	-
	Actuarial changes arising from changes in experience adjustments	(10.46)	(21.32)	10.43
	Defined benefit obligation at period/year end	**744.99**	**691.84**	**670.75**
b)	**Reconciliation of opening and closing balances of fair value of plan assets**			
	Fair value of plan assets at beginning of the period/year	130.81	226.96	256.83
	Expected return on plan assets	4.77	17.70	20.03
	Benefits paid	(28.98)	(110.77)	(37.22)
	Remeasurement of (Gain)/loss in other comprehensive income	1.17	(3.08)	(12.68)
	Fair value of plan assets at year end	**107.77**	**130.81**	**226.96**
c)	**Net defined benefit asset/ (liability) recognized in the balance sheet**			
	Fair value of plan assets	107.77	130.81	226.96
	Less: Present value of defined benefit obligation	744.99	691.84	670.75
	Amount recognized in balance sheet- asset / (liability)	**(637.22)**	**(561.03)**	**(443.79)**
d)	**Net defined benefit expense (recognized in the statement of profit and loss for the period/year**			
	Current service cost	47.36	71.70	52.52
	Interest cost on benefit obligation	20.50	34.62	29.79
	Net defined benefit expense debited to statement of profit and loss *	**67.86**	**106.32**	**82.31**
	* Capitalised Rs. 2.49 lakhs (March 31, 2017 - Rs. 4.66 lacs, March 31, 2016 - Nil) in inventory and Capital work in progress			
e)	**Broad categories of plan assets as a percentage of total assets**			
	Insurer managed funds in Max Speciality Films Limited , Subsidiary	100%	100%	100%

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

Assumption particulars	As At September 30, 2017	As At March 31, 2017	As At March 31, 2016 (Proforma)
Discount rate	6.9% - 7.35%	7.8% - 7.9%	7.3% - 8%
Salary escalation rate	9% - 10%	9% - 10%	9% - 10%
Mortality Rate (% of IALM 06-08)	100.00%	100.00%	100.00%

(Rs. in Lakhs)

g) **Quantitative sensitivity analysis for significant assumptions is as below:**

	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)
Increase / (decrease) on present value of defined benefits obligations at the end of the period/year			
Discount rate			
Increase by 0.50%	(56.10)	(56.47)	(48.18)
Decrease by 0.50%	63.83	67.16	54.71
Salary growth rate			
Increase by 0.50%	61.95	65.56	53.53
Decrease by 0.50%	(55.52)	(56.17)	(48.08)

(Rs. in Lakhs)

h) **Maturity profile of defined benefit obligation (valued on undiscounted basis)**

	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)
Within the next 12 months (next annual reporting period)	47.87	36.13	73.51
Between 2 and 5 years	178.90	162.35	149.89
Beyond 5 Years	518.23	493.35	447.37
Total expected payments	**744.99**	**691.83**	**670.78**

i) The average duration of the defined benefit plan obligation at the end of the reporting period is 12 - 21 Years (March 31, 2017 : 12 -20 years, March 31, 2016 : 12 -15 years)
j) The Group expects to contribute Rs 23.71 Lacs (March 31, 2017: Rs.90.94 Lacs, March 31, 2016 : Rs.90.54 lacs) to the planned assets during the next financial year.
k) The estimates of rate of escalation in salary considered in actuarial valuation are after taking into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as certified by the Actuary.
l) Discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of the obligations.
m) The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

36.1 Leave Encashment (unfunded)
The Company recognises the leave encashment expenses in the Statement of Profit & Loss based on actuarial valuation.
The expenses recognised in the Statement of Profit & Loss and the Leave encashment liability at the beginning and at the end of the year :

(Rs. in Lakhs)

Particulars	for the half year ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
Liability at the beginning of the period	182.48	147.91	-
Acquisition under demerger (refer note 47)	-	-	130.51
Benefits paid during the period	10.89	30.50	10.86
Acquisition adjustment during the period/year	-	1.90	-
Provided during the period	44.22	63.17	28.26
Liability at the end of the period	**215.81**	**182.48**	**147.91**

36.1 Restated Summary of Provident Fund

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

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

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

The details of fund and plan asset position as at September 30, 2017 as per the actuarial valuation of active members are as follows:

(Rs. in Lakhs)

	September 30, 2017	**March 31, 2017**	**March 31, 2016 (Proforma)**
Plan assets at year end at fair value	2,401.69	2,541.44	2,289.04
Present value of defined benefit obligation at year end	2,222.75	2,503.31	2,273.49
Surplus as per actuarial certificate	178.94	38.13	15.55
Shortfall recognized in balance sheet	-	-	-
Active members as at year end (Nos)	422	428	447

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

	September 30, 2017	**March 31, 2017**	**March 31, 2016 (Proforma)**
Discount rate	6.63%	7.51%	7.72%
Withdrawal rate	5.00%	5.00%	5.00%
Yield on existing funds	9.01%	8.79%	9.06%
Expected guaranteed interest rate	8.65%	8.65%	8.75%

Contribution to Defined benefit Plan, recognized as expense for the year is as under: **(Rs. in Lakhs)**

	September 30, 2017	**March 31, 2017**	**March 31, 2016 (Proforma)**
Employer's Contribution towards Provident Fund (PF)	47.54	102.63	75.12
	47.54	**102.63**	**75.12**

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Annexure- V
Notes forming part of the financial statements

36.2 Restated Summary of Employee Stock Option Plan

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

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

The details of activity under the Scheme are summarized below:

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

For options exercised during the year, the weighted average share price at the exercise date was Rs.10.00 per share (March 31, 2017 : Rs 10.00 and March 31, 2016 : Rs 10.00) per share.

The weighted average remaining contractual life for the stock options outstanding as at September 30, 2017 are as follows:

Date of grant	September 30, 2017		March 31, 2017		March 31, 2016 (Proforma)	
	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years	Number of options	Weighted average remaining life in years
21-Jan-16	**222,171**	**1.87**	443,504	2.61	500,712	3.61

During the six months period ended September 30, 2017, 221,333 (March 31, 2017 - 57,208 , March 31, 2016 - 96,245) nos of stock options were alloted to the aforesaid option holders by the Company.

2) The Company has constituted an Employee Stock Option Plan - 2016 which have been approved by the Board in the meeting held on 9th August 2016 and by shareholders of the Company in its annual general meeting held on September 27, 2016 based on similar terms and conditions to the relevant ESOP plan of MFSL. The 2016 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees of the Company. The 2016 Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors.
The 2016 Plan gives an option to the employee to purchase the share at a price determined by Nomination and Remuneration committee subject to minimum par value of shares (Rs. 10/-). The Company has valued Employee Stock Option outstanding as at year end presuming all the employees will exercise their option in favor of cash settlement or equity settlement based on trend.
No options were granted / vested / exercised during the period/ year under this plan.

36.3 Phantom Stock Policy (Cash Settled)

On May, 2017, Nomination & Remuneration Committee has approved the Phantom stock policy where 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.

(Rs. in Lakhs)

	As At September 30, 2017	As At March 31, 2017	As At March 31, 2016 (Proforma)
Opening Balance	-	-	-
Expenses during the period/ year	17.32	-	-
Closing Balance	17.32	-	-

37 Restated Summary of 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 4 months.

38 Restated Summary 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:

(Rs. in Lakhs)

Category	**Carrying value**			**Fair Value**		
	September 30, 2017	**March 31, 2017**	**March 31, 2016 (Proforma)**	**September 30, 2017**	**March 31, 2017**	**March 31, 2016 (Proforma)**
Financial asset at amortized cost						
Non-Current financial assets (refer note no 5 (ii))	1,151.32	356.29	299.99	1,151.32	356.29	299.99
Current Loans (refer note no 9(v))	42.99	93.56	67.66	42.99	93.56	67.66
Other non-current bank balances (refer note no 5(iii))	0.25	0.25	-	0.25	0.25	-
Financial asset measured at fair value						
Current derivative instruments (refer note no 9(vi))	-	41.91	18.63	-	41.91	18.63
Non-Current investments (refer note no 5(i))	8,804.72	5,104.72	-	8,804.72	5,104.72	-
Current investments (refer note no 9(i))	12,059.39	12,293.43	-	12,059.39	12,293.43	-
Financial liabilities at amortized cost						
Non-Current borrowings (refer note 13)	20,052.20	20,467.83	19,648.43	20,052.20	20,467.83	19,648.43
Current borrowings (refer note 18(i))	16,013.81	12,045.62	7,724.36	16,013.81	12,045.62	7,724.36
Financial liabilities measured at fair value						
Current Derivative instruments (refer note 18(iv))	12.63	-	-	12.63	-	-

The Group 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 and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the Group 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 asssets and other non current financial liabilites 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 exchnge 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 September 30, 2017 was assessed to be insignificant.

Fair value hierarchy

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

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

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

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

(i) Quantitative disclosure of fair value measurement hierarchy for financial assets as on September 30, 2017

(Rs. in Lakhs)

Particulars	**Carrying value September 30, 2017**	**Fair value**		
		Level 1	**Level 2**	**Level 3**
Non-Current financial assets (refer note no 5 (ii))	1,151.32	-	1,151.32	-
Current Loans (refer note no 9(v))	42.99	-	42.99	-
Other non-current bank balances (refer note no 5(iii))	0.25	-	0.25	-
Non-Current investments (refer note no 5(i))	8,804.72	-	-	8,804.72
Current investments (refer note no 9(i))	12,059.39	12,059.39	-	-

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

(Rs. in Lakhs)

Particulars	**Carrying value March 31, 2017**	**Fair value**		
		Level 1	**Level 2**	**Level 3**
Non-Current financial assets (refer note no 5 (ii))	356.29	-	356.29	-
Current Loans (refer note no 9(v))	93.56		93.56	-
Other non-current bank balances (refer note no 5(iii))	0.25	-	0.25	-
Current derivative instruments (refer note no 9(vi))	41.91	-	41.91	-
Non-Current investments (refer note no 5(i))	5,104.72	-	-	5,104.72
Current investments (refer note no 9(i))	12,293.43	12,293.43	-	-

(iii) Quantitative disclosure of fair value measurement hierarchy for financial assets as on March 31, 2016

(Rs. in Lakhs)

Particulars	**Carrying value March 31, 2016 (Proforma)**	**Fair value**		
		Level 1	**Level 2**	**Level 3**
Non-Current financial assets (refer note no 5 (ii))	299.99		299.99	-
Current Loans (refer note no 9(v))	67.66	-	67.66	-
Current derivative instruments (refer note no 9(vi))	18.63	-	18.63	18.63

(iv) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on September 30, 2017

(Rs. in Lakhs)

Particulars	**Carrying value September 30, 2017**	**Fair value**		
		Level 1	**Level 2**	**Level 3**
Non-Current borrowings (refer note 13)	20,052.20	-	20,052.20	-
Current borrowings (refer note 18(i))	16,013.81	-	16,013.81	-
Current Derivative instruments (refer note 18(iii))	12.63	-	12.63	-

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

(Rs. in Lakhs)

Particulars	**Carrying value March 31, 2017**	**Fair value**		
		Level 1	**Level 2**	**Level 3**
Non-Current borrowings (refer note 13)	20,467.83	-	-	20,467.83
Current borrowings (refer note 18(i))	12,045.62		12,045.62	
		-	-	-

(vi) Quantitative disclosure of fair value measurement hierarchy for financial liabilities as on March 31, 2016

(Rs. in Lakhs)

Annexure- V
Notes forming part of the financial statements

Particulars	**Carrying value March 31, 2016 (Proforma)**	**Fair value**		
		Level 1	**Level 2**	**Level 3**
Non-Current borrowings (refer note 13)	19,648.43	-	19,648.43	-
Current borrowings (refer note 18(i))	7,724.36	-	7,724.36	-

Reconciliation of fair value measurement of investment in unquoted equity shares/debentures/preferance shares/ venture capital fund measured at FVTPL: (Level III)

Particulars	**(Rs. In Lakhs)**
As at March 31, 2016 (Proforma)	**Amount**
Purchase	5,104.72
Impact of fair value movement	-
sales	-
As at March 31, 2017	**5,104.72**
Purchase	3,700.00
Impact of fair value movement	-
sales	-
As at September 2017	**8,804.72**

The signficant unobservable inputs used in the fair value measurement categorised with Level 3 of the fair value hierarchy together with quantitiatve senstivity analysis as on September 30, 2017, March 31, 2017 and March 31, 2016

Description of significant unobservable inputs to valuation:

Particulars	**Valuation technique**	**Significant unobservable inputs**	**Increase/decrease in rate**	**Senstivity of the input to fair value**
Unquoted debentures of Azure Hospitality Private Limited	DCF	Growth Rate	1%	Increase in Growth rate by 1% leads to profit higher by Rs. 1,148 lacs and decrease in growth rate by 1% leads to profit lower by Rs. 919.54 lacs
Unquoted debentures of Azure Hospitality Private Limited	DCF	Discount rate	1%	Increase in Discount rate by 1% leads to profit lower by Rs. 413 lacs and decrease in growth rate by 1% leads to profit higher by Rs. 437 lacs
Unquoted equity shares of FSN E-Commerce Ventures Private Limited	DCF	Growth Rate	1%	Increase in Growth rate by 1% leads to profit higher by Rs. 385 lacs and decrease in growth rate by 1% leads to profit lower by Rs. 301 lacs
Unquoted equity shares of FSN E-Commerce Ventures Private Limited	DCF	Discount rate	1%	Increase in Discount rate by 1% leads to profit lower by Rs. 405 lacs and decrease in growth rate by 1% leads to profit higher by Rs. 517 lacs

39 Financial risk management objectives and policies

The Group's has instituted an overall risk management programme which also focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses forward covers to hedge foreign currency risk exposures. Financial risk management is carried out by Banking and Forex department under policies approved by the Board of Directors from time to time. The Banking and Forex department, evaluates and hedges financial risks in close co-operation with the various stakeholders. The Board of Directors approves written principles for overall financial risk management, as well as written policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

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

a) Liquidity risk

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

The table below represents the maturity profile of Group's financial liabilities at the end of March 31, 2016, March 31, 2017 and September 30, 2017 based on contractual undiscounted payments :-

March 31, 2016 (Proforma)	**0-1 Years**	**1-5 Years**	**More than 5 Years**	**Total**
Interest bearing borrowings	10,072.53	9,598.59	8,497.50	28,168.62
Trade payable	5,397.64	-	-	5,397.64
Other financial liabilities	281.44	-	-	281.44
March 31, 2017				
Interest bearing borrowings	13,642.92	13,098.57	6,445.79	33,187.28
Trade payable	8,459.69	2,033.42	-	10,493.11
Other financial liabilities	423.90	-	-	423.90
September 30, 2017				
Interest bearing borrowings	18,839.48	12,744.73	5,141.17	36,725.38
Trade payable	21,114.10	484.93	-	21,599.03
Other financial liabilities	215.83	-	-	215.83

Reconciliation of Interest bearing borrowings (Rs. in Lakhs)

	Schedule no	**As at September 30, 2017**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
(i) Non-Current borrowings	13	17,226.53	18,870.53	17,300.28
(ii) Short-term borrowings	18	16,013.81	12,045.62	7,724.36
(iii) Current maturity of long term borrowings	18	2,825.67	1,597.30	2,348.15
Processing fees adjusted from borrowings		659.37	673.83	795.83
		36,725.38	**33,187.28**	**28,168.62**

Reconciliation of other financial liability (Rs. in Lakhs)

	Schedule no	**As at September 30, 2017**	**As at March 31, 2017**	**As at March 31, 2016 (Proforma)**
Other financial liabilities	18	3,041.50	2,021.20	2,629.59
Less: Current maturities of long term borrowings	18	(2,825.67)	(1,597.30)	(2,348.15)
		215.83	**423.90**	**281.44**

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 September 30, 2017, March 31, 2017 and March 31, 2016 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 prices comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits, investments and foreign currency receivables and payables. The sensitivity analyses in the following sections relate to the position as at September 30, 2017, March 31 2017 and March 31, 2016. The analyses exclude the impact of movements in market variables on; the carrying values of gratuity and other post-retirement obligations; provisions; and the non-financial assets and liabilities. The sensitivity of the relevant Profit and Loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of September 30, 2017, March 31, 2017 and March 31, 2016.

(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 and JPY exchange rates, with all other variables held constant. The impact on the Group profit before tax is due to changes in the fair value of monetary assets and liabilities.

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

(Rs. in Lakhs)

Currency	**September 30, 2017 Foreign currency**	**September 30, 2017 Indian rupees**	**Currency**	**Increase/decrease in rate**	**Impact on profit before tax (Decrease in rate)**	**Impact on profit before tax (Increase in rate)**
Trade payables	2.30	178.96	Euro	1%	1.79	(1.79)
Capital trade payables	9.85	766.43	Euro	1%	7.66	(7.66)
Buyers credit-Short term borrowings	14.96	1,164.04	Euro	1%	11.64	(11.64)
Buyers credit-Long term borrowings	130.31	10,139.15	Euro	1%	101.39	(101.39)
Packing credit	0.87	68.03	Euro	1%	0.68	(0.68)
Trade receivables	16.56	1,260.85	Euro	1%	(12.61)	12.61
Trade payables	0.47	41.51	GBP	1%	0.42	(0.42)
Trade receivables	2.08	180.57	GBP	1%	(1.81)	1.81
Buyers credit-Short term borrowings	3.14	278.07	GBP	1%	2.78	(2.78)
Trade payables	27.90	1,836.13	USD	1%	18.36	(18.36)
Trade receivables	23.63	1,534.59	USD	1%	(15.35)	15.35
Buyers credit-Short term borrowings	30.07	1,978.75	USD	1%	19.79	(19.79)
Packing credit	0.70	45.90	USD	1%	0.46	(0.46)

(Rs. in Lakhs)

Currency	**March 31, 2017 Foreign currency**	**March 31, 2017 Indian rupees**	**Currency**	**Increase/decrease in rate**	**Impact on profit before tax (Decrease in rate)**	**Impact on profit before tax (Increase in rate)**
Trade payables	3.90	275.70	Euro	1%	2.76	(2.76)
Buyers credit-Long term borrowings	14.96	1,058.72	Euro	1%	10.59	(10.59)
Interest Accrued but not due on Buyers Credit	0.06	4.58	Euro	1%	0.05	(0.05)
Trade receivables	3.39	229.79	Euro	1%	(2.30)	2.30
Trade payables	0.50	41.34	GBP	1%	0.41	(0.41)
Buyers credit-Short term borrowings	3.14	259.63	GBP	1%	2.60	(2.60)
Interest Accrued but not due on Buyers Credit	0.04	3.44	GBP	1%	0.03	(0.03)
Trade payables	20.69	1,362.14	USD	1%	13.62	(13.62)
Trade receivables	11.80	753.93	USD	1%	(7.54)	7.54
Buyers credit-Short term borrowings	1.58	104.18	USD	1%	1.04	(1.04)
Buyers credit-Long term borrowings	28.49	1,875.18	USD	1%	18.75	(18.75)
Packing credit	0.00	0.28	USD	1%	0.00	(0.00)
Interest Accrued but not due on Buyers Credit	0.07	4.51	USD	1%	0.05	(0.05)

(Rs. in Lakhs)

Currency	March 31, 2016 (Proforma) Foreign currency	March 31, 2016 (Proforma) 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	3.99	305.59	Euro	1%	3.06	(3.06)
Buyers credit-Short term borrowings	13.80	1,056.94	Euro	1%	10.57	(10.57)
Buyers credit-Long term borrowings	2.70	206.79	Euro	1%	2.07	(2.07)
Packing credit	0.64	49.02	Euro	1%	0.49	(0.49)
Interest Accrued but not due on Buyers Credit	0.07	5.30	Euro	1%	0.05	(0.05)
Trade receivables	7.59	558.17	Euro	1%	(5.58)	5.58
Trade payables	0.14	13.58	GBP	1%	0.14	(0.14)
Trade receivables	3.32	309.32	GBP	1%	(3.09)	3.09
Packing credit	1.82	176.09	GBP	1%	1.76	(1.76)
Trade payables	15.36	1,038.49	USD	1%	10.38	(10.38)
Trade receivables	23.31	1,515.62	USD	1%	(15.16)	15.16
Buyers credit-Short term borrowings	2.87	194.04	USD	1%	1.94	(1.94)
Buyers credit-Long term borrowings	26.91	1,819.26	USD	1%	18.19	(18.19)
Bank balance	0.00	0.04	USD	1%	(0.00)	0.00
Interest Accrued but not due on Buyers Credit	0.02	1.47	USD	1%	0.01	(0.01)

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 instruments. The details of the outstanding foreign exchange forward are as follows:

Particulars		September 30, 2017		March 31, 2017		March 31, 2016 (Proforma)	
	Currency	Foreign currency	Indian Rupee	Foreign currency	Indian Rupee	Foreign currency	Indian Rupee
Payables (Forward contract Sell)	USD	4.83	313.55	8.45	539.63	17.47	1,135.87
Payables (Forward contract Sell)	Euro	3.18	242.31	14.94	1,011.31	12.59	925.71
Payables (Forward contract Sell)	GBP	1.21	105.24	0.84	66.97	1.57	146.39
Receivables (Forward contract Buy)	USD	10.00	778.10	-	-	-	-

(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

(Rs. in Lakhs)

Year	Increase/decrease in interest rate	Effect on profit before tax	Effect on profit before tax
September 30,2017	0.50%	-57.11	57.11
March 31,2017	0.50%	-99.77	99.77
March 31,2016 (Proforma)	0.50%	-91.98	91.98

* 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 activites 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 six months ended September 30,2017	10%	(2,466.16)
For the six months ended September 30,2017	-10%	2,466.16
For the year ended March 31, 2017	10%	(4,654.59)
For the year ended March 31, 2017	-10%	4,654.59
For the year ended March 31, 2016	10%	(4,854.49)
For the year ended March 31, 2016	-10%	4,854.49

Annexure- V
Notes forming part of the financial statements

40 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 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. Alok Goel (Company Secretary) Mr. Analjit Singh Mr. Mohit Talwar Mr. K.N Murthy Mr. D.K Mittal Mr. Sujata Keshavan Mr. Ashok Kacker Mr. Sujatha Ratnam Mr. S.K Bijlani Mr. N.C Singhal
Relatives of Key Management personnel	Mr. Veer Singh (Son of Mr. Analjit Singh - Director)
Entities controlled or jointly controlled by person or entities where person has significantly influence	Max Ventures Private Limited Piveta Estates Private Limited Siva Realty Ventures Private Limited New Delhi House Services Limited Vana Enterprises Limited Four Season Foundation Lake View Enterprises Siva Enterprises Private Limited Leeu Collections South Africa Pty Limited Pharmax Corporation Limited Azure Hospitality Private Limited Max Healthcare Institute Limited Max Life Insurance Company Limited Max Bupa Health Insurance Company Limited Antara Purukul Senior Living Limited Icare Health Projects And Research Private Limited Max India Limited Max India Foundation Max Financial Services Limited Trophy Estates Private Limited Max UK Limited
Employee benefit Trust	Max Finanical Services Limited Employees' Provident Fund Trust Max Speciality Films Limited Employees Group Superannuation Trust

Annexure- V
Notes forming part of the financial statements

40 (a) Details of transactions and balance outstandings with related parties

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	for the six months period ended September 30, 2017	for the year ended March 31, 2017	for the period January 20, 2015 to March 31, 2016 (Proforma)
1	**Reimbursement of expenses (Received from)**	Piveta Estates Private Limited	11.91	2.79	-
		Four Season Foundation	-	12.60	-
		New Delhi House Services Limited	-	0.29	-
		Max Ventures Private Limited	-	0.03	0.11
		Max Life Insurance Company Limited	-	-	0.05
		Max Healthcare Institute Limited	-	-	1.37
		Siva Realty Ventures Private Limited	-	0.75	-
		Total	**11.91**	**16.46**	**1.53**
2	**Reimbursement of expenses (Paid to)**	Max Financial Services Limited	82.19	151.33	421.51
		Max India Limited	0.13	-	56.00
		New Delhi House Services Limited	14.24	26.24	-
		Max Ventures Private Limited	8.93	13.56	62.23
		Leeu Collections South Africa Pty Limited	7.77	-	-
		Max Life Insurance Company Limited	1.25	-	-
		Max Healthcare Institute Limited	0.59	-	-
		Vana Enterprises Limited	0.27	-	-
		Icare Health Projects & Research Private Limited	14.95	82.23	-
		Piveta Estates Private Limited	-	1.54	-
		Max Financial Services Limited	-	-	5.41
		Total	**130.32**	**274.90**	**545.15**
3	**Shared Services rendered (to)**	Max Ventures Private Limited	48.52	53.37	-
		Piveta Estates Private Limited	26.82	10.40	-
		Antara Purukul Senior Living Limited	14.01	39.71	-
		Pharmax Corporation Limited	24.37	46.46	-
		Four Season Foundation	0.71	47.85	-
		Siva Realty Ventures Private Limited	-	2.72	-
		Total	**114.43**	**200.51**	**-**
4	**Purchases of materials**	Siva Realty Ventures Private Limited	-	15.61	-
		Total	**-**	**15.61**	**-**
5	**Establishment Expense**	Max Ventures Private Limited	-	61.97	6.73
		Total	**-**	**61.97**	**6.73**
6	**Insurance expense**	Max Life Insurance Company Limited	3.98	2.71	10.31
		Max Bupa Health Insurance Company Limited	-	-	44.58
		Total	**3.98**	**2.71**	**54.89**
7	**Travelling and conveyance**	Max Ventures Private Limited	0.35	2.10	-
		Piveta Estates Private Limited	1.89	1.38	0.45
		Siva Realty Ventures Private Limited	3.86	15.42	3.27
		Total	**6.10**	**18.90**	**3.72**
8	**Legal and professional**	Max UK Limited	3.55	5.59	5.42
		Total	**3.55**	**5.59**	**5.42**
9	**Rent expense (Paid to)**	Veer Singh	-	29.28	66.99
		Lakeview Enterprises	28.99	52.56	40.20
		Piya Singh	48.32	58.56	-
		Pharmax Corporation Limited	-	-	1.56
		Max Financial Services Limited	0.74	32.76	-
		Total	**78.05**	**173.16**	**108.75**
10	**Expenditure on corporate social responsibility**	Max India Foundation	-	19.30	-
		Total	**-**	**19.30**	**-**
11	**Repair and maintenance**	New Delhi House Services Limited	-	-	5.35
		Total	**-**	**-**	**5.35**
12	**Dividend Paid**	Pharmax Corporation Limited	-	-	3.38
		Total	**-**	**-**	**3.38**
13	**Purchase of Tangible Assets**	Max Ventures Private Limited	0.01	3.90	-
		Trophy Estates Private Limited	-	-	-
		Piveta Estates Private Limited	9.88	2.48	-
		Siva Realty Ventures Private Limited	24.34	16.94	-
		Total	**34.23**	**23.32**	**-**
14	**Company's contribution to Provident Fund Trust**	Max Financial services Limited Employees' Provident Fund Trust	23.60	41.29	74.20
		Max Speciality Films Limited Employees Group Superannuation Trust	4.46	14.85	16.46
		Total	**28.06**	**56.14**	**90.66**
15	**Key managerial remuneration***	Sahil Vachani	110.53	229.97	23.50
		Alok Goel	33.74	59.96	11.76
		Nitin Kumar Kansal	34.61	38.76	-
		Total	**178.88**	**328.69**	**35.26**
16	**Sitting Fees to Directors**	Analjit Singh	2.00	6.00	2.00
		Mohit Talwar	14.00	25.00	6.00
		K.N Murthy	17.00	40.00	21.00
		D.K Mittal	12.00	24.00	8.00
		Sujata Keshavan	2.00	1.00	-
		Ashok Kacker	17.00	35.00	10.00
		Sujatha Ratnam	1.00	7.00	3.00
		S.K Bijlani	7.00	15.00	15.00
		N.C Singhal	-	4.00	3.00
		Total	**72.00**	**157.00**	**68.00**
17	**Loan taken**	Analjit Singh	-	6,100.00	-
		Total	**-**	**6,100.00**	**-**
18	**Loan repaid**	Analjit Singh	5,600.00	500.00	-
		Total	**5,600.00**	**500.00**	**-**
19	**Security deposit (given)**	Lakeview Enterprises	-	25.56	-
		Trophy Estates Private Limited	-	149.19	-
		Mr Analjit Singh	-	222.88	-
		Mr Analjit Singh HUF	-	30.23	-
		Total	**-**	**427.86**	**-**
20	**Land Development rights taken**	Trophy Estates Private Limited	52.22	1,264.68	-
		Mr Analjit Singh	60.94	1,475.97	-
		Mr Analjit Singh HUF	10.58	256.25	-
		Total	**123.74**	**2,996.90**	**-**
21	**Interest on Initial Capex Pay Back**	Trophy Estates Private Limited	21.37	37.95	-
		Mr Analjit Singh	24.94	44.29	-
		Mr Analjit Singh HUF	4.33	7.69	-
		Total	**50.64**	**89.93**	**-**
22	**Issue of share warrants**	Siva Enterprises Private Limited	2,017.60	672.53	-
		Total	**2,017.60**	**672.53**	**-**
23	**Purchase of stake in subsidiary**	Pharmax Corporation Limited	352.79	-	-
		Total	**352.79**	**-**	**-**
24	**Purchase of investments**	Azure Hospitality Private Limited	3,700.00	3,349.50	-
		Total	**3,700.00**	**3,349.50**	**-**

Annexure- V
Notes forming part of the financial statements

40 (b) Balances outstanding at year end

(Rs. in Lakhs)

S.No	Nature of transaction	Particulars	September 30, 2017	March 31, 2017	March 31, 2016 Proforma)
1	**Statutory dues payable**	Max Speciality Films Limited Employees Group Superannuation Trust	1.39	0.97	1.17
		Max Financial Services Limited Employees' Provident Fund Trust	4.24	3.38	9.12
		Total	**5.63**	**4.35**	**10.29**
2	**Trade Receivables**	Max Ventures Private Limited	55.21	-	-
		Piveta Estates Private Limited	20.52	1.93	-
		Antara Purukul Senior Living Limited	-	8.83	
		Four Season Foundation	0.84	18.44	-
		Siva Realty Ventures Private Limited	-	2.95	-
		Total	**76.57**	**32.15**	**-**
3	**Other Receivables**	Max Ventures Private Limited	8.19	6.31	-
		Piveta Estates Private Limited	12.47	1.26	-
		Four Season Foundation	-	12.60	-
		Max India Limited	-	0.25	-
		Siva Realty Ventures Private Limited	-	0.75	-
		Total	**20.66**	**21.17**	**-**
4	**Security Deposit (Receivable)**	Lake View Enterprises	26.11	43.56	18.00
		Total	**26.11**	**43.56**	**18.00**
5	**Trade payables**	New Delhi House Services Limited	2.90	3.23	0.94
		Lakeview Enterprises	-	11.71	7.19
		Max Life Insurance Company Limited	-	-	6.72
		Piya Singh	-	52.57	-
		Max Ventures Private Limited	-	-	26.22
		Piveta Estates Private Limited	16.44	3.47	0.45
		Siva Realty Ventures Private Limited	35.96	15.69	3.27
		Max UK Limited	3.55	5.59	5.42
		Mr. Analjit Singh	2,718.46	2,594.73	-
		Max India Limited	-	0.25	58.52
		Max Financial Services Limited	49.12	68.25	96.13
		Four Season Foundation	0.18	0.18	-
		Icare Health Projects & Research Pvt Ltd	-	75.08	-
		Total	**2,826.61**	**2,830.75**	**204.86**
6	**Loan outstanding**	Analjit Singh	-	5,600.00	-
		Total	**-**	**5,600.00**	**-**
7	**Advances recoverable in cash or kind**	Max India Foundation	0.33	0.37	-
		Max Bupa Health Insurance Company Limited	-	-	1.64
		Max Healthcare Institute Limited	-	-	1.24
		Total	**0.33**	**0.37**	**2.88**
8	**Development rights payable #**	Trophy Estates Pvt Ltd	1,167.70	1,115.49	-
		Mr Analjit Singh	1,314.03	1,253.09	-
		Mr Analjit Singh HUF	236.60	226.02	-
		Total	**2,718.33**	**2,594.60**	**-**
9	**Interest Liability on Initial Capex Pay Back**	Trophy Estates Pvt Ltd	55.53	34.16	-
		Mr Analjit Singh	53.49	28.55	-
		Mr Analjit Singh HUF	11.25	6.92	-
		Total	**120.27**	**69.63**	**-**
10	**Initial Pay Back (Construction & Development Work)**	Trophy Estates Pvt Ltd	426.22	426.22	-
		Mr Analjit Singh	497.43	497.43	-
		Mr Analjit Singh HUF	86.36	86.36	-
		Total	**1,010.01**	**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 year/period end are unsecured and interest free and settlement occurs in cash\kind. There have been no guarantees provided or received for any related party receivables or payables. There is no impairment of receivables relating to amounts owed by related parties (March 31, 2017: Rs. Nil, March 31, 2016: Rs. Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Annexure- V
Notes forming part of the financial statements

41 Restated Summary of Expenditure on corporate social responsibility activities :

As per Section 135 of the Companies Act, 2013, a corporate social responsibility (CSR) committee has been framed by the Group. The areas for CSR activities are promoting preventive health care, promoting education, promoting gender equality and empowering women, ensuring environment sustainability and protection of flora and fauna, training to promote rural sports and rural development projects.

(a) Gross amount required to be spent by the Group for the period ended Septembder 30, 2017 is Rs. 14.78 Lakhs (March 31, 2017: Rs.26.38 Lakhs, March 31, 2016: Rs. 8.07 Lakhs).
(b) Amount spent during the year on :

	Particulars	For the period ended September 30, 2017			For the year ended March 31, 2017			for the period January 20, 2015 to March 31, 2016 (Proforma)		
		In cash (Rs in Lakhs)	Yet to be paid	Total (Rs in Lakhs)	In cash (Rs in Lakhs)	Yet to be paid	Total (Rs in Lakhs)	In cash (Rs in Lakhs)	Yet to be paid	Total (Rs in Lakhs)
i)	Construction/acquisition of any asset	-	-	-	-	-	-	-	-	-
ii)	On Purposes other than (i) above :	7.59	-	7.59	26.57	-	26.57	10.03	-	10.03
	a) Promoting education	1.05	-	1.05	4.88	-	4.88	6.57	-	6.57
	b) Ensuring environment sustainability and protection of flora and fauna	-	-	-	0.34	-	0.34	1.67	-	1.67
	c) Health care services	0.03	-	0.03	0.20	-	0.20	1.19	-	1.19
	d) Rural development projects	0.07	-	0.07	19.30	-	19.30	0.25	-	0.25
	e) Training to promote rural sports	-	-	-	1.74	-	1.74	0.13	-	0.13
	f) Promoting gender equality and empowering women	-	-	-	-	-	-	0.08	-	0.08
	g) Contribution to Skill development programms	5.60	-	5.60	-	-	-	-	-	-
	h) Others	0.84	-	0.84	0.11	-	0.11	0.14	-	0.14
	Total	**15.18**	**-**	**15.18**	**53.14**	**-**	**53.14**	**20.06**	**-**	**20.06**

Annexure- V
Notes forming part of the financial statements

42 A. Restated Reconciliation of equity as previously reported under IGAAP to Ind AS as at March 31, 2016

(Rs. in Lakhs)

	Footnotes	Balance sheet as at March 31, 2016 (Proforma)			
		IGAAP	**Restated adjustment**	**Adjustment**	**Ind AS**
ASSESTS					
Non-current assets					
Property, plant and equipment	9,13	26,528.93	-	138.75	26,667.68
Capital work-in-progress	9	2,179.15	-	(17.70)	2,161.45
Goodwill	10	167.09	-	55.70	222.79
Intangible assets		272.78	-	-	272.78
Intangible assets under development		-	-	-	-
Financial assets					
(i) Investments		-	-	-	-
(ii) Other non current financial assets		299.99	-		299.99
(ii) Other bank balances		-	-	-	-
Non-current tax assets		22.03	(0.86)	(0.78)	20.39
Other non current assets	14, 22	2,738.11	(8.26)	(773.25)	1,956.60
		32,208.08	**(9.12)**	**(597.28)**	**31,601.68**
Current assets					
Inventories	6,13	5,584.47	-	222.58	5,807.05
Financial assets					
(i) Trade receivables	21	14,849.77	(206.35)	-	14,643.43
(ii) Cash and cash equivalents		1,288.01	-	-	1,288.01
(iii) Other bank balances		1.24	-	-	1.24
(iv) Loans		67.66	-	-	67.66
(v) Derivative instruments	11	88.24	-	(69.61)	18.63
(vi) Other financial assets		140.22	-		140.22
Other current assets		2,062.67		160.41	2,223.08
		24,082.28	**(206.35)**	**313.38**	**24,189.32**
TOTAL ASSETS		**56,290.36**	**(215.47)**	**(283.90)**	**55,790.99**
EQUITY AND LIABILITIES					
Equity					
Equity share capital		5,339.68	-	-	5,339.68
Other equity	19	15,654.14	(14.66)	34.80	15,674.28
Non controlling interest		157.69	0.02	34.83	192.54
Total Equity		**21,151.51**	**(14.64)**	**69.63**	**21,206.50**
Non-current liabilities					
Financial liabilities					
(i) Borrowings	14	18,096.10	-	(795.82)	17,300.28
Long term provisions		353.26	-	-	353.26
Deferred tax liabilities	8	182.00	(212.70)	173.28	142.58
Government grant	6, 9	-		286.31	286.31
		18,631.36	**(212.70)**	**(336.23)**	**18,082.43**
Current liabilities					
Financial Liabilities					
(i) Borrowings		7,724.36	-	-	7,724.36
(ii) Trade payables	21	5,372.02	25.60	-	5,397.64
(iii) Other financial liabilities	21	2,647.08	(17.49)		2,629.59
Short term provisions	21	238.44	3.76	-	242.20
Other current liabilities	7	525.59	-	(17.30)	508.28
		16,507.49	**11.87**	**(17.30)**	**16,502.07**
TOTAL LIABILITIES		**35,138.85**	**(200.83)**	**(353.53)**	**34,584.50**
TOTAL EQUITY AND LIABILITIES		**56,290.36**	**(215.47)**	**(283.90)**	**55,791.00**

Annexure- V
Notes forming part of the financial statements

42 **B. Restated Reconciliation of equity as previously reported under IGAAP to Ind AS as at March 31, 2017**

(Rs. in Lakhs)

	Footnotes	**Balance sheet as at March 31, 2017**			
		IGAAP	**Restated adjustment**	**Adjustment**	**Ind AS**
ASSESTS					
Non-current assets					
Property, plant and equipment	9,13	31,419.88	-	332.19	31,752.05
Capital work-in-progress	9	1,639.74	-	(48.97)	1,590.77
Goodwill	10	111.40	-	55.69	167.09
Intangible assets		353.40	-	-	353.40
Intangible assets under development		43.41	-	-	43.41
Financial assets					
(i) Investments	16	5,144.78	-	(40.06)	5,104.72
(ii) Loans		406.08	-	(49.78)	356.29
(ii) Other financial assets		0.25	-	-	0.25
Non-current tax assets		317.16	(5.75)	-	311.40
Other non current assets	14	854.93	-	(615.58)	239.35
		40,291.03	**(5.75)**	**(366.51)**	**39,918.73**
Current assets					
Inventories	6,13	10,133.04	-	2,727.46	12,860.50
Financial assets					
(i) Investments	5	12,199.32	-	94.10	12,293.43
(ii) Trade receivables		11,400.56	-	-	11,400.56
(iii) Cash and cash equivalents		193.08	-	-	193.08
(iv) Other bank balances		4.88	-	-	4.88
(v) Loans		93.56			93.56
(vi) Derivative instruments	11	93.73	-	(51.82)	41.91
(vii) Other financial assets		182.40			182.40
Deferred tax Assets			-		-
Other current assets		2,543.55		(377.40)	2,166.15
		36,844.12	**-**	**2,392.34**	**39,236.47**
TOTAL ASSETS		**77,135.15**	**(5.75)**	**2,025.83**	**79,155.20**
EQUITY AND LIABILITIES					
Equity					
Equity share capital		6,897.79	-	-	6,897.79
Other equity	19	25,479.68	19.17	0.24	25,499.08
Money received against share warrants		672.53	-	-	672.53
Non controlling interest		162.68	0.02	34.92	197.62
Total Equity		**33,212.68**	**19.19**	**35.16**	**33,267.02**
Non-current liabilities					
Financial Liabilities					
(i) Borrowings	14	19,708.25	-	(837.72)	18,870.53
(ii) Trade payables	18	-		2,033.42	2,033.42
Long term provisions		470.13	-	-	470.13
Deferred tax liabilities	8	(4.55)	(13.50)	66.31	48.26
Government grant	6, 9	-		441.36	441.36
Other non-current liabilities		10.26		(10.26)	-
		20,184.09	**(13.50)**	**1,693.11**	**21,863.70**
Current liabilities					
Financial Liabilities					
(i) Borrowings		12,045.62	-	-	12,045.62
(ii) Trade payables		8,318.37	(11.44)	152.74	8,459.69
(iii) Other financial liabilities		1,860.12		161.08	2,021.20
Short term provisions		273.38	-	-	273.38
Other current liabilities	7	1,240.88	-	(16.26)	1,224.58
		23,738.37	**(11.44)**	**297.56**	**24,024.46**
TOTAL LIABILITIES		**43,922.46**	**(24.94)**	**1,990.67**	**45,888.16**
TOTAL EQUITY AND LIABILITIES		**77,135.15**	**(5.75)**	**2,025.83**	**79,155.18**

Annexure- V
Notes forming part of the financial statements

42 **C. Restated Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS for the year ended March 31, 2017**

(Rs. in Lakhs)

	Footnotes	Year ended March 31, 2017			
		IGAAP	Restated adjustment	Adjustment	Ind AS
INCOME					
Revenue from operations	12.16,5	71,446.93	-	506.88	71,953.80
Other income	1,11,22	1,179.39	(16.48)	21.34	1,184.25
		-	-	-	-
Total income		**72,626.32**	**(16.48)**	**528.22**	**73,138.05**
Expenses					
Cost of materials consumed	17	47,150.17	-	5,485.66	52,635.83
Change in inventories of finished goods, Traded goods and work in progress		(3,532.82)	-	(2,557.06)	(6,089.89)
Excise duty on sale of goods		5,808.50	-	-	5,808.50
Employee benefits expense	2,3, 20	4,180.40	(24.56)	(9.37)	4,146.47
Finance costs	14	3,200.96	-	75.02	3,275.97
Depreciation and amortization expense	10	2,070.83	-	(42.40)	2,028.43
Other expenses	7,13,15, 16,17, 21, 22	14,703.52	(226.05)	(2,547.19)	11,930.28
Total expense		**73,581.56**	**(250.61)**	**404.66**	**73,735.59**
Profit/(Loss) before tax		**(955.24)**	**234.13**	**123.56**	**(597.53)**
Less : Tax expenses	8, 9	(222.87)	208.10	21.99	7.22
Profit/(Loss) for the year		**(732.37)**	**26.03**	**101.57**	**(604.75)**
Other comprehensive income					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Re-measurement losses on defined benefit plans	2,3	-	-	(9.37)	(9.37)
Income tax effect		-	-	(1.72)	(1.72)
Other comprehensive income for the year, net of tax		-	-	(7.65)	(7.65)
Less : Minority interest		4.99	(0.02)	0.11	5.08
Total comprehensive income for the year, net of tax attributable to Equity shareholder		**(737.36)**	**26.05**	**93.81**	**(617.49)**

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Annexure- V
Notes forming part of the financial statements

42 **D. Restated Reconciliation statement of profit and loss as previously reported under IGAAP to Ind AS for the period January 20, 2015 to March 31, 2016**

(Rs. in Lakhs)

	Footnotes	For the period January 20, 2015 to March 31, 2016 (Proforma)			
		IGAAP	Restated adjustment	Adjustment	Ind AS
INCOME					
Revenue from operations	12.16,5	76,388.65	-	509.11	76,897.76
Other income	1,11, 22	816.00	(32.64)	134.00	917.36
Total income		**77,204.65**	**(32.64)**	**643.11**	**77,815.12**
Expenses					
Cost of materials consumed	17	45,361.43	-	3,160.66	48,522.09
Change in inventories of finished goods, Traded goods and work in progress		22.82	-	-	22.82
Excise duty on sale of goods		6,131.11	-	-	6,131.11
Employee benefits expense	3, 20	3,976.40	8.80	(23.12)	3,962.09
Finance costs	14	3,438.78	-	9.70	3,448.48
Depreciation and amortization expense	10	1,920.00	0.00	(50.27)	1,869.73
Other expenses	7,13,15, 16,17, 21, 22	13,628.98	70.34	(2,525.00)	11,174.32
Total expense		**74,479.52**	**79.14**	**571.97**	**75,130.64**
Profit/(Loss) before tax		2,725.13	(111.78)	71.14	2,684.48
Less : Tax expenses	9	786.45	(140.72)	21.35	667.08
Profit/(Loss) for the year		**1,938.68**	**28.94**	**49.79**	**2,017.40**
Other comprehensive income					
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Re-measurement losses on defined benefit plans	2,3	-		(23.11)	(23.11)
Income tax effect		-		(4.71)	(4.71)
Other comprehensive income for the year, net of tax		-	-	(18.40)	(18.40)
Less : Minority interest		19.85	0.45	0.35	20.65
Total comprehensive income for the year, net of tax attributable to Equity shareholder		**1,918.83**	**28.49**	**31.04**	**1,978.35**

Annexure- V
Notes forming part of the financial statements

43
Footnotes to the reconciliation of equity as at March 31, 2016 and March 31, 2017 and profit or loss for the same period

remarks for adjustments
1) Security deposits
Under the previous GAAP, interest free security deposits (that are refundable in cash on completion of the lease term) are recorded at their transaction value. Under Ind AS, all financial assets are required to be recognized at fair value. Accordingly, the Group has fair valued these security deposits under Ind AS. Difference between the fair value and transaction value of the security deposit has been recognized as prepaid expenses. Amortization of prepaid expenses has been recognized in other expenses which is partially set off with notional interest income in statement of profit & loss.

2) Remeasurements of post-employment benefit obligations
Both under previous GAAP and Ind AS, the Group recognized costs related to its post employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, measurements (comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined liability) are recognized in balance sheet through other comprehensive income.

3) Other comprehensive Income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as ‘other comprehensive income includes remeasurement of defined benefit plans. The concept of other comprehensive income did not exist under Indian GAAP.

4) Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows

5) Mutual Fund investments
Under Indian GAAP, All current investments including mutual funds are measured at lower of cost or market value. As per Ind AS 109, Investments in mutual funds are required to be recognized at their fair value, for which changes in fair value being recognized in profit & loss.

6) Advance license of import of goods
The Group has imported raw material at Zero Duty under advance licence scheme subject to an export obligation. As per IND AS-20, the Group has inventorised the duty saved on import of raw material and recognised Government grant as liability. Deferred income is recognised in statement of profit and loss as and when export obligations are fulfilled and government grant is reduced by deferred income recognised.

7) Straight lining of lease escalation
Indian GAAP mandated straight lining of lease escalation in case of non cancellable leases. Ind AS 17 does not mandate straight lining of lease escalation if they are in line with the expected general inflation compensating the lessor for expected inflationary cost. Accordingly, the Group has reversed Lease equalisation reserve created in books

8) Deferred tax
Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.
In addition, the various transitional / restatement adjustments lead to temporary differences. According to the accounting policies, the Group has to account for such differences.

9) EPCG
As per Ind AS 20, accounting for government grants and disclosure of government assistance, the Group has already deducted the amount of grant from the cost of the fixed assets and it has recognised the amount of unamortised deferred income as at the date of the transition in accordance with paragraph 10 of Ind AS 101. The corresponding adjustment has been made to the carrying amount of property, plant and equipment (net of cumulative depreciation impact) and retained earnings, respectively, as the grant is directly linked to the property, plant and equipment.

Further, the deferred income is recognised as income on the basis of fulfilment of corresponding export obligations with respect to the grant availed.

10) Goodwill/ Business combination
Under Indian GAAP, goodwill was amortised over the life of 5 years. The Group has opted for optional exemption under IND AS 101 which provides exemption from application of business combination retrospectively. Thus the carrying amount of goodwill as on transition date i.e. April 01, 2016 has been considered at cost and tested for impairment at each balance sheet date under IND-AS.

11) Derivative instruments through P&L

The fair value of derivative instruments (i.e. forward contracts) is recognized under Ind AS whereas the same was not recognized under Indian GAAP. The Group has not designated these derivative instruments as hedging instruments under Indian GAAP as well as under Ind AS. Accordingly, difference on account of fair valuation of these instruments has been adjusted in retained earnings.

12) Sale of goods
Under Indian GAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty. Excise duty on sale of goods is separately presented on the face of statement of profit and loss.

13) Stores, major spares

As per paragraph 8 of Ind AS 16, Property, plant and equipment, items such as spare parts are to be recognised as property, plant and equipment in accordance with Ind AS 16, when they meet the definition of 'property, plant and equipment'. Otherwise such items are classified as inventory. Accordingly Group has reclassified certain existing inventory as on date of transition to property, plant and equipment and depreciate them over the period of their respective useful life.

14) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

15) Legal and Professional
Under Ind AS 109, at the time of initial recognition of financial instruments measured at Fair Value through Profit and Loss, transaction costs incurred in respect of these financial instruments are charged to Profit and Loss. Under Indian GAAP, transaction cost on acquisition of investment forms part of the cost of investment.

16) Cash Discount
As per Ind AS 1, cash discount paid to customers were netted off from respective sales resulting in decerease in expense and corrosponding decrease in sales for financial year/ period ended March 2017 and March 2016.

17) Packing Material
As per Ind AS 1, on basis of nature of expense classification we have reclassified the same from other expense to cost of material consumed.

18) Land Development Rights
As per Guidance note on accounting for Real Estate Transactions for entities to whom Ind AS issued by The Institute of Chartered Accountants of India in 2016, development rights acquired by way of direct purchase or on development or construction of built- up area, the cost of acquisition would be the cost of purchases or amount spent on development or construction of built-up area,respectively in such cases. Accordingly group has recognised cost of development in inventory and trade payables.

19) Retained earnings
Retained earnings as at March 31, 2017 has been adjusted consequent to the Ind AS transition adjustments mentioned herewith

Restated Notes
20) For the year ended March 31, 2017, certain adjustments have been identified as prior period adjustments which pertains to period before April 1, 2016. These adjustments were recorded in the year when identified.

21) During the years ended March 31, 2017 and 2016, the Group has written off certain debtor balances / advances which were considered as no longer receivables from the party and recognised as Bad Debts/ advance written off in "Other expenses". Since, these were relating to earlier years, the reversal has now been adjusted against respective years in which the debtor balance/ advances was recorded.

22) During the six months ended September 30, 2017 and years/ period ended March 31, 2017 and 2016, the Group reversed certain liabilities which were considered as no longer payable and recognized as "Other income". Since, these were relating to earlier years, the reversal has now been adjusted against the expenses in respective years in which the liability was created.

44 First-time adoption of Ind AS (Exception and exemption availed)

The Restated Consolidated Statement of Assets and Liabilities of the Company as at March 31, 2017 and March 31, 2016 and the Restated Consolidated Statement of Profit and Loss, the Restated Consolidated Statement of Changes in Equity and the Restated Consolidated Statement of Cash flows for the years ended March 31, 2017 and March 31 2016 and Restated Other Consolidated Financial Information (together referred as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

The Group has elected to present all two years as per Ind AS/ Proforma Ind AS, instead of Indian GAAP. This note explains the principal adjustments made by the Group in restating its Indian GAAP restated financial statements, including the balance sheet as at March 31, 2016 and the restated financial statements as at and for the year ended March 31, 2017.

Ind-AS optional exemption
Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

Deemed cost
Ind AS 101 permits a first time adopter to elect to fair value of its property, plant and equipment as recognized in financial statements as at the date of transition to Ind AS, measured as per previous GAAP and use that as its deemed cost as at the date of transition or apply principles of Ind AS retrospectively. Ind AS 101 also permits the first time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognized in the financial statements as at the date of transition to Ind AS. This exemption can be also used for intangible assets covered by Ind AS 38.

The Group has elected to consider carrying value of its property, plant and equipment and intangible assets as its deemed cost on the date of transition to Ind AS.

Share based payment transactions
Ind AS 101 permits a first time adopter to elect not to apply principles of Ind AS 102 to liabilities arising from share based payment transactions that were settled before the date of transition.

The Group has elected not to apply Ind AS 102- "Share based payment" on stock options that vested before date of transition.

Business Combination

Ind AS 103 Business Combinations has not been applied to business combinations, which are considered businesses under Ind AS that occurred before 1 April 2016. Use of this exemption means that the Indian GAAP carrying amounts of assets and liabilities, that are required to be recognised under Ind AS, is their deemed cost at the date of the acquisition after considering specific adjustments as required by paragraph C4 of Appendix C of Ind AS 101. The Group has applied the exemption on the date of transition (i.e. April 1, 2016) and no retrospective assessment/ adjustments have been made except as those required by Para C4 of Appendix C of Ind AS 101.

Ind AS mandatory exceptions
Estimates
An entity estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates at April 1, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Derecognition of financial assets and financial liabilities

Ind AS 101 requires a first time adopter to apply the derecognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. Accordingly, the Group has applied the derecognition requirement for financial assets and financial liabilities in Ind AS 109 prospectively for transactions occurring on or after date of transition to Ind AS.

Classification of financial assets and liabilities

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances that exist on the date of transition to Ind AS. Accordingly, the Group has applied the above requirement prospectively.

Impairment of financial assets
Ind AS 101 requires an entity to assess and determine the impairment allowance on financial assets as per Ind AS 109 using the reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognized and compare it to the credit risk at the date of transition to Ind AS. The Group has applied this exception prospectively.

Fair value measurement of financial assets or financial liabilities (Ind AS 101.D20)
First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

Annexure- V
Notes forming part of the financial statements
45 Segment reporting

For management purposes, based on the guiding principles given in IND AS 108 on "Segment Reporting" the Group's business segments include: Packaging film, real estate, education and Business investments

No operating segments have been aggregated to form the above reportable operating segments

The Management reviews the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's financing (including finance costs and finance income) 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.

PARTICULARS	Packaging Films			Real Estate			Education			Business investments			Total		
	for the six months period ended	for the year ended	for the period January 20, 2015 to	for the six months period ended	for the year ended	for the period January 20, 2015 to	for the six months period ended	for the year ended	for the period January 20, 2015 to	for the six months period ended	for the year ended	for the period January 20, 2015 to	for the six months period ended	for the year ended	for the period January 20, 2015 to
	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)
1. REVENUE															
External sales (Gross)	34,835.19	70,267.63	75,039.81		-	-	-		-			-	34,835.19	70,267.63	75,039.81
Other Operating Income	527.48	1,373.97	1,777.83	38.39	86.17	-			-	608.81	226.03	80.12	1,174.67	1,686.17	1,857.95
Inter segment sales		-	-		5.98	-	-		-	899.88	1,265.34	900.31	899.88	1,271.32	900.31
Total Revenue	**35,362.67**	**71,641.60**	**76,817.64**	**38.39**	**92.15**	**-**	**-**		**-**	**1,508.69**	**1,491.37**	**980.43**	**36,909.74**	**73,225.12**	**77,798.07**
Less: Inter Segment sales	-	-	-		5.98	-	-		-	899.88	1,265.34	900.31	899.88	1,271.32	900.31
Total revenue	**35,362.67**	**71,641.60**	**76,817.64**	**38.39**	**86.17**	**-**	**-**	**-**	**-**	**608.81**	**226.03**	**80.12**	**36,009.86**	**71,953.80**	**76,897.76**
2. RESULTS															
Segment results	1,613.45	3,626.83	6,242.30	(68.60)	(273.22)	-	(208.68)	(292.02)	-	32.14	(383.16)	(109.34)	1,368.31	2,678.43	6,132.96
Unallocated expenses (net of income)													-	-	-
Operating profit	**1,613.45**	**3,626.83**	**6,242.30**	**(68.60)**	**(273.22)**	**-**	**(208.68)**	**(292.02)**	**-**	**32.14**	**(383.16)**	**(109.34)**	**1,368.31**	**2,678.43**	**6,132.96**
Interest expense and finance cost	-	-	-	-	-	-	-	-	-	-	-	-	1,220.79	3,275.97	3,448.48
Profit before tax	-	-	-	-	-	-	-	-	-	-	-	-	**147.52**	**(597.54)**	**2,684.48**
Provision for taxation	-	-	-	-	-	-	-	-	-	-	-	-	296.19	7.22	667.08
Net (Loss)/Profit before minority interest	-	-	-	-	-	-	-	-	-	-	-	-	**(148.67)**	**(604.76)**	**2,017.40**
-Minority interest	-	-	-	-	-	-	-	-	-	-	-	-	163.26	5.15	20.81
Net Loss/(Profit)	-		-	-	-	-	-	-	-	-	-	-	**(311.93)**	**(609.91)**	**1,996.59**

PARTICULARS	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)
3. OTHER INFORMATION															
A. ASSETS															
Segment assets	71,577.42	55,247.68	54,557.89	60,888.27	5,807.11	-	359.59	100.05		20,202.62	17,688.95	1,212.72	153,027.90	78,843.80	55,770.61
Unallocated assets													191.28	311.40	20.39
Total assets	**71,577.42**	**55,247.68**	**54,557.89**	**60,888.27**	**5,807.11**	**-**	**359.59**	**100.05**	**-**	**20,202.62**	**17,688.95**	**1,212.72**	**153,219.18**	**79,155.20**	**55,791.00**
B. LIABILITIES															
Segment liabilities	10,289.24	10,052.81	8,295.04	52,489.17	4,348.00	-	58.72	92.86	-	400.45	373.51	297.78	63,237.57	14,867.18	8,592.82
Unallocated liabilities													36,769.59	31,021.00	25,991.67
Total liabilities	**10,289.24**	**10,052.81**	**8,295.04**	**52,489.17**	**4,348.00**	**-**	**58.72**	**92.86**	**-**	**400.45**	**373.51**	**297.78**	**100,007.15**	**45,888.18**	**34,584.49**
C. OTHERS															
Capital expenditure	10,206.84	6,112.00	3,511.32	11.60	326.15	-	198.21	75.51	-	0.60	34.61	14.58	10,417.25	6,548.27	3,525.90
Depreciation	1,116.14	2,013.70	1,862.39	4.68	7.64	-	5.11	1.87	-	5.84	5.22	7.34	1,131.78	2,028.43	1,869.73
Non cash expenses other than Depreciation	-	390.19	30.30	-	-	-	-	-	-	-	-	-	-	390.19	30.30

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 **(Rs. in Lakhs)**

	for the six months period ended September 30, 2017	For the year ended March 31, 2017	For ther period January 20, 2015 to March 31, 2016 (Proforma)
i. within India	27,787.45	54,961.27	54,272.26
ii. Outside India	8,222.41	16,992.53	22,625.50
	36,009.86	**71,953.80**	**76,897.76**

The revenue from external customer includes revenue from one customer which is equal to 10% or more of entity's revenue. Gross amount of revenue amounts to Rs. 6,622.11 Lakhs. (March 31, 2017: Rs. 13,706.58 Lakhs, March 31, 2016: Rs. 10,984.28 Lakhs)

Trade receivables **(Rs. in Lakhs)**

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
i. within India	9,405.98	8,147.20	10,278.73
ii. Outside India	3,148.09	3,472.94	4,591.08
Total Trade receivables (Gross)	**12,554.07**	**11,620.14**	**14,869.81**
Less: Provision for doubtful receivables	219.58	219.58	226.39
Trade receivables	**12,334.49**	**11,400.56**	**14,643.42**

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 financial instruments, deferred tax assets, net defined benefit assets (relating to post-employment benefit plans), and rights arising under insurance contracts:

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
i. within India	47,005.63	34,146.07	31,281.30
ii. Outside India	-	-	-
	47,005.63	34,146.07	31,281.30

Annexure- V
Notes forming part of the financial statements

46 a) During the year ended March 31, 2017, Max Ventures and Industries Limited has issued 1,55,23,870 equity shares of Rs. 10/- each at security premium of Rs. 68/- per share determined in accordance with SEBI (issue of Capital and Disclosure Requirements) Regulations, 2009, as ammended ("ICDR Regulations); to New York Life International Holdings Limited (the "Investor") for the consideration of Rs. 12,108.62 Lakhs on preferential basis.

b) Further, during the six months period ended on September 30, 2017, Max Ventures and Industries Limited received Rs.672.53 Lakhs (25% of total value of consideration) against the issue of 3,448,894 share warrants ("Warrants") to Siva Enterprises Private Limited, forming part of the Promoter Group at a price of Rs.78 per share determined in accordance with ICDR regulations. The Company has received Rs.2,017.60 Lakhs against the balance 75% outstanding of total value on conversion of share warrants ("Warrants") into equity shares.

c) The Company's subsidiary, Max Speciality Films Limited ("MSF") on April 06, 2017 issued and allotted 5,118,407 equity shares (representing 13.16% on fully diluted basis of equity shares as at March 31, 2017) of face value of Rs. 10 each at a premium of Rs. 94.27 (per share), i.e. at an aggregate price of Rs. 104.27 to Toppan, Japan for an aggregate consideration of Rs. 5,336.96 Lakhs on a private placement basis, free of all liens or other encumbrances or rights of third parties. Further, the Company, also transferred 1,39,45,659 equity shares (representing 35.84% on fully diluted basis of equity shares as at March 31, 2017) of the subsidiary company (MSF), to Toppan, thereby Toppan holding 19,064,066 equity shares representing 49% (on a fully diluted basis) of the equity shares of the Company post share issuance.

d) Given below are the details of utilisation of proceeds through preferential issue (Rs. in Lakhs)

	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)
Unutilised amount at the beginning of the year	12,036.15	-	-
Proceeds received during the year	7,354.56	12,781.15	-
Less: amount utilised during the year			-
- Repayment of Loan	10,936.96	500.00	-
- Loan given to subsidiary companies	3,713.00	245.00	-
- Investments in debentures issued by subsidiary companies	3,600.00	-	-
- Investment in equity shares of subsidiary company	352.79	-	-
Unutilised amount at the end of the year	**787.96**	**12,036.15**	**-**

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

	As at September 30, 2017	As at March 31, 2017	March 31, 2016 (Proforma)
Investment in Debt based Mutual funds	787.96	12,036.15	-

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

The Board of Directors of Max Financial Services Limited (MFS, erstwhile Max India Limited) in meeting held during the financial year 2015-16, have approved the Corporate Restructuring plan to vertically split Max Financial Services Limited through a Scheme of demerger ('Scheme'), into three separate listed companies.

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

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

Particulars	**(Amt in Rs Lakhs)**
Assets acquired	
- Property, Plant and Equipment (net of accumulated depreciation)	28,149.29
- Inventories	5,569.99
- Trade Receivables	14,817.06
- Other assets (Non-current and current)	376.12
- Loans and advances (Non-current and current)	2,655.72
- Cash and bank balance	1,171.99
Sub-total (A)	**52,740.17**
Liabilities assumed	
- Minority Interest	175.97
- Trade payables and other current liabilities	6,442.21
- Borrowings (Short Term and Long Term)	26,016.07
- Provisions (Non-current and current)	600.47
- Deferred Tax liabilities	414.59
Sub-total (B)	**33,649.31**
Net assets acquired (A-B)	**19,090.86**
Share capital to be issued	**5,330.06**
ESOP to be issued	**19.16**
Capital Reserve	**13,741.64**

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

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

48 a) On April 03, 2017, Max Ventures and Industries Limited has purchased 338,350 equity shares of Max Speciality Films Limited face value of Rs.10/- each from Pharmax Corporation Limited at a premium of Rs.94.27 per share aggregating to a total consideration of Rs.352.80 Lakhs.

b) On April 06, 2017, the 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 1,39,45,659 equity shares of Rs.10/- each at a premium of Rs.94.27 per share to Toppan Printing Co. Ltd. (Toppan) for a consideration of Rs.14,541.14 Lakhs. Further, MSF also issued and allotted 51,18,407 equity shares (representing 13.16% on fully diluted basis of equity shares as at March 31, 2017) of face value of Rs.10/- each at a premium of Rs. 94.27 per share to Toppan, for an aggregate consideration of Rs.5336.96 Lakhs on a private placement basis, free of all liens or other encumbrances or rights of third parties. Post share issuance by MSF, Toppan holding is 49% and the Company holding is 51% in MSF. This has resulted into gain of Rs.7500.32 Lakhs.

Annexure- V
Notes forming part of the financial statements

49 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:

(Rs. in Lakhs)

Country of Incorporation	**September 30,2017**	**March 31,2017**	**March 31,2016 (Proforma)**
India	49%	1.001%	1.001%

b) Information regarding non-controlling interest

(Rs. in Lakhs)

	September 30,2017	**March 31,2017**	**March 31,2016 (Proforma)**
Accumulated balances of material non-controlling interest	12,415.64	197.62	192.54
Profit/(loss) allocated to material non-controlling interest	160.06	5.08	20.65

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 September 30, 2017, March 31, 2017 and March 31,2016:

(Rs. in Lakhs)

Particulars	**September 30,2017**	**March 31,2017**	**March 31,2016 (Proforma)**
Revenue (including other incomes)	35,838.15	72,822.34	77,735.00
Cost of raw material and components consumed	24,394.35	47,578.26	48,522.09
Changes in inventories of finished goods, Stock in trade and work-in-progress	267.29	(1,032.33)	22.82
Excise duty on sale of goods	1,419.43	5,808.50	6,131.11
Employee benefits expense	1,587.10	3,355.65	3,744.86
Other expenses	5,439.95	11,472.21	11,209.42
Depreciation and amortization expense	1,116.14	2,013.70	1,862.39
Finance costs	1,184.61	3,115.48	3,520.18
Profit before tax	429.28	510.87	2,722.13
Income tax	101.05	(3.45)	640.71
Profit for the period/year	328.23	514.32	2,081.42
Other Comprehensive Income	(6.54)	(8.51)	(18.40)
Total comprehensive income	321.69	505.81	2,063.02
Attributable to non-controlling interests	160.06	5.08	20.65
Dividends paid to non-controlling interests	-	-	3.38

Summarised balance sheet as at September 30, 2017, March 31, 2017 and March 31,2016:

(Rs. in Lakhs)

Particulars	**September 30,2017**	**March 31,2017**	**March 31,2016 (Proforma)**
Current assets, including cash and cash equivalents	23,800.21	21,212.90	22,992.37
Non-current assets	47,850.73	34,250.77	31,566.37
Current liabilities, including tax payable	27,491.59	15,949.20	16,582.72
Non-current liabilities, including deferred tax liabilities	18,821.37	19,774.11	18,741.47
Total equity	25,337.98	19,740.36	19,234.55
Attributable to:			
Equity holders of parent	12,922.34	19,542.74	19,042.01
Non-controlling interest	12,415.64	197.62	192.54

Summarised cash flow information as at September 30, 2017, March 31, 2017 and March 31,2016: **(Rs. in Lakhs)**

Particulars	**September 30,2017**	**March 31,2017**	**March 31,2016 (Proforma)**
Operating	965.91	8,330.13	6,761.78
Investing	(14,108.07)	(4,257.41)	(4,836.93)
Financing	13,115.34	(4,166.63)	(1,934.94)
Net increase/(decrease) in cash and cash equivalents	(26.82)	(93.91)	(10.09)

50 The Group has capitalized the following preoperative direct expenses to the cost of fixed assets/ capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group.

(Rs. in Lakhs)

Particulars	September 30, 2017	March 31, 2017	March 31, 2016 (Proforma)
Opening balance	**334.05**	**353.26**	**-**
Opening stock of trial run			
- Finished Goods (Refer Note 24)	-	3.27	-
Add: Expenses incurred during the year		-	-
Legal and professional	166.71	59.93	33.72
Interest cost	95.06	119.92	55.72
Bank charges	98.67	107.00	58.44
Salaries, wages and bonuses	87.11	149.49	104.37
Cost of raw materials consumed	-	305.85	70.51
Consumption of packing material	-	9.23	0.57
Travelling and conveyance	4.87	16.04	16.42
Power and fuel	11.61	32.78	9.38
Freight and forwarding expenses	2.87	9.49	6.43
Insurance	2.10	13.57	1.69
Rates and taxes	14.93	25.49	-
Miscellaneous expenses	0.37	1.87	5.81
Less: Disposal of tested material	-	(226.29)	(6.53)
Less: Closing stock of trial run			
- Finished Goods (Refer Note 24)	-	-	(3.27)
Less: Stock transferred on account of trial run			
- Finished Goods	-	(39.60)	-
Total	**818.35**	**941.30**	**353.26**
Less: Allocated to fixed assets	-	607.25	-
Closing balance included in capital work in progress	**818.35**	**334.05**	**353.26**

Annexure- V
Notes forming part of the financial statements

51 Capital Management

For the purpose of the Group's capital management, capital includes issued equity attributable to the equity shareholders of the Group, share 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.

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Borrowings	36,066.01	32,513.45	27,372.79
Trade payables	21,599.03	10,493.11	5,397.64
Less: Cash and Cash equivalents	457.89	193.08	1,288.01
Other Bank Balances	5.18	4.88	1.24
Net Debt	57,201.97	42,808.60	31,481.18
Equity Share Capital	7,264.81	6,897.79	5,339.68
Other Equity	33,531.57	25,499.08	15,674.28
Non-controlling interest	12,415.64	197.62	192.54
Total Equity	**53,212.02**	**32,594.49**	**21,206.50**
Total Capital and net debt	**110,413.99**	**75,403.09**	**52,687.68**
Gearing ratio	52%	57%	60%

52 Max Speciality Films Limited, Subsidary of the company had introduced Voluntary Retirement Scheme which was availed by 34 employees having an additional expense being included in Salaries, wages & bonuses amounting to Rs. Nil (March 31, 2017: Rs. Nil, March 31, 2016: Rs. 330.31 lacs).

53 Additional information:

	As on 30.9.2017				As on 31.3.2017				As on 31.3.2016 (Proforma)			
Name of the Subsidiary	**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**		**Net Assets i.e total assets minus total liabilities**		**Share in Total Comprehensive Income**	
	As % of consolidated net assets	**(Rs. in Lakhs)**	**As % of consolidated profit or loss**	**(Rs. in Lakhs)**	**As % of consolidated net assets**	**(Rs. in Lakhs)**	**As % of consolidated profit or loss**	**(Rs. in Lakhs)**	**As % of consolidated net assets**	**(Rs. in Lakhs)**	**As % of consolidated profit or loss**	**(Rs. in Lakhs)**
Parent												
Max Ventures and Industries Limited	23.97%	9,780.51	-104.37%	163.86	35.48%	11,731.58	62.88%	(385.08)	8.47%	1,779.43	-2.17%	(43.37)
Subsidiary												
Max Speciality Films Limited	62.11%	25,338.69	-204.59%	321.21	59.53%	19,685.94	-81.85%	501.25	91.53%	19,234.54	102.17%	2,042.38
Max Estates Limited	9.83%	4,011.83	67.27%	(105.62)	1.56%	517.45	46.14%	(282.55)	-	-	-	-
Max I. Limited	4.85%	1,977.26	142.40%	(223.57)	3.70%	1,223.11	24.88%	(152.35)	-	-	-	-
Max Learning Limited	-0.77%	(312.25)	198.87%	(312.24)	-0.27%	(88.68)	47.95%	(293.68)	-	-	-	-
Wise Zone Builders Private Limited *	0.00%	0.35	0.41%	(0.65)	0.00%		-		-	-	-	-
	100.00%	**40,796.39**	**100.00%**	**(157.00)**	**100.00%**	**33,069.40**	**100.00%**	**(612.41)**	**100%**	**21,013.97**	**100%**	**1,999.01**

* Step subsidiary of Max Estates Limited

54 Revenue related disclosures

Disclosure in respect of projects under the Guidance Note on Accounting for Real Estate Transactions for entities to whom Ind AS is applicable issued by The Institute of Chartered Accountants of India in 2016.:

(Rs. in Lakhs)

	As at September 30, 2017	As at March 31, 2017	As at March 31, 2016 (Proforma)
Amount of project revenue recognised as revenue during the period	-	-	-
Aggregate amount of costs incurred and profits recognised to date	-	-	-
Amount of advances received	38,965.29	763.27	-
Amount of work-in-progress and value of inventories	58,430.31	5,213.03	-
Excess of revenue recognised over actual bills raised (unbilled revenue)	-	-	-

In compliance of Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by The Institute of Chartered Accountants of India. On "Percentage of Completion Method", the company has not recognised revenue during the period as the company has not yet sold 25% of saleable area.

55 One of the subsidiary company of the Company, Max Estates Limited, had signed an agreement with Trophy Estates Private Limited, Mr Analjit Singh and Analjit Singh HUF (collectively "land owners") on July 25, 2016 for development of land owners' land in Dehradun for which consideration payable to them was 27% of the sale proceeds of the developed property on such land by the subsidiary. As required by Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) ("Guidance Note"), development rights received from the land owner for development of land was required to be recognised in Inventory at Fair value, however, these rights were earlier recorded to the extent of non-refundable security deposit paid. The management has identified such adjustment only in current period together with certain other adjustments and hence figures in respect of 'Inventory' in Statement of Assets and Liabilities in the interim consolidated financial statements as at September 30, 2017 have been restated in accordance with Ind AS 8 and are Rs. 66,223.66 lacs as against Rs. 63,254.46 lacs in the Statement of Assets and Liabilities as per Consolidated Limited review results as at September 30, 2017, 'Non- Current Trade Payables' are Rs. 484.93 lacs as against Nil, 'Current Trade Payables' are Rs. 21,109.60 lacs as against Rs. 19,284.50 lacs, 'Other Current Assets' are Rs. 4,827.48 lacs as against 5,184.88 lacs (approved by the Board of Directors on February 14, 2018).

56 Max I Limited, subsidiary of the Company sold 1,34,978 equity shares of Rs. 10 each (represents 0.0995% equity share capital of FSN E- Commerce Ventures Private Limited) subsequent to September 30, 2017.

57 The figures have been rounded off to the nearest Lakhs of rupees up to two decimal places. The figure 0.00 wherever stated represents value less than Rs. 50,000/-.

58 The financial statements for six months period ended September 30, 2017 are not comparable to year ended March 31, 2017 and for the period January 20, 2015 to March 31,2016.

Subsequent events

59 On February 5, 2018, the Wise, step down subsidiary of the company has availed a loan of Rs. 25,000 lakhs from IDFC Bank Limited to repay Piveta Estates Private Limited towards the cancellation agreement for commercial towers situated at Max Towers located in the Delhi One campus, Noida. Wise has utilised the loan to refund Rs. 24,510 lakhs pursuant to agreement.

60 Note No.1 to 60 form integral part of the summary financial information.

As per our report of even date

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

per Atul Seksaria
Partner
Membership Number: 086370

Place : Gurugram
Date: February 14, 2018

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)

GopalaKrishnan Ramachandran
(Company Secretary)

Place : Delhi
Date: February 14, 2018

Annexure VI
Note on material adjustment to the audited consolidated financial statements

Below mentioned is the summary of results of adjustments made in the audited consolidated financial statements of the respective period and its impact on restated consolidated summary statement of profit and loss

(All amounts in Rupees Lacs)

	Particulars	For the six months period ended September 30, 2017	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016 (Proforma)
	Net profit/(loss) after tax but before non- controlling interest as per audited consolidated financial statements prepared under applicable GAAP	(145.57)	(732.37)	1,938.68
I	**Adjustments:**			
	On account of interest income on interest free security deposits recognised at amortised cost (note 1)	-	3.33	-
	On account of amortisation of security deposits recognised at amortised cost (note 1)	-	(4.93)	-
	Reversal of Lease equalisation reserve (note 2)	-	11.46	1.72
	On account of Investment in mutual funds accounted at fair value through profit and loss (note 3)	-	94.10	-
	On account of share issue expenses adjusted from Securities premium account (note 4)	-	64.93	-
	On account of mark to market of forward contracts (note 5)	-	18.02	3.09
	On account of government grant (note 6)	-	(13.31)	(5.44)
	On account of borrowing cost recognised at effective interest rate (note 7)	-	(37.37)	(5.40)
	On account of goodwill restated at cost and tested for impairment (note 8)	-	55.70	55.70
	On account of derecognition of transaction cost capitalised in Investment (note 9)	-	(40.05)	-
	Bad debts / advances written off (note 10)	-	214.61	(70.35)
	Unspent Liabilities/miscellaneous balances written back (note 11)	(11.43)	(5.07)	(16.82)
	Other Adjustments (note 12)	-	3.36	(24.57)
	Deferred tax on above adjustments (note 13)	-	(113.44)	19.97
	Tax Adjustements for earlier years (note 14)	-	(131.40)	102.42
II	**Qualification adjustments:**	-	-	-
III	**Total restated comprehensive income/(loss) before non-controlling interest**	**(157.00)**	**(612.42)**	**1,999.01**

Notes

Note 1
Based on Ind AS - 109, financial assets in the form of long term interest free deposits to landlords have been accounted at fair value on the date of transition and subsequently measured at amortized cost using the effective interest rate method.

Note 2
Under Indian GAAP, operating lease excluding land leases were recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term. As per Ind-AS 17, Operating lease includes land leases are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless either (a) another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis, or (b) the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

Note 3
Based on Ind AS - 109, financial assets in the form of investments held for trading have been accounted as fair value through profit and loss as at balance sheet date.

Note 4
Based on Ind AS - 32, transaction costs incurred on issuance of share capital accounted for as a deduction from equity.

Note 5
Based on Ind AS 109, the Group has measured its forward contracts at fair value, with changes in fair value due to mark to market recognised in the statement of profit and loss.

Note 6
The Group has imported raw material at Zero Duty under advance licence scheme and plant and machinery under EPCG subject to an export obligation. As per IND AS-20, the Group has inventorised the duty saved on import of raw material, capitalised the duty saved on import of plant and machinery 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.

Note 7
Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

Note 8
Under Indian GAAP, goodwill was amortised over the life of 5 years. The Group has opted for optional exemption under IND AS 101 which provides exemption from application of business combination retrospectively. Thus the carrying amount of goodwill as on transition date i.e. April 01, 2016 has been considered as cost and tested for impairment at each balance sheet date under IND-AS.

Note 9
Under Ind AS 109, at the time of initial recognition of financial instruments measured at Fair Value through Profit and Loss, transaction costs incurred in respect of these financial instruments are charged to Profit and Loss. Under Indian GAAP, transaction cost on acquisition of investment forms part of the cost of investment.

Note 10

During the years ended March 31, 2017 and 2016, the Group has written off certain debtor balances / advances which were considered as no longer receivables from the party and recognised as Bad Debts/ advance written off in "Other expenses". Since, these were relating to earlier years, the reversal has now been adjusted against respective years in which the debtor balance/ advances was recorded.

Note 11

During the six months ended September 30, 2017 and years/ period ended March 31, 2017 and 2016, the Group reversed certain liabilities which were considered as no longer payable and recognized as "Other income". Since, these were relating to earlier years, the reversal has now been adjusted against the expenses in respective years in which the liability was created.

Note 12

For the year ended March 31, 2017, certain adjustments have been identified as prior period adjustments which pertains to period before April 1, 2016. These adjustments were recorded in the year when identified.

Note 13

Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. In addition, the various transitional and restatement adjustments lead to temporary differences.

Note 14

Represents tax adjustment relating to adjustments described above in addition to the earlier year tax adjustments.

Note 15

The Proforma financial information of the Group as at and for the period ended March 31, 2016, is prepared in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated March 31, 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 1, 2016) while
preparing the proforma financial information for the period January 20, 2015 to March 31, 2016 and accordingly suitable restatement adjustments in the accounting heads has been made in the proforma financial information.

As specified in the Guidance Note, the equity balance computed under Proforma Ind AS financial statements for the period ended March 31, 2016 (i.e. equity under Indian GAAP adjusted for impact of Ind AS 101 items and after considering profit for the period January 20, 2015 to March 31, 2016 with adjusted impact due to Ind-AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. April 1, 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at January 20, 2015 and for the period January 20, 2015 to March 31, 2016. Accordingly, the closing equity balance as at March 31, 2016 of the Proforma Ind AS financial statements has not been carried forward to opening Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. The reconciliation of the two is explained as under:

Retained Earning Reconciliation

	Particulars	**Equity share capital**	**Other equity**
	Other equity as per restated consolidated financial information	7,264.81	15,674.28
	Adjustments		
	On account of goodwill restated at cost and tested for impairment (note 8)	-	55.70
	Total equity (shareholder's fund) before impact of Ind-AS principles applied on Proforma basis	7,264.81	15,618.58
	Total equity (shareholder's fund) as per provisional opening IND-AS balance sheet as at transition date (i.e. April 01, 2016)	7,264.81	15,618.59

Annexure VII
Restated Consolidated Statement of Accounting Ratios

(All amounts in Rupees Lacs)

Particulars	For the six months ended Sep 30, 2017	For the year ended March 31, 2017	For the period January 20, 2015 to March 31, 2016 (Proforma)
Earnings per equity share			
Basic EPS (Rs.)	-0.44	-1.10	3.74
Anti Diluted/Diluted EPS (Rs.)	-0.44	-1.10	3.70
Return on Net Worth %	-0.59%	-1.87%	9.41%
Net asset value per equity share (Rs.)	73.25	47.25	39.71
Weighted average number of equity shares for Basic Earnings Per Equity Share	71,463,211	55,242,723	53,364,617
Weighted average number of equity shares for Diluted Earnings Per Equity Share	72,870,276	56,132,659	53,908,387
Net Profit after tax, as restated	-311.93	-609.91	1,996.59
Share Capital	7,264.81	6,897.79	5,339.68
Reserves (other equity) including non controlling interest , as restated	45,947.21	25,696.70	15,866.81
Net worth, as restated	53,212.02	32,594.49	21,206.49

Notes:
1. The ratio on the basis of Restated consolidated financial information have been computed as follows:

Basic Earnings per share (Rs.) = $\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of equity shares}}$

Diluted Earnings per share (Rs.) = $\frac{\text{Net profit as restated, attributable to equity shareholders}}{\text{Weighted average number of dilutive equity shares}}$

Returns on net worth (%) = $\frac{\text{Net profit after tax, as restated}}{\text{Net worth at the end of the year/period}}$

Net Assets Value (NAV) per equity share (Rs) = $\frac{\text{Net worth, as restated at the end of the year/period}}{\text{Number of equity shares outstanding at the end of the year/period}}$

2. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year/period adjusted by the number of equity shares during the year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year/period.

3. Net worth = Equity share capital + Other equity (including Securities premium and Surplus/(Deficit)

4. Basic and diluted earnings per Equity Share are computed in accordance with Indian Accounting Standard 33 ‘Earnings per Share’, notified accounting standard by the Companies (Indian Accounting Standards) Rules of 2015 (as amended).

4. The above ratios have been computed on the basis of Restated Consolidated Financial Information.

Annexure VIII
Consolidated Capitalisation statement as at September 30, 2017

(All amounts in Rupees Lacs)

Particulars	Pre issue as at September 30, 2017	As adjusted for offer (Refer note 5 below)
Debt		
Short Term Borrowings (A)		
Current financial liabilites - Borrowings	16,013.81	
Current maturities of long term borrowings	2,825.67	
Non Current financial liabilites - Borrowings (B)	17,226.53	
Total borrowings (C)= (A+B)	**36,066.01**	
Shareholder's funds		
Share capital	7,264.81	
Reserves and Surplus, as restated		
Securities premium	13,741.64	
Retained earnings	6,898.94	
Capital reserve	12,870.50	
Share-based payment reserve	20.49	
Non-controlling interest	12,415.64	
Total shareholders' funds (D)	**53,212.02**	
Long term debt/ equity (B/D)	0.32	
Total Debt /equity (C/D)	0.68	

Notes:

1. Long term debt/ equity has been computed as $\frac{\text{Non Current financial liabilites}}{\text{Total equity}}$

2. Total debt/ equity has been computed as $\frac{\text{Total Borrowings}}{\text{Total equity}}$

3. Short term Borrowings represents borrowings due within 12 months from the balance sheet date and also includes current maturities of long term borrowings.
4. Long term Borrowings represents borrowings due after 12 months from the balance sheet date.
5. The corresponding post Right issue capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the right issue process and hence the same have not been provided in the above statement.

6. The figures disclosed above are based on the restated Consolidated summary statement of assets and liabilities of the Company.

7. The above statement should be read with the notes to restated Consolidated summary statements of assets and liabilties, profits and losses and cash flows as appearing in Annexure- I, II, IV

MATERIAL DEVELOPMENTS

At the meeting of our Board of Directors on February 14, 2018, we have adopted and filed with the stock exchanges on February 14, 2018, the unaudited standalone financial results for the quarter and nine months period ended December 31, 2017 and the unaudited consolidated financial results for the quarter and nine months period ended December 31, 2017, in accordance with Regulation 33(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subjected to a limited review by our statutory auditors S. R. Batliboi & Co. LLP.

Recent Developments

LIMITED REVIEW REPORT

Review Report to
The Board of Directors
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)

1. We have reviewed the accompanying statement of unaudited standalone financial results of Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited) (the 'Company') for the quarter ended December 31, 2017 and year to date from April 01, 2017 to December 31, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS) 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Atul Seksaria
Partner
Membership No.: 086370

Place: Gurugram
Date: 14th February, 2018

MAX VENTURES AND INDUSTRIES LIMITED (formerly known as Capricorn Ventures Limited)
CIN: L85100PB2015PLC039204
Corporate Office: Max House, A-81,Sector -2 Noida - 201301, UP
Registered Office: 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab - 144533
Website: www.maxvil.com

UNAUDITED STANDALONE FINANCIAL RESULTS
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2017

Rs. In lakhs

	Particulars	Quarter Ended			Nine months ended	
		31.12.2017 Unaudited	30.09.2017 Unaudited	31.12.2016 Unaudited	31.12.2017 Unaudited	31.12.2016 Unaudited
1	**Income:**					
	(a) Revenue from operations	711.38	786.13	328.09	2,220.06	954.27
	(b) Other income	1.55	0.95	0.87	7,503.98	2.14
	Total Income	**712.93**	**787.08**	**328.96**	**9,724.04**	**956.41**
2	**Expenses**					
	(a) Employee benefits expense	169.07	164.39	174.91	505.50	445.29
	(b) Depreciation and amortisation expense	3.53	3.53	1.81	9.27	3.52
	(c) Finance costs	0.27	0.28	104.57	0.81	193.49
	(d) Legal and professional expenses	69.16	65.65	65.63	419.52	175.39
	(e) Rent	44.09	40.21	40.40	124.68	119.22
	(f) Shared service charges	35.75	35.75	31.72	107.43	96.72
	(g) Other expenses	116.63	102.49	69.91	290.83	210.94
	Total expenses	**438.50**	**412.30**	**488.95**	**1,458.04**	**1,244.57**
3	**Profit/(Loss) before exceptional items and tax (1-2)**	**274.43**	**374.78**	**(159.99)**	**8,266.00**	**(288.16)**
4	Exceptional items	-	-	-	-	-
5	**Profit/(Loss) before tax (3-4)**	**274.43**	**374.78**	**(159.99)**	**8,266.00**	**(288.16)**
6	**Tax expense**					
	- Current tax	69.11	90.70	(7.43)	1,796.07	0.00
	- MAT credit entitlement	(5.75)	(31.76)	-	(132.50)	-
	- Deferred tax	(72.52)	84.11	(19.57)	86.60	(13.39)
	Income tax expense	**(9.16)**	**143.05**	**(27.00)**	**1,750.17**	**(13.39)**
7	**Net Profit/(Loss) for the period (5-6)**	**283.59**	**231.73**	**(132.99)**	**6,515.83**	**(274.77)**
8	**Other comprehensive income/(loss)**					
	Items that will not be reclassified to profit and loss in subsequent period, net of tax	(2.36)	0.36	0.60	(1.64)	1.34
	Other comprehensive income/(loss) for the period net of tax	**(2.36)**	**0.36**	**0.60**	**(1.64)**	**1.34**
9	**Total comprehensive income/(loss) for the period, net of tax (7+8)**	**281.23**	**232.09**	**(132.39)**	**6,514.19**	**(273.43)**
10	Paid up equity share capital (Face Value Rs.10/- Per Share)	7,264.81	7,264.81	5,339.68	7,264.81	5,339.68
11	**Basis/Diluted Earnings/(Loss) per share (EPS) in Rs. (not-annualised)**					
	a) Basic (Rs.)	0.39	0.32	(0.25)	9.07	(0.51)
	b) Diluted (Rs.)	0.39	0.32	(0.25)	8.94	(0.51)

Notes to standalone financial results:

1. The Company adopted Indian Accounting Standards ("Ind AS") effective April 1, 2016 (transition date being April 1, 2016) and accordingly, the financial results for the quarter and nine months period ended December 31, 2017 have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

2. As per SEBI's circular number CIR/CFD/FAC/62/2016 dated July 05, 2016 issued by Securities and Exchange Board of India (SEBI), the Company has availed the relaxations given in clause 2.6.2 (i), whereby the submission of comparative financial results for the preceding full year is not mandatory, and hence the same has not been considered in the December 31, 2017 results.

3. Reconciliation between financial results as previously reported (referred to as 'Previous GAAP') and Ind AS for the quarter and nine months period ended 31.12.2016 is as below:

(Rs. In lakhs)

Particulars	**Nine months period ended 31.12.2016**	**Quarter ended 31.12.2016**
Net loss as reported under Previous GAAP	(403.37)	(213.74)
Actuarial gain on gratuity	(1.34)	(0.60)
Fair valuation of investments in the units of mutual funds	0.07	(0.11)
Interest accrual on Non-convertible debentures	108.48	63.48
Other gains/(losses)	21.39	17.98
Net loss for the period under IND-AS	(274.77)	(132.99)
Add: Other comprehensive income(net of tax)	1.34	0.60
Total comprehensive income under IND- AS as reported	(273.43)	(132.39)

4. Details of utilization of proceeds through preferential issue.

(Rs. In lakhs)

	For the nine months period ended 31.12.2017
Unutilized amount at the beginning of the period	12,036.15
Proceeds received during the period	2,017.60
Less: amount utilized during the period	
- Repayment of Loan	5,600.00
- Loans given to subsidiary companies	3,713.00
- Investment in debentures issued by subsidiary companies	4,387.96
- Investment in equity shares of subsidiary companies	352.79
Unutilized amount at the end of the period	**Nil**
	As at 31.12.2017
Investment in Debt based Mutual funds against unutilized	Nil

5. During the current quarter, the Company has made investment of Rs.2,038 lakhs in Compulsory-Convertible Debentures of its subsidiary company, Max Estates Limited.

6. The Company has taken approval from shareholders through postal ballot for increase in authorized capital from Rs. 11,000 lakhs to Rs. 15,000 lakhs.

7. On January 15, 2018, the Board of the Company has approved raising of funds by way of offer and issue of equity shares to the existing members of the Company on rights basis (Rights Issue), at such price and right entitlement ratio as may be decided by the Board, for an amount aggregating up to Rs. 45,000 lakhs, subject to necessary approvals and consent as may be necessary / required for compliance of applicable laws, including the provisions of the SEBI (ICDR) Regulations, 2009, as amended, the SEBI (LODR) Regulations, 2015, as amended, and the Companies Act, 2013. as amended.

8. Being a holding company, the Company is having investments in various subsidiaries and is primarily engaged in growing and nurturing these business investments and providing shared services to group companies. Accordingly, the Company views these activities as one business segment, therefore there are no separate reportable segments as per Ind-As 108, "Operating Segment" prescribed under Section

133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounts) Rule 2016.

9. The standalone results of Max Ventures and Industries Limited are available on Company's website www.maxvil.com and also on the websites of BSE www.bseindia.com and NSE www.nseindia.com.

10. The above standalone results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 14, 2018. The above standalone financial results of "Max Ventures and Industries Limited" for quarter ended December 31, 2017 have been subjected to limited review by the statutory auditors of the Company in accordance with the Standard on Review Engagements (SRE) 2410 issued by the Institute of Chartered Accountants of India.

For and on behalf of the Board

Date: 14th February, 2018
Place: New Delhi

Sahil Vachani
Managing Director & CEO

LIMITED REVIEW REPORT

Review Report to
The Board of Directors
Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited)

1. We have reviewed the accompanying statement of unaudited consolidated financial results of Max Ventures Group comprising Max Ventures and Industries Limited (Formerly Capricorn Ventures Limited) (the 'Company') and its subsidiaries (together referred to as 'the Group'), for the quarter ended December 31, 2017 and year to date from April 01, 2017 to December 31, 2017 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue express a conclusion on the Statement based on our review.

3. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Based on our review conducted as above and based on the consideration of the reports of other auditors on the unaudited separate quarterly financial results and on the other financial information of subsidiaries, nothing has come to our attention that causes us to believe that the accompanying Statement of unaudited consolidated financial results prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

5. We draw attention to Note.11 to the consolidated financial results which describes the impact of the recognition of land development rights by its subsidiary company, Max Estates Limited, which has led to a restatement of the interim consolidated financial statements for the six months ended September 30, 2017 (and corresponding period of the previous financial year).

   Our opinion is not qualified in respect of above matter.

6. We did not review the financial statements and other financial information, in respect of 4 subsidiaries, whose Ind AS financial results include total revenues of Rs.4,349.09 lakhs and Rs.4,402.84 lakhs for the quarter and the period ended on that date. These Ind AS financial results and other financial information have been reviewed by other auditors, which financial results, other financial information and review reports have been furnished to us by the management. Our opinion, in so far as it relates to the affairs of such subsidiaries is based solely on the report of other auditors. Our opinion is not modified in respect of this matter.

For S.R. BATLIBOI & CO. LLP
Chartered Accountants
ICAI Firm registration number: 301003E/E300005

per Atul Seksaria
Partner
Membership No.: 086370

Place: Gurugram
Date: 14th February, 2018

MAX VENTURES AND INDUSTRIES LIMITED (formerly known as Capricorn Ventures Limited)
CIN: L85100PB2015PLC039204
Corporate Office: Max House, A-81,Sector -2 Noida - 201301, UP
Registered Office: 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Nawanshehar, Punjab - 144533
Website: www.maxvil.com

UNAUDITED CONSOLIDATED FINANCIAL RESULTS
FOR THE PERIOD ENDED DECEMBER 31, 2017

Rs. in lakhs

S.No	Particulars	Quarter ended			Nine months Period ended	
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	**Income:**					
	(a) Revenue from operations	21,003.36	17,720.79	18,007.40	56,792.79	53,479.30
	(b) Other income	153.00	336.90	234.96	730.69	782.73
	Total Income	**21,156.36**	**18,057.69**	**18,242.36**	**57,523.48**	**54,262.03**
2	**Expenses**					
	(a) Cost of materials consumed	14,950.69	13,746.32	14,980.61	41,610.04	40,113.40
	(b) Change in inventories of finished goods, work-in-progress and stock in trade	(192.58)	(1,144.36)	(3,260.76)	(2,331.37)	(6,143.50)
	(c) Excise duty on sale of goods	-	-	1,369.14	1,402.25	4,245.61
	(d) Employee benefits expense	1,114.01	1,120.56	1,181.38	3,181.42	3,230.70
	(e) Depreciation and amortisation expense	575.64	570.55	544.74	1,707.41	1,504.02
	(f) Finance Costs	393.21	642.14	892.13	1,621.43	2,533.81
	(g) Other expenses	2,642.15	2,897.84	2,867.77	8,467.17	8,665.91
	Total expenses	**19,483.12**	**17,833.05**	**18,575.01**	**55,658.35**	**54,149.95**
3	**Profit before exceptional items and tax (1-2)**	**1,673.24**	**224.64**	**(332.65)**	**1,865.13**	**112.08**
4	Exceptional items	-	-	-	-	-
5	**Profit before tax (3-4)**	**1,673.24**	**224.64**	**(332.65)**	**1,865.13**	**112.08**
6	**Tax expenses/ (credit)**					
	- Current Tax	344.83	147.15	32.06	614.87	223.64
	- Adjustment of tax relating to earlier years	4.72		-	4.72	-
	- MAT Credit Entitlement - Current year	16.39	(88.21)	284.02	(136.25)	-
	- Earlier year	(4.72)		(355.06)	(4.72)	(355.06)
	- Deferred Tax	296.46	168.39	(25.31)	601.24	285.20
	Income tax expense/ (credit)	**657.68**	**227.33**	**(64.29)**	**1,079.86**	**153.78**
7	**Net Profit for the period (5-6)**	**1,015.56**	**(2.69)**	**(268.36)**	**785.27**	**(41.70)**
8	**Other comprehensive income/(loss)**					
	Items that will not be reclassified to profit and loss in subsequent period, net of tax	20.92	(2.70)	(1.57)	15.52	(4.91)
	Other comprehensive income/(loss) for the period net of tax	**20.92**	**(2.70)**	**(1.57)**	**15.52**	**(4.91)**
9	**Total comprehensive income for the period, net of tax (7+8)**	**1,036.48**	**(5.39)**	**(269.93)**	**800.79**	**(46.61)**
10	**Profit for the period attribuatable to**	**1,015.56**	**(2.69)**	**(268.36)**	**785.27**	**(41.70)**
	Equity holders of parent company	1,083.52	(93.73)	(270.08)	701.38	(50.66)
	Non controlling interest	(67.96)	91.04	1.72	83.89	8.96
11	**Total comprehensive income for the period, net of tax attribuatable to**	**1,036.48**	**(5.39)**	**(269.93)**	**800.79**	**(46.61)**
	Equity holders of parent company	1,092.85	(94.93)	(271.62)	708.31	(55.50)
	Non controlling interest	(56.37)	89.54	1.69	92.48	8.89
12	Paid up equity share capital (Face Value Rs.10/- Per Share)	7,264.81	7,264.81	5,345.40	7,264.81	5,345.40
13	**Basis/Diluted Earnings/(Loss) per share (EPS) in Rs. (not-annualised)**					
	a) Basic (Rs.)	1.51	(0.13)	(0.51)	0.98	(0.09)
	b) Diluted (Rs.)	1.49	(0.13)	(0.51)	0.96	(0.09)

MAX VENTURES AND INDUSTRIES LIMITED (formerly known as Capricorn Ventures Limited)
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Website: www.maxvil.com

Consolidated Segment wise Revenue, Results, Assets and Liabilities
For the period ended December 31, 2017

Rs. In lakhs

PARTICULARS		Quarter ended			Nine months Period ended	
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
A.	**Segment Revenue**					
	Packaging Films	16,517.54	17,433.66	17,959.40	51,659.78	53,306.64
	Real Estate	2,344.66	17.57	21.04	2,383.05	62.13
	Education	-	-	-	-	-
	Business Investments	2,690.15	786.13	328.10	4,198.83	954.28
	Total	**21,552.35**	**18,237.36**	**18,308.54**	**58,241.66**	**54,323.05**
	Less: Inter segment revenue	548.99	516.57	301.14	1,448.87	843.75
	Total revenue from operations	**21,003.36**	**17,720.79**	**18,007.40**	**56,792.79**	**53,479.30**
B.	**Segment Results**					
	Profit/(Loss) before,tax and finance cost from each segment					
	Packaging Films	399.73	864.75	937.12	2,029.42	3,463.46
	Real Estate	(158.82)	(37.47)	(114.84)	(221.10)	(358.99)
	Education	(132.22)	(64.44)	(112.38)	(324.75)	(144.17)
	Business Investments	1,957.76	103.94	(150.42)	2,002.99	(314.41)
	Total	**2,066.45**	**866.78**	**559.48**	**3,486.56**	**2,645.89**
	Add/(Less) adjustments:					
	i) Finance costs	393.21	642.14	892.13	1,621.43	2,533.81
	ii) Exceptional Items	-	-	-	-	-
	Profit/(Loss) before Tax	**1,673.24**	**224.64**	**(332.65)**	**1,865.13**	**112.08**
C.	**Segment Assets**					
	Packaging Films	77,012.57	71,312.66	57,421.18	77,012.57	57,421.18
	Real Estate	61,091.73	60,886.29	4,950.93	61,091.73	4,950.93
	Education	388.26	359.80	60.96	388.26	60.96
	Business Investments	19,252.36	20,245.35	5,654.76	19,252.36	5,654.76
		157,744.92	**152,804.10**	**68,087.83**	**157,744.92**	**68,087.83**
	Unallocated assets	216.12	-	140.16	216.12	140.16
	Total	**157,961.04**	**152,804.10**	**68,227.99**	**157,961.04**	**68,227.99**
D.	**Segment Liabilities**					
	Packaging Films	11,397.83	12,480.79	6,460.77	11,397.83	6,460.77
	Real Estate	50,674.49	52,500.20	3,953.87	50,674.49	3,953.87
	Education	73.98	57.57	38.07	73.98	38.07
	Business Investments	769.86	340.36	413.69	769.86	413.69
		62,916.16	**65,378.92**	**10,866.40**	**62,916.16**	**10,866.40**
	Unallocated liabilities	40,827.23	34,337.29	36,183.37	40,827.23	36,183.37
	Total	**103,743.39**	**99,716.21**	**47,049.77**	**103,743.39**	**47,049.77**

Notes to consolidated financial results:

1. The Company adopted Indian Accounting Standards ("Ind AS") effective April 1, 2016 (transition date being April 1, 2016) and accordingly, the financial results for the quarter and nine months period ended December 31, 2017 have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

2. As per SEBI's circular number CIR/CFD/FAC/62/2016 dated July 05, 2016 issued by Securities and Exchange Board of India (SEBI), the Company has availed the relaxations given in clause 2.6.2 (i), whereby the submission of comparative financial results for the preceding full year is not mandatory, and hence the same has not been considered in the December 31, 2017 results.

3. The consolidated financial results of Max Ventures and Industries Limited and its subsidiaries (together referred as 'Group') have been prepared in accordance with the Indian Accounting Standard 110 on "Consolidated Financial Statements" and include results of companies subsidiaries Max Speciality Films Limited (MSF) in which Company holds 51% shares, Max Estates Limited, Max I Limited, Max Learning Limited and Wise Zone Builders Private Limited in which Company holds directly and indirectly 100% shares.

4. Reconciliation between financial results as previously reported (referred to as 'Previous GAAP') and Ind AS for quarter and nine months period ended December 31, 2016 is as below:

(Rs. In lakhs)

Particulars	**Nine months period ended 31.12.2016**	**Quarter ended 31.12.2016**
Net Profit/ (loss) as reported under Previous GAAP	8.31	(243.58)
Actuarial gain on gratuity	4.91	1.57
Fair valuation of investments	(39.99)	(14.90)
Mark to market impact of forward contract	5.29	(12.30)
Reversal of goodwill amortized under business combination	41.96	14.19
Amortization of upfront fee/processing fee on borrowings	(35.86)	(16.95)
Other gains/(losses)	(26.32)	3.61
Net (loss) for the period under IND-AS	(41.70)	(268.36)
Add: Other comprehensive (income)/loss(net of tax)	(4.91)	(1.57)
Total comprehensive income under IND- AS as reported	(46.61)	(269.93)

5. According to the requirement of IND AS, revenue for the corresponding previous quarters ended 30.09.2017 and 31.12.2016 and for the nine months period ended 31.12.2016 were reported inclusive of excise duty. The Government of India has implemented Goods and Service Tax ("GST") from July 1, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. Accordingly, per IND AS 18, the revenue for the quarter ended 31.12.2017, is reported net of GST. Had the previously reported revenue shown net of excise duty, comparative income from operations of the Company for all reported period would have been as follows:-

(Rs. In lakhs)

Particulars	**Quarter Ended**			**Nine months period ended**	
	31.12.2017	**30.09.2017**	**31.12.2016**	**31.12.2017**	**31.12.2016**
Total income from operations	21,003.36	17,720.79	16,638.26	55,390.54	49,233.69

6. The Group has taken approval from shareholders through postal ballot on December 19, 2017 (a) for increase in authorized capital from Rs. 11,000 lakhs to Rs. 15,000 lakhs, (b) cancellation of area purchase agreement executed between Boulevard Projects Private limited (erstwhile holding company of Wise Builders Private Limited (Wise), which is at present, a step down subsidiary of the Company) and Piveta Estates Private Limited (Piveta), an entity forming part of the Promoter's group entailing a refund of Rs. 24,510 lakhs from Wise to Piveta on account of cancellation of the agreement. This has no impact on the operating results of the Company.

7. On January 15, 2018, the Board of the Company has approved raising of funds by way of offer and issue of equity shares to the existing members of the Company on rights basis (Rights Issue), at such

price and right entitlement ratio as may be decided by the Board, for an amount aggregating up to Rs. 45,000 lakhs, subject to necessary approvals and consent as may be necessary / required for compliance of applicable laws, including the provisions of the SEBI (ICDR) Regulations, 2009, as amended, the SEBI (LODR) Regulations, 2015, as amended, and the Companies Act, 2013. as amended.

8. The Company's subsidiary, Max Speciality Films Limited ("MSF") on April 06, 2017 issued and allotted 5,118,407 equity shares (representing 13.16% on fully diluted basis of equity shares as at March 31, 2017) of face value of Rs. 10 each at a premium of Rs. 94.27 (per share), i.e. at an aggregate price of Rs. 104.27 to Toppan, Japan for an aggregate consideration of Rs. 5,336.96 lakhs on a private placement basis, free of all liens or other encumbrances or rights of third parties. Further, the Company, also transferred 1,39,45,659 equity shares (representing 35.84% on fully diluted basis of equity shares as at March 31, 2017) of the subsidiary company (MSF), to Toppan, thereby Toppan holding 19,064,066 equity shares representing 49% (on a fully diluted basis) of the equity shares of the Company post share issuance. Details of utilization of proceeds through this preferential issue in MSF are as follows:

Rs. lakhs

	For the nine months ended 31.12.2017
Unutilised amount at the beginning of the period	-
Proceeds received during the period	5,336.96
Less: amount utilised during the period	
- Repayment of working capital facilities	5,336.96
Unutilised amount at the end of the period	-

9. The Group has sold 1,34,978 equity shares of Rs. 10 each (represents 0.0995% equity share capital of FSN E- Commerce Ventures Private Limited) at consideration of Rs. 1,866.74 lakhs.

10. The Group has entered into an Agreement with Pharmax Corporation Limited, related party for purchase of part of the building underlying land equivalent to fifty percent (50%) of the land parcel in lieu of the payment of an aggregate sale consideration of Rs.2,750 lakhs.

11. One of the subsidiary company of the Company, Max Estates Limited, had signed an agreement with Trophy Estates Private Limited, Mr Analjit Singh and Analjit Singh HUF (collectively "land owners") on July 25, 2016 for development of land owners' land in Dehradun for which consideration payable to them was 27% of the sale proceeds of the developed property on such land by the subsidiary. As required by Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) ("Guidance Note"), development rights received from the land owner for development of land was required to be recognized in Inventory at Fair value, however, these rights were earlier recorded to the extent of non-refundable security deposit paid. The management has identified such adjustment only in current period together with certain other adjustments and hence figures in respect of 'Inventory' in Statement of Assets and Liabilities in interim consolidated financial statements as at September 30, 2017 have been restated in accordance with Ind AS 8 and are Rs. 66,223.66 lacs as against Rs. 63,254.46 lacs in Statement of Assets and Liabilities as per Consolidated Limited review results as at September 30, 2017, 'Non- Current Trade Payables' are Rs. 489.43 lacs as against Nil, 'Current Trade Payables' are Rs. 21,109.60 lacs as against Rs. 19,284.50 lacs, 'Other Current Assets' are Rs. 4,827.48 lacs as against Rs. 5,184.88 lacs as at September 30, 2017 (approved by the Board of Directors on October 30, 2017).

12. The consolidated results of Max Ventures and Industries Limited are available on Company's website www.maxvil.com and also on the websites of BSE www.bseindia.com and NSE www.nseindia.com.

13. The above consolidated results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 14, 2018. The above consolidated financial results of "Max Ventures and Industries Limited" for quarter ended December 31, 2017 have been subjected to limited review by the statutory auditors of the Company in accordance with the Standard on Review Engagements (SRE) 2410 issued by the Institute of Chartered Accountants of India.

For and on behalf of the Board

Sahil Vachani
Managing Director & CEO

Date: 14th February, 2018
Place: New Delhi

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Some of the information contained in the following discussion, including information with respect to our plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward Looking Statements" on page 11 for a discussion of the risks and uncertainties related to such statements and also "Risk Factors" on page 12 for a discussion of certain factors that may affect our business, financial condition and results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to Max Ventures and Industries Limited on a standalone basis, while any reference to "we", "us" or "our" is a reference to Max Ventures and Industries Limited on a consolidated basis.

Unless otherwise indicated or the context requires otherwise, the financial information included herein is based on our Restated Consolidated Financial Statements for Fiscal 2016 (January 20, 2015 to March 31, 2016), Fiscal 2017 (12 months ended March 31, 2017) and the six months period ended September 30, 2017 included in this Draft Letter of Offer. For further information, see "Financial Statements" on page 181.

Overview

Max Ventures and Industries Limited is one of the three listed flagship companies of the Max group, which is among the prominent business groups in India, and is promoted and founded by Mr. Analjit Singh. Our Company was incorporated in 2015. For further details, please refer to the section titled "*History and Certain Corporate Matters*" on page 123.

In Fiscal 2016, Fiscal 2017 and for the six months period ended September 30, 2017, our revenue from operations were ₹ 76,897.76 lakhs, ₹ 71,953.80 lakhs and ₹ 36,009.86 lakhs, respectively. While we recorded profit after tax of ₹ 2,017.40 lakhs in Fiscal 2016, we incurred a loss of ₹ 604.76 lakhs. For the six months period ended September 30, 2017, we incurred a loss of ₹ 148.67 lakhs.

Our primary business verticals are carried out through our Subsidiaries and include our specialty packaging film business, real estate development, our investment business and education related activities.

Specialty Packaging Films. The specialty packaging films business commenced operations in 1989 as a business division of erstwhile Max India Limited. The business division was transferred to Max Speciality Films Limited in 2012. With the restructuring of Max group, Max Speciality Films Limited became our Subsidiary with effect from April 1, 2015. Subsequently, towards the end of Fiscal 2017, pursuant to the sale of 49.00% of the equity shareholding in Max Speciality Films Limited to Toppan Printing Co. Ltd ("Toppan"), our Company currently holds 51.00% equity shareholding in Max Speciality Films Limited. Max Speciality Films Limited is among the leading manufacturers of value added bi-axially oriented polypropylene ("BOPP") films in India such as specialty packaging films, labels, metallized films, coating and thermal lamination coated films used in packaging, labelling and graphic lamination industries for Indian and overseas markets. Packaging films accounted for total revenue of ₹ 71,641.60 lakhs and ₹ 35,362.67 lakhs or 97.95% and 96.88% of our total income in Fiscal 2017 and for the six months period ended September 30, 2017, respectively.

We have established a manufacturing facility at Nawanshahr, Punjab, with an aggregate installed capacity of 46.35 kilo tonnes per annum ("KTPA"), 13.20 KTPA and 11.50 KTPA for BOPP film, metallised film and thermal laminated film, respectively, as at September 30, 2017. This facility is ISO 9001-2008, ISO 14001-2004, OHSAS 18001-2007 and HACCP certified and quality assurance lab accredited by NABL and BRC. We are currently in the process of expanding our production capacity by an aggregate capacity of 34.50 KTPA. We have been awarded the "World Star Award" for ultra-high barrier and strong-seal cavitated metalized BOPP film and barrier technology and anti-skid 20 micron-film in 2016 and 2017. We were also awarded the "India Star Award" for anti-skid 20 micron-film in 2015.

Real Estate Development. Our real estate development business is conducted through our wholly-owned Subsidiaries, Max Estates Limited and Wise Zone Builders Private Limited ("WZBPL"), which develops, sells, leases and licenses real estate in North India and also undertakes joint development of projects and construction activities. As at February 5, 2018, the real estate development business has a total land reserve aggregated to 6.70 lakhs square feet of estimated Developable Area and 8.11 lakhs square feet of estimated Saleable/ Leasable

Area, which includes Ongoing Projects and Forthcoming Projects. Our Ongoing Projects and Forthcoming projects include 222Rajpur in Dehradun, Max Towers at Delhi one campus in Noida and Max House in Okhla, New Delhi.

Investment. We are engaged in investing in early stage businesses in certain identified sectors including healthcare, fintech, food and beverage services, hospitality, education, cyber security and real estate technology, through our wholly-owned subsidiary, Max I. Limited. As at September 30, 2017, we had non-current investments of ₹ 7,050.01 lakhs in Azure Hospitality Private Limited and ₹ 1,754.71 lakhs in FSN E-Commerce Ventures Private Limited. Recently, Max I. Limited made a partial exit of its investment in FSN E-Commerce Ventures Private Limited amounting to ₹ 1,866.74 lakhs. In addition, we also recently invested in IAN Fund I with a capital commitment amounting to ₹ 250.00 lakhs and as at February 5, 2018, we had invested ₹ 22.95 lakhs in IAN Fund I.

Education. We are in the process of evaluating and exploring opportunities in the education business through our wholly-owned subsidiary, Max Learning Limited. Currently, we are developing a strategic business plan for Max Learning Limited, elaborating its organisational design principles and are in the process of identifying the key capabilities required.

Recent Development

At the meeting of our Board of Directors on February 14, 2018, we have adopted and filed with the stock exchanges on February 14, 2018, the unaudited standalone financial results for the quarter and nine months period ended December 31, 2017 and the unaudited consolidated financial results for the quarter and nine months period ended December 31, 2017, in accordance with Regulation 33(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subjected to a limited review by our statutory auditors S. R. Batliboi & Co. LLP. For further information, see "*Material Developments*" on page 301.

Presentation of Financial Information

Scheme of Demerger

Our Company (formerly named Capricorn Ventures Limited) was incorporated on January 20, 2015 as a public limited company under the Companies Act, 2013, registered with the Registrar of Companies, Punjab at Chandigarh. Our fiscal year ends on March 31 of each year, our first fiscal year was for the period from January 20, 2015 to March 31, 2016. In this Draft Letter of Offer, Fiscal 2016 therefore denotes the period from January 20, 2015 to March 31, 2016, while Fiscal 2017 denotes the 12 months ended March 31, 2017.

In Fiscal 2016, the Board of Directors of Max Financial Services Limited (erstwhile Max India Limited) approved a corporate restructuring plan that resulted in the demerger of the various business verticals of Max Financial Services Limited, through a scheme of demerger ("Scheme of Demerger"), into three separate listed companies: Max Financial Services Limited, Max India Limited (erstwhile Taurus Ventures Limited) and our Company. The High Court of Punjab and Haryana by its order dated December 14, 2015 approved the composite Scheme of Demerger with effect from January 15, 2016. Pursuant to the Scheme of Demerger, all assets and liabilities relating to the relevant demerged businesses were transferred to and vested in our Company with effect from the appointed date, i.e., April 1, 2015, at their respective book values. For further information, see "*History and Other Corporate Matters – Material Agreements*" on page 131.

Our Company did not have any active business operations until the transfer of such businesses with effect from April 1, 2015. Accordingly, although Fiscal 2016 denotes the period from January 20, 2015 to March 31, 2016, the actual business operations in our Company commenced from April 1, 2015. Accordingly, although Fiscal 2016 represented the period from January 20, 2015 to March 31, 2016, our results of operations in Fiscal 2016 and Fiscal 2017 are comparable from the perspective of our results of operations and financial condition.

Transition from Indian GAAP to Ind AS Financial Statements

The Ministry of Corporate Affairs, GoI pursuant to a notification dated February 16, 2015 set out the timelines for the implementation of Ind AS. Pursuant to the notification, we were required to prepare our financial statements in accordance with Ind AS from April 1, 2016, as required under Section 133 of the Companies Act, 2013 read with circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016.

Accordingly, our Company has prepared its restated financial statements in accordance with Ind AS with effect from April 1, 2016 (together with the restated financial statements for corresponding periods in previous years). For purposes of transition to Ind AS, we have followed the guidance prescribed under Ind AS 101 – First time adoption of Indian Accounting Standards ("Ind AS 101") with April 1, 2016 as the transition date. For all periods up to and including Fiscal 2017, we prepared our financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Indian GAAP").

Ind AS varies in many respects from Indian GAAP under which our financial statements are currently prepared and presented, and has different accounting policies for certain items under Indian GAAP. Accordingly our Ind AS financial statements will not be comparable with our historical Indian GAAP financial statements.

In this Draft Letter of Offer, we have elected to present financial information for Fiscal 2016, 2017 and the six months period ended September 30, 2017 in accordance with Ind AS, and have not included our historical Indian GAAP financial statements. Our Restated Financial Statements included in this Draft Letter of Offer also include reconciliation statements of the Ind AS financial statements for Fiscal 2017 and Fiscal 2016 with our historical Indian GAAP financial statements for Fiscal 2016 and Fiscal 2017, explaining the impact of the transition from Indian GAAP to Ind AS on the preparation and presentation of our financial statements. For the purposes of preparing Restated Financial Statements, we have followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on transition date i.e., April 1, 2016. Accordingly, suitable restatement adjustments (both remeasurements and reclassifications) in the accounting heads have been made to Restated Financial Statements as at March 31, 2016 and for the period ended January 20, 2015 to March 31, 2016 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS. Further, the financial information for Fiscal 2017 and the six months period ended September 30, 2017 are provisional since there is a possibility that it may require adjustments before constituting the final Ind AS financial statements for Fiscal 2018.

Acquisition of Wise Zone Builders Private Limited

Pursuant to the novation agreement dated April 29, 2017 between Wise Zone Builders Private Limited ("WZBPL"), and Boulevard Projects Private Limited ("BPPL"), all rights and obligations of Piveta Estates Private Limited ("PEPL") and BPPL were transferred to WZBPL. Subsequently, BPPL, Max Estates Limited and Wise entered into a share purchase agreement dated April 29, 2017, pursuant to which Max Estates Limited acquired the entire shareholding of WZBPL from BPPL for an aggregate consideration of ₹ 1.00 lakh. Consequently, Wise became a step down wholly-owned subsidiary of our Company with effect from April 29, 2017.

With respect to the acquisition of WZBPL, the results of operations of WZBPL would be reflected in our Restated Consolidated Financial Statements only with effect from the effective date of the acquisition and not for the entire relevant financial reporting period.

In this Draft Letter of Offer, we have not included any pro forma profit and loss statement or balance sheet, as applicable, prepared in accordance with the laws and regulations of the United States, India or any other jurisdiction, which would have shown the effect of the acquisition of WZBPL on our historical results of operations and financial condition.

Factors Affecting Results of Operations and Financial Condition

Raw material prices

Our business and our operating margins are significantly dependent on the availability and price of raw materials used in our BOPP film production process, including PPHP and PPCP chips. Costs of materials consumed constitutes the largest component of our expenses and represented 64.58%, 71.38% and 73.71% of our total expenses in Fiscal 2016 and 2017 and for the six months period ended September 30, 2017, respectively. Further, costs of materials consumed represented 62.36%, 71.97% and 73.42% of our total income in Fiscal 2016 and 2017 and for the six months period ended September 30, 2017, respectively.

We source our PPHP and PPCP chips requirements primarily in India. We also import some PPHP and PPCP chips required for our operations. PPHP and PPCP chips are petroleum derivatives. We enter into annual supply arrangements with certain of our significant raw material suppliers for PPHP and PPCP chips, which arrangements are subject to monthly price revisions based on the prevailing price of such raw materials in domestic and international markets. Although crude prices have generally remained stable, there have instances in the past where the price of crude oil was volatile. A significant increase in the price of crude oil and a corresponding increase in the price of key raw materials used in the production of our BOPP products could result in an increase in our production costs and may result in lower operating margins if we are unable to pass such increased production costs on to our customers, through an increase in the price of our products.

Capacity expansion

We are in the process of implementing capacity additions for the production of our BOPP products by 34.50 KTPA. Our expansion plans however remain subject to various uncertainties, including increased costs of equipment, any unforeseen delays in implementing such expansion plans, any defects in design and improper installation. These factors could lead to a delay in the implementation of our capacity expansion plans and planned commercial production schedules for such expended capacities.

In Fiscal 2016 and 2017 and for the six months period ended September 30, 2017, we incurred capital expenditure on fixed assets, including capital advances, of ₹ 3,525.90 lakhs, ₹ 6,548.27 lakhs and ₹ 10,417.25 lakhs, respectively. While we have incurred significant capital expenditures in connection with the implementation of our capacity expansion projects, future capacity expansion plans will require substantial additional capital expenditures. We believe that as our existing and planned capacity additions come into greater utilization and translate into commercial production, it will result in an increase in our production volumes.

Capacity utilization and product mix

Our operating margins and profitability depends on capacity utilization and our product mix in any period. Higher capacity utilization results in increased production volumes, and enables us to achieve greater economies of scale. Production levels are affected by the number of lost days due to scheduled and unscheduled plant shutdowns. As part of our expansion plans, we have in recent periods made significant capacity additions on an incremental basis, through expansion of our facilities as well as de-bottlenecking exercises and improving material handling and other operational efficiencies. Our actual production levels and utilization rates may differ significantly from the estimated production capacities of our facilities. Our capacity utilization rates are also affected by our product mix, as we may produce customized products of specified dimensions that may not result in optimal use of our production capacities. Our results of operations are also affected by the product mix in any fiscal period as sales prices for customized value added products may be higher than our other products.

Finance costs

The availability of cost-effective funding affects our results of operations. Our specialty packaging films business is working capital intensive and is primarily dependent on borrowings from banks. Significant amounts of working capital are required to finance the purchase of raw materials before payments are received from clients. We have typically financed our capital requirements through bank borrowings, client advances and internal accruals. Access to adequate capital from bank borrowings is on terms and conditions that are acceptable to us and the lender. Any inability to maintain our current sources of funding or identify additional funding sources required to finance our operations may have an adverse impact on our results of operations.

The number of projects a developer can undertake during any particular period is limited due to the substantial amount of capital required to fund land acquisitions and to fund the cost of construction. In addition, our business requires significant amounts of working capital and long term funding. We generally finance our capital requirements from the cash flows generated from our business operations and borrowings from banks. Changes in interest rates may increase our cost of borrowing and may adversely affect our profitability. Accordingly, the availability of financing on favourable terms is critical to our business.

Further, one of the major factors affecting demand for our residential and commercial properties is the availability of financing at reasonable rates for our potential customers. The availability of credit has an impact on the growth of businesses, particularly new businesses' expansion plans, and thus has an impact on the demand for new office space. In addition, due to precedents of defaults in the real estate sector, banks have been reluctant to provide funding to real estate developers at competitive rates. Overall, interest rates are highly sensitive to several factors including governmental, monetary and tax policy, domestic and international economic and political conditions, and other factors beyond our control. Changes in interest rates have also had a significant impact on real estate financing and the demand for residential real estate projects.

Fluctuations in foreign exchange rates

In Fiscal 2016 and 2017 and for the six months period ended September 30, 2017, gross revenue outside India constituted ₹ 22,625.50 lakhs, ₹ 16,922.53 lakhs and ₹ 8,222.41 lakhs, respectively, or 29.42%, 23.62% and 23.83% of our total revenue and such gross revenue was primarily from our sale of our BOPP films which are in currencies other than Indian Rupees. Exchange rate fluctuation can have an adverse effect on revenue generated from export sales.

The Indian Rupee, US dollar and the Euro are the most important trading currencies for our products. The majority of our costs and revenues are denominated in Indian Rupee. Our results have, at times, been impacted by appreciation or depreciation of the Indian Rupee, which is effectively our operational currency, against the US dollar. Certain of our costs, particularly with respect to distribution of our BOPP films, are incurred predominately in US dollars and certain costs are incurred in Euro. As a result, the appreciation or depreciation of the US dollar and against the Indian Rupee can have a material impact on our results of operations. For more information, see "*Presentation of Financial Information - Exchange Rate*" on page 10.

While a portion of our buyers credit are denominated in US dollars, Pound and Euro, interest costs and principal repayments related to such borrowings can decrease upon appreciation of the Indian Rupee against the US dollar, Pound and Euro and increase upon depreciation of the Indian Rupee against the US dollar, Pound and Euro.

Competition

We compete with a range of competitors depending across our various businesses. For instance, in our specialty packaging films business we face competition from other multinational and Indian manufacturing companies operating in India and internationally.

In our real estate development business, we face competition from regional, national and international property developers. Our competitors include both large corporate and small real estate developers. Some of our competitors may be larger than us, may have more financial resources or a more experienced management team, or may have more experience in executing certain types of technically complex projects.

In our investment business, there are private equity and other early stage investors with greater resources than us. We expect competition levels to remain high, which could constrain our ability to maintain or increase our market share or profitability across our various businesses.

Success of our investment business

As part of our strategy in our investment business, we invest, build, scale up and grow businesses and we evaluate investment opportunities from time to time with a view to benefit from the potential upside at the time of the sale of the investment. For example, as at September 30, 2017, we had non-current investment of ₹ 1,754.71 lakhs in FSN E-Commerce Ventures Private Limited and sold part of that investment in 2017 for ₹ 1,866.74 lakhs.

Additional factors affecting our real estate business

Timing and execution of our projects. Our results of operations significantly depend upon the percentage of completion and sales of projects under execution in each financial year. The rate of construction progress depends on various factors, including the availability of labour and raw materials, the prompt receipt of regulatory clearances, access to utilities such as electricity and water, and the absence of contingencies such as litigation and adverse weather conditions. These external factors may lead to a large fluctuation in revenue recognized depending on the work completed in any financial period. As a result, we may record significant revenues or profits during one financial period while reporting significantly lower revenues or profits with respect to prior or subsequent financial periods. Therefore, our results of operations and cash flows may fluctuate significantly from period to period and over time.

Variations in prices of our projects. The pricing for our projects is dependent primarily on the location, area and the nature of properties we sell to customers as well as on prevailing market supply and demand conditions at the time at which we complete development of such projects. Prices we may charge for our properties are affected by various factors outside our control, including prevailing economic, income and demographic conditions, interest rates available to clients requiring financing, the availability of comparable properties completed or under development, changes in governmental policies relating to zoning and land use, changes in applicable regulatory schemes and competition from other real estate development firms. In addition to the pricing, our ability to lease or sell our property on a timely basis is a significant factor and any delay or our inability to lease or sell may adversely affect our results of operations and cash flows.

Cost and availability of land. Our business is dependent on the availability of suitable land. Our growth is linked to the availability of land in areas where we intend to develop projects. The cost of acquiring land, which includes the amounts paid for freehold rights, leasehold rights, cost of registration and stamp duty, represents a substantial part of our project costs. Increasingly, we acquire the right to develop projects through development agreements and/or joint ventures with land-owners, who typically either share the sale proceeds in a pre-determined proportion depending upon the nature of the project and the location of the land or receive a pre-determined percentage of the developed area which such party may market at its expense. We believe that the increased use of this model to obtain development rights over land would allow us to gain access to land for the development of our projects with a minimal initial cash investment.

Regulatory approvals. Our operations, the acquisition of land and land development rights, and the implementation of our projects require us to obtain regulatory approvals and licenses and require us to comply with the land conversion rules and regulations of a variety of regulatory authorities. We are also subject to local laws relating to real estate development activities. Any delay in getting these approvals may affect our business and result of operations. Any change in policy in respect of the above by the government may adversely affect the potential of land as well as cost of the project.

Construction costs. Construction costs include the cost of labour, cost of raw materials such as steel, cement and finishing materials, as well as payments to construction contractors. Raw material prices can be volatile and are subject to factors affecting the Indian and international commodity markets. The timing and quality of construction of the projects we develop depends on the availability and skill of contractors and consultants, as well as contingencies affecting them, including labour and raw material shortages and industrial action such as strikes.

Impact of GST. The goods and services tax ("GST") has been implemented by the GoI with effect from July 1, 2017 and has subsumed a large number of central and state indirect taxes, resulting in a unified tax across the country. The provisions of the GST provide that if the property is used for leasing after completion or sold after receipt of the completion certificate then the input of GST will not be available. As a result, the real estate developer who sells the property subsequent to receipt of the completion certificate or leases the property after completion, will have to book GST input as a cost. In the erstwhile tax regime, since leasing of commercial property qualified as a service, it was subject to a total levy of 15%, which included a service tax of 14%, Swach Bharat cess of 0.5% and Krishi Kalyan Cess of 0.5%, however, pursuant to the implementation of GST, the tax rate has increased to 18%. This has resulted in an adverse affect on our results of operations and cash flows.

Condition of the real estate sector in India. All our operations are currently located in North India and the economic condition in India, in particular in the National Capital Region of Delhi has a direct impact on our income. The success of our projects is dependent on general economic conditions in India. Growth in the GDP and per capita income in India generally results in an increase in our income. Adverse economic conditions may adversely affect our business resulting in decreases in the sales of, or market rates for, the development of projects; decreases in rental or occupancy rates for the commercial or retail properties; financial difficulties of some contractors resulting in construction delays; financial difficulties of some tenants in the commercial and retail properties; inability of customers to obtain credit to finance purchase of our properties.

Ability to procure and retain sufficient manpower. A principal component of our ability to compete effectively is our ability to attract and retain manpower required for the development of our real estate projects. India has stringent labour legislation that protects the interests of workers, including legislation setting forth procedures for the establishment of unions, dispute resolution and employee removal and legislation imposing certain financial obligations on employers upon retrenchment. We operate in a labour intensive industry and we or our contractors hire casual labour to work on our projects. Our ability to execute our projects depends on our ability to procure and retain the skilled workers. We are also dependent on the availability of a sufficient pool of contract labour to execute our projects.

Significant Accounting Policies

Basis of consolidation

The Restated Consolidated Financial Statements comprise the financial statements of the Company and our Subsidiaries as at September 30, 2017. Control is achieved when we are exposed, or have 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, we control an investee if and only if we have:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when we have less than a majority of the voting or similar rights of an investee, we consider all relevant facts and circumstances in assessing whether we have power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- Our voting rights and potential voting rights; and
- The size of our holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

We re-assess whether or not we control 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 we obtain control over the subsidiary and ceases when we lose 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 we gain control until the date we 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., six months period ended September 30, 2017. 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 our 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 we lose control over a subsidiary, we:
  - 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; and
  - 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 we had directly disposed of the related assets or liabilities.

Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to us and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. We have concluded that it is the principal in all of our revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on educational material on Ind AS-18 issued by the ICAI, we have assumed that recovery of excise duty flows to us on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since, the recovery of excise duty flows to us on its own account, revenue includes excise duty. However, sales tax / value added tax / goods and service tax is not received by us on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the Government. Accordingly, it is excluded from revenue.

Inventories

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 and 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 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.

Inventories in real estate business

Inventories also comprise completed units for sale and property under construction (work-in-progress):

- 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.

- 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.

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 enacted in India by using tax rates and tax laws that are enacted or substantively enacted, at the reporting date.

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

Deferred tax

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

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

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized; and
- The carrying amount of deferred tax assets (including MAT credit available) is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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

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

Deferred tax includes Minimum Alternate Tax (MAT) and recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during specified period, i.e. the period for which MAT credit is allowed to be carried forward. We review 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 / Sales / Value Added Taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of GST / Sales / Value Added Taxes paid, except:

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

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of Other Current Assets or Liabilities in the balance sheet.

Borrowing costs

Borrowing cost includes interest expense as per effective interest rate. 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 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.

Foreign currencies

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates. Our financial statements are presented in Indian Rupee which is also our functional and presentation currency.

Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate prevailing at the date of transaction.

Measurement of foreign currency items at the balance sheet date

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

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

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

Fair value measurement

We measure 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:

- In the principal market for the asset or liability, or
- 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 us.

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.

We use valuation techniques that are appropriate in the circumstances and for which sufficient date are avilable to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- 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.
Our management determines the policies and procedures for both recurring and non-recurring fair value measurement, such as derivative instruments measured at fair value.

External valuers are involved for valuation of significant assets, such as properties and financial assets and significant liabilities. Involvement of external valuers is decided upon annually by the management. The management decided, after discussions with our 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 our accounting policies.

The management in conjunction with the our 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, we have 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.

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.
We have 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.

Principal Components of Income and Expenditure

Income

Revenue from Operations

Our revenue from operations is primarily generated from sale of products that comprise BOPP films and soft leather finishing foil. We also derive income from shared services. Our revenues also include other operating income that primarily comprises gains from redemption of mutual funds, export benefits and income from government grants

Other Income

Other income primarily consists of (i) interest income, (ii) gains on fair valuation of non-current investments, (iii) gains on mutual funds, (iv) exchange gains/ losses on foreign currency transaction and translation, (vi) gains from sale of fixed assets.

Expenses

Our expenses primarily consist of (i) cost of materials consumed, (ii) changes in inventories of finished goods, traded goods and work-in-progress trade, (iv) excise duty on sale of goods, (v) employee benefit expenses, (vi) finance costs, (vii) depreciation and amortization expense, and (viii) other expenses including power and fuel, traveling and conveyance and Freight and forwarding expenses.

Cost of Materials Consumed

Cost of material consumed comprises the cost of the raw materials used by us in the manufacturing process of our products. Raw materials purchased represent a significant majority of our total expenditure, and primarily includes polypropylene and polypropylene compounds. Raw material consumed is adjusted for opening stock and closing stock for raw materials. Our increased production, resulting from increased capacity and sales, has strengthened our negotiating position with our suppliers and has enabled us to get higher quantity discounts and other favorable terms. Wastage in production has also decreased due to increased automation and higher width production lines leading to relatively lower raw material requirements. We typically enter into a memorandum of understanding with some of our largest raw material suppliers for PPHP and PPCP chips on an annual basis, subject to the revision of prices on a monthly basis. Any increase in the price of raw materials is usually passed on to customers.

Changes in Inventories of Finished Goods, Traded Goods and Work-in-Progress

Changes in inventories of finished goods, traded goods and work-in-progress consist of costs attributable to an increase or decrease in inventory levels during the relevant financial period. The work in progress and finished goods inventory primarily comprises BOPP films and construction cost in real estate

Employee Benefit Expenses

Employee benefits expense primarily includes (i) salaries and wages, (ii) contribution to provident fund and other funds, and (iii) employee welfare expenses.

Finance Costs

Finance cost includes interest paid on our debt facilities, including term loans and working capital loans, interest on late deposit of advance tax, bank and financial charges and interest cost capitalized by us.

Depreciation and Amortization Expense

Depreciation and amortisation includes the expense incurred by way of depreciation on property, plant and equipment and amortisation of intangible fixed assets.

Other Expenses

Other expenses consist of cost of power and fuel, consumption of stores and spares, excise duties on inventories, freight and forwarding charges, legal and professional expenses and repairs and maintenance.

MANAGEMENT'S DISCUSSION AND ANALYSIS ON OUR RESULTS OF OPERATIONS UNDER OUR RESTATED CONSOLIDATED FINANCIAL STATEMENTS

Results of Operations

The following table sets forth certain information with respect to our consolidated results of operations for the periods indicated:

Particulars	Six months period ended September 30, 2017		Fiscal 2017		Fiscal 2016	
	(₹ lakhs)	Percentage of total income (%)	(₹ lakhs)	Percentage of total income (%)	(₹ lakhs)	Percentage of total income (%)
Income						
Revenue from Operations	36,009.86	98.65%	71,953.80	98.38%	76,897.76	98.82%
Other Income	492.95	1.35%	1,184.25	1.62%	917.36	1.18%
Total Income	**36,502.81**	**100.00%**	**73,138.05**	**100.00%**	**77,815.12**	**100.00%**
Expenses						
Cost of materials consumed	26,799.07	73.42%	52,635.83	71.97%	48,522.09	62.36%
Change in inventories of finished goods and work in progress	(2,137.42)	(5.86)%	(6,089.89)	(8.33)%	22.82	0.03%
Excise duty on sale of goods	1,419.43	3.89%	5,808.50	7.94%	6,131.11	7.88%
Employee benefits expense	2,085.65	5.71%	4,146.47	5.67%	3,962.09	5.09%
Finance costs	1,220.79	3.34%	3,275.97	4.48%	3,448.48	4.43%
Depreciation and amortization expense	1,131.78	3.10%	2,028.43	2.77%	1,869.73	2.40%
Other expenses	5,835.99	15.99%	11,930.28	16.31%	11,174.32	14.36%
Total Expenses	**36,355.29**	**99.60%**	**73,735.59**	**100.82%**	**75,130.64**	**96.55%**
Restated Profit/ (Loss) before Tax	**147.52**	**0.40%**	**(597.54)**	**(0.82)%**	**2,684.48**	**3.45%**
Tax Expenses						
Current income tax charge	263.03	0.72%	99.80	0.14%	638.52	0.82%
Mat Credit Entitlement						
- Current year	(144.66)	(0.40)%	(99.80)	(0.14)%	(346.07)	(0.44)%
Deferred Tax	177.82	0.49%	7.22	0.01%	374.63	0.48%
Total Tax Expenses	**296.19**	**0.81%**	**7.22**	**0.01%**	**667.08**	**0.86%**
Restated Profit/ (Loss) after Tax	**(148.67)**	**(0.41)%**	**(604.76)**	**(0.83)%**	**2,017.40**	**2.59%**
Attributable to:						
- Equity holders of the parent	(311.93)	(0.85)%	(609.91)	(0.83)%	1,996.59	2.57%
- Non controlling interests	163.26	0.45%	5.15	0.01%	20.81	0.03%
Other comprehensive income						
Items not to be reclassified to profit or loss in subsequent periods:						

Particulars	Six months period ended September 30, 2017		Fiscal 2017		Fiscal 2016	
	(₹ lakhs)	Percentage of total income (%)	(₹ lakhs)	Percentage of total income (%)	(₹ lakhs)	Percentage of total income (%)
Re-measurement of defined benefit plans	(10.59)	(0.03)%	(9.37)	(0.01)%	(23.11)	(0.03)%
Income tax effect	(2.26)	(0.01)%	(1.72)	0.00%	(4.71)	(0.01)%
Restated other comprehensive income	(8.33)	(0.02)%	(7.65)	(0.01)%	(18.40)	(0.02)%
Restated total comprehensive income	**(157.00)**	**(0.43)%**	**(612.41)**	**(0.84)%**	**1,999.00**	**2.57%**
Attributable to:						
- Equity holders of the parent	(317.06)	(0.87)%	(617.50)	(0.84)%	1,978.35	2.54%
- Non controlling interests	160.06	0.44%	5.08	0.01%	20.65	0.03%

Reconciliation of EBITDA to restated consolidated profit/ (loss) for the period

The table below reconciles restated consolidated profit/ (loss) for the period to EBITDA. EBITDA is defined as restated consolidated profit / (loss) for the period before finance costs, total tax expenses, and depreciation and amortization expenses. Although EBITDA is not a measure of performance calculated in accordance with applicable accounting standards, management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company's operating performance.

EBITDA should not be considered in isolation or construed as an alternative to cash flows, profit / (loss) for the period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities.

Particulars	Six months period ended September 30, 2017	Fiscal 2017	Fiscal 2016
	(₹ lakhs)		
Restated Profit/(Loss) after tax	(148.67)	(604.76)	2,017.40
Adjustments:			
Add: Total Tax expenses	296.19	7.22	667.08
Add: Depreciation and amortization expense	1,131.78	2,028.43	1869.73
Add: Finance costs	1,220.79	3,275.97	3448.48
Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA)	2,500.09	4,706.86	8,002.70
EBITDA Margin	6.94%	6.54%	10.41%

The following table sets forth certain information with respect to our EBITDA for the periods indicated:

Particulars	Six months period ended September 30, 2017		Fiscal 2017		Fiscal 2016	
	(₹ lakhs)	Percentage of Total Income (%)	(₹ lakhs)	Percentage of Total Income (%)	(₹ lakhs)	Percentage of Total Income (%)
Earnings Before Interest, Taxes Depreciation and Amortisation (EBITDA)	2,500.09	6.94%	4,706.86	6.54%	8,002.70	10.41%

Six Months Period Ended September 30, 2017

Significant Events During the Period

- On April 6, 2017, our Subsidiary, Max Speciality Films Limited issued and allotted 5,118,407 equity shares (representing 13.16% of the equity share capital of MSFL) for an aggregate consideration of ₹ 5,336.96 lakhs to Toppan, Japan on a private placement basis. Further, we also transferred 13,945,659 Equity Shares (representing 35.84% of our equity share capital) of MSFL to Toppan. Pursuant to the transaction, Toppan holds 19,064,066 equity shares of MSFL representing 49.00% of the equity shares of MSFL.

- Our Subsidiary, WZBPL acquired certain assets pursuant to the cancellation of certain agreements entered into by PEPL, erstwhile Max India Limited and Max Life. For further information, see "*History and Certain Corporate Matters*" on page 123.

Income

Our total income was ₹ 36,502.81 lakhs for the six months period ended September 30, 2017.

Revenue from Operations

Revenue from operations was ₹ 36,009.86 lakhs for the six months period ended September 30, 2017 primarily on account of sale of bi-axially oriented polypropylene film ("BOPP") aggregating ₹ 34,835.19 lakhs.

The following table sets forth certain information relating to our total revenues across our principal business segments for the six months period ended September 30, 2017:

Segment	**Six months period ended September 30, 2017**	
	Total Revenue (₹ lakhs)	**Percentage of Total Income (%)**
Packaging films	35,362.67	96.88%
Real estate	38.39	0.11%
Education	-	-
Business investments	608.80	1.67%
Total revenue	**36,009.86**	**98.65%**

Other Income

Other income primarily includes interest income, gain on fair value of non-current investments, mutual funds, foreign exchange fluctuations and sale of fixed assets. It also includes income from sale of scrap, unwinding of discount on security deposit and miscellaneous income. For the six months period ended September 30, 2017, other income was ₹ 492.95 lakhs. As a percentage of total income, other income was 1.35% for the six months period ended September 30, 2017.

Expenses

Our expenses consist primarily of cost of materials consumed, changes in inventories of finished goods, traded goods and work in progress, excise duty on sale of goods, employee benefit expenses, finance costs, depreciation and amortisation and other expenses. For the six months period ended September 30, 2017, total expenses were ₹ 36,355.29 lakhs, or 99.60% of our total income in such period.

Cost of Materials Consumed

Our cost of materials consumed consists of raw material costs in our various businesses. Cost of materials consumed was ₹ 26,799.07 lakhs for the six months period ended September 30, 2017 that comprised of purchase of polypropylene and polypropylene compounds. As a percentage of total income, cost of materials consumed was 73.42% during the six months period ended September 30, 2017.

Employee Benefits Expense

Employee benefits expense include salaries, wages and bonus payments to our employees, contribution to provident and other funds, gratuity expenses and staff welfare expenses. Employee benefits expenses were ₹ 2,085.65 lakhs for the six months period ended September 30, 2017 which comprised primarily of salaries, wages and bonus of ₹ 1,821.61 lakhs and contribution to provident and other funds of ₹ 106.42 lakhs. As a percentage of total income, employee benefits expense were 5.71% during the six months period ended September 30, 2017.

Finance Costs

Finance costs were ₹ 1,220.79 lakhs for the six months period ended September 30, 2017. Finance costs included interest on terms loans of ₹ 1,166.30 lakhs, interest on others of ₹ 62.54 lakhs and bank charges of ₹ 185.68 lakhs. As a percentage of total income, finance costs was 3.34% for the six months period ended September 30, 2017.

Depreciation and Amortization Expense

Depreciation and amortization expense for the six months period ended September 30, 2017 was ₹ 1,131.78 lakhs comprising depreciation of property plant and equipment and amortization of intangible assets. As a percentage of total income, depreciation and amortization costs was 3.10% for the six months period ended September 30, 2017.

Other Expenses

Other expenses include expenses relating to corporate, administration and sales related expenses across businesses. Significant costs under this head include rent, recruitment and training expenses, travelling and conveyance, legal and professional fees, repairs and maintenance charges and communication expenses, among others. Other expenses for the six months period ended September 30, 2017 were ₹ 5,835.99 lakhs

Profit before Tax

For the reasons discussed above, profit before tax was ₹ 147.52 lakhs for the six months period ended September 30, 2017.

Tax Expense

Our tax expenses for the six months period ended September 30, 2017 were ₹ 296.19 lakhs, including ₹ 177.82 lakhs of deferred tax which was offset by MAT credit entitlement of ₹ 144.66 lakhs.

Profit for the Period

For the reasons discussed above, loss after tax was ₹ 148.67 lakhs for the six months period ended September 30, 2017. Our profit margin, calculated as our profit for the period, presented as a percentage of our total income, was (0.41)% for the six months period ended September 30, 2017.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)*

EBITDA* was ₹ 2,500.09 lakhs for the six months period ended September 30, 2017, while EBITDA* margin (EBITDA* as a percentage of our revenue from operations in the relevant fiscal period) was 6.94% for the six months period ended September 30, 2017.

** For further details see "- Reconciliation of EBITDA to restated consolidated profit/ (loss) for the period" on page 325.*

Fiscal 2017 Compared to Fiscal 2016

- In Fiscal 2016, pursuant to the Scheme of Demerger, we acquired the demerged businesses of Max Financial Services Limited with effect from the appointed date of April 1, 2015. For further information, see "*Important Note Relating to Presentation of Financial Information – Scheme of Demerger*" on page 313.

- In Fiscal 2017, we commenced construction of 222 Rajpur, Dehradun, a residential project under Max Estates Limited, our wholly-owned Subsidiary.

- In Fiscal 2017, we incorporated Max I Limited and Max Learning Limited, our wholly-owned Subsidiaries that are engaged in investment and education businesses, respectively.

Income

Our total income ₹ 73,138.05 lakhs in Fiscal 2017 compared to total income of ₹ 77,815.12 lakhs in Fiscal 2016.

Revenue from Operations

In Fiscal 2017, revenue from operations was ₹ 71,953.80 lakhs compared to ₹ 76,897.76 lakhs in Fiscal 2016. The decline in revenue from operations was primarily due to adverse market conditions driven by inverted Euro Platts leading to exports being non-competitive, a decline in value of the Pound, unstable economic conditions in Middle East, excess supply of BOPP films in Europe as well as on account of demonetization in India.

The following table sets forth certain information relating to our revenue from operations across our principal business segments in Fiscal 2016 and Fiscal 2017:

Segment	Fiscal 2017		Fiscal 2016	
	Total revenue (₹ lakhs)	Percentage of Total Income (%)	Total revenue (₹ lakhs)	Percentage of Total Income (%)
Packaging films	71,641.60	97.95%	76,817.64	98.72%
Real estate	86.17	0.12%	-	-
Education	-	-	-	-
Business investments	226.03	0.31%	80.12	0.10%
Total	**71,953.80**	98.38%	**76,897.76**	98.82%

Other Income

In Fiscal 2017, other income was ₹ 1,184.25 lakhs compared to ₹ 917.36 lakhs in Fiscal 2016. As a percentage of total income, other income was 1.62% in Fiscal 2017 compared to 1.18% in Fiscal 2016. The increase in other income is primarily attributable to gains on account of increase in foreign currency payable exposure and consequent impact of foreign exchange fluctuation.

Expenses

In Fiscal 2017, total expenses was ₹ 73,735.59 lakhs, or 100.82% of our total income in such period, while in Fiscal 2016, total expenses was ₹ 75,130.64 lakhs, or 96.55% of our total income in such period.

Cost of Materials Consumed and change in inventories of finished goods, traded goods and work-in-progress

Cost of materials consumed was ₹ 52,635.83 lakhs in Fiscal 2017, compared to ₹ 48,522.09 lakhs in Fiscal 2016 and change in inventories of finished goods and work-in-progress was ₹ (6,089.89) lakhs in Fiscal 2017, compared to ₹ 22.82 lakhs in Fiscal 2016

Packaging Films

MSFL's cost of material consumed was ₹ 47,578.26 lakhs in Fiscal 2017, compared to ₹ 48,522.09 lakhs in Fiscal 2016 and MSFL's change in inventories of finished goods, stock in trade and work-in-progress was ₹ (1,032.33) lakhs in Fiscal 2017, compared to ₹ 22.82 lakhs in Fiscal 2016, as a percentage of revenue (including other incomes) of MSFL, cost of materials consumed and change in inventories of finished goods, stock in trade and work-in-progress of MSFL was 62.45% and 63.92% in Fiscal 2016 and Fiscal 2017, respectively. The change is on account of decrease in average realization per kilogram of specialty packaging films.

Real Estate

Cost of material consumed was ₹ 5,057.57 lakhs in Fiscal 2017, compared to nil in Fiscal 2016 and change in inventories of finished goods, traded goods and work-in-progress was ₹ (5,057.57) lakhs in Fiscal 2017, compared to nil in Fiscal 2016. The expenditure was on account of commencement of construction of

222Rajpur, Dehradun, a residential project undertaken by Max Estates Limited.

Employee Benefits Expense

Employee benefits expense were ₹ 4,146.47 lakhs in Fiscal 2017 and ₹ 3,962.09 lakhs in Fiscal 2016. As a percentage of total income, employee benefits expense were 5.67% in Fiscal 2017 compared to 5.09% in Fiscal 2016.

In Fiscal 2017, salaries, wages and bonus was ₹ 3,612.67 lakhs and ₹ 3,537.22 lakhs in Fiscal 2016, while contribution to provident and other funds was ₹ 202.05 lakhs in Fiscal 2017 compared to ₹ 155.91 lakhs in Fiscal 2016. Staff welfare expenses was ₹ 230.09 lakhs in Fiscal 2017, compared to ₹ 186.65 lakhs in Fiscal 2016. Gratuity expense was ₹ 101.66 lakhs in Fiscal 2017, compared to ₹ 82.31 lakhs in Fiscal 2016.We did not incur employee stock option expense in Fiscal 2017 or in Fiscal 2016

Packaging Films

MSFL's employee benefits expense were ₹ 3,355.65 lakhs in Fiscal 2017 and ₹ 3,744.86 lakhs in Fiscal 2016. As a percentage of revenue (including other incomes) of MSFL, employee benefit expenses were 4.61% in Fiscal 2017 compared to 4.82% in Fiscal 2016.

Real Estate

Employee benefits expenses were ₹ 183.78 lakhs in Fiscal 2017 and nil in Fiscal 2016.

Others

Employee benefits expenses were ₹ 607.03 lakhs in Fiscal 2017 and ₹ 217.17 lakhs in Fiscal 2016. The increase was account on increase in the number of employees

Finance Costs

Finance costs were ₹ 3,275.97 lakhs in Fiscal 2017, while they were ₹ 3,448.48 lakhs in Fiscal 2016. Finance costs primarily comprises of interest on term loans of ₹ 2,398.82 lakhs, interest on others of ₹ 816.27 lakhs and bank charges of ₹ 278.37 lakhs in Fiscal 2017 while interest expenses on term loans was ₹ 2,348.55 lakhs, interest on others was ₹ 826.02 lakhs and bank charges of ₹ 410.42 lakhs in Fiscal 2016. As a percentage of total income, finance costs were 4.48% and 4.43% in Fiscal 2017 and Fiscal 2016, respectively.

Packaging Films

MSFL's finance costs were ₹ 3,115.48 lakhs in Fiscal 2017 and ₹ 3,520.18 lakhs in Fiscal 2016. As a percentage of revenue (including other incomes) of MSFL, finance costs were 4.28% in Fiscal 2017 compared to 4.53% in Fiscal 2016. The decrease is on account of decrease in interest rates on loans from banks.

Others

Finance costs were ₹ 160.49 lakhs in Fiscal 2017 and nil in Fiscal 2016. The cost is on account of term loans taken from financial institutions by our Company.

Depreciation and Amortization Expense

Depreciation and amortization expense in Fiscal 2017 was ₹ 2,028.43 lakhs comprising depreciation of plant property and equipment primarily in relation to our specialty packaging films business and amortization of intangible assets while it was ₹ 1,869.73 lakhs in Fiscal 2016. The relative increase in depreciation expenses was attributable to the depreciation on additions in tangible assets, including addition of freehold land, leasehold improvements, plant and equipment, furniture and fixtures, and office equipment on account leaseholds improvements capitalized during the year, for which charge of depreciation is for approximately two months in Fiscal 2016 however for Fiscal 2017 it was for 12 months.

As a percentage of total income, depreciation and amortization costs were 2.77% and 2.40% in Fiscal 2017 and Fiscal 2016, respectively.

Other Expenses

Other expenses were ₹ 11,930.28 lakhs in Fiscal 2017, compared to ₹ 11,174.32 lakhs in Fiscal 2016. As a percentage of total income, other expenses were 16.31% in Fiscal 2017 compared to 14.36% in Fiscal 2016.

Packaging Films

MSFL;s other expenses were ₹ 11,472.21 lakhs in Fiscal 2017 and ₹ 11,209.42 lakhs in Fiscal 2016. As a percentage of revenue (including other incomes) of MSFL, other expenses were 15.75% in Fiscal 2017 compared to 14.42% in Fiscal 2016. The increase is on account of increase in power and fuel cost.

Others

Other expenses were ₹ 458.56 lakhs in Fiscal 2017 and nil in Fiscal 2016. In Fiscal 2016, our Company was operating only for a part of the year while in Fiscal 2017, three new Subsidiaries commenced their business and the increase was on account of legal and professional expenses ₹ 300.39 lakhs, travelling and conveyance expenses ₹ 93.59 lakhs, repairs and maintenance ₹ 84.46 lakhs and rent expense for ₹ 66.99 lakhs.

Profit before Tax

For the reasons discussed above, loss before tax was ₹ 597.54 lakhs in Fiscal 2017 compared to profit before tax of ₹ 2,684.48 lakhs in Fiscal 2016 primarily due to lower sales realisation on account of the effect of demonetization on our specialty packaging films business, announcement of Britain's decision to exit the European Union, excess supply in international markets and losses from commencement of new business segments in our Subsidiaries during the year.

Tax Expense

Our tax expenses in Fiscal 2017 were ₹ 7.22 lakhs, including ₹ 99.80 lakhs of current income tax charge, ₹ 99.80 lakhs of MAT credit entitlement (current year) and deferred tax of ₹ 7.22 lakhs. Our tax expenses in Fiscal 2016 were ₹ 667.08 lakhs, including ₹ 638.52 lakhs of current income tax charge, ₹ (346.07) lakhs of MAT credit entitlement (current year) and deferred tax credit of ₹ 374.63 lakhs in Fiscal 2016.

Profit for the Year

For the reasons discussed above, we incurred a loss after tax of ₹ 604.76 lakhs in Fiscal 2017, compared to a profit after tax of ₹ 2,017.40 lakhs in Fiscal 2016. Our profit margin in Fiscal 2016, calculated as our profit for the year presented as a percentage of our total income, was 2.59%.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA)*

EBITDA* was ₹ 4,706.86 lakhs in Fiscal 2017 compared to EBITDA* of ₹ 8,002.70 lakhs in Fiscal 2016, while EBITDA* margin (EBITDA* as a percentage of our revenue from operations in the relevant fiscal period) was 6.54% in Fiscal 2017 compared to 10.41% in Fiscal 2016.

** For further details see "- Reconciliation of EBITDA to restated consolidated profit/ (loss) for the period" on page 325.*

Packaging Films

MSFL's EBITDA was ₹ 5,640.51 lakhs in Fiscal 2017 compared to MSFL's EBITDA of ₹ 8,104.69 lakhs in Fiscal 2016, while MSFL's EBITDA margin (MSFL's EBITDA as a percentage of revenue of MSFL in the relevant fiscal period) was 7.75% in Fiscal 2017 compared to 10.42% in Fiscal 2016.

Liquidity and Capital Resources

Historically, our primary liquidity requirements have been to fund our working capital requirements, capital expenditure and acquisitions. We have funded these primarily through cash generated from operations, bank borrowings and shareholders' equity. We expect to meet our working capital, planned capital expenditure and acquisitions requirements for the next 36 months primarily from the cash flows from business operations, borrowings from banks and financial institutions and the proceeds of this Issue.

Cash Flows

The following table sets forth certain information relating to our cash flows:

	Six Months Period Ended September 30, 2017	Fiscal 2017	Fiscal 2016
	(₹ lakhs)		
Net cash flow from/ (used in) operating activities	(6,416.45)	6,408.49	6,650.01
Net cash flows used in investing activities	(3,027.88)	(22,090.06)	(4,740.65)
Net cash flows from/ (used in) financing activities	9,709.14	14,586.63	(1,793.34)
Net increase/(decrease) in cash and cash equivalents	**264.82**	**(1,094.93)**	116.02
Cash and cash equivalents at the beginning of the year/ period	193.08	1,288.01	-
Cash and cash equivalents transferred on demerger	-	-	1,171.99
Cash and cash equivalents at year/ period end	**457.89**	**193.08**	**1,288.01**

Operating Activities

Six Months Period ended September 30, 2017

For the six months period ended September 30, 2017, net cash used in operating activities was ₹ 6,416.45 lakhs and the operating profit before working capital changes was ₹ 2,127.97 lakhs.

The main working capital adjustments were increase in inventories of ₹ 53,363.16 lakhs due to acquisition of WZBPL by our Subsidiary, Max Estates Limited and increase in trade and other receivables and prepayments of ₹ 4,234.22 lakhs which was substantially offset primarily by increase in trade and other payables of ₹ 49,107.16 lakhs.

Income tax paid was ₹ 783.67 lakhs for the six months period ended September 30, 2017, primarily relating to capital gains resulting from the sale of shareholding in Max Speciality Films Limited to Toppan.

Fiscal 2017

In Fiscal 2017, net cash flows from operating activities was ₹ 6,408.49 lakhs and the operating profit before working capital changes was ₹ 4,275.76 lakhs.

The main working capital adjustments were increase in trade and other payables of ₹ 5,842.68 lakhs, decrease in trade and other receivables and prepayments of ₹ 2,986.81 lakhs and movements in provisions, gratuity and government grants of ₹ 297.49 lakhs which was offset primarily by an increase in inventories of ₹ 7,053.45 lakhs.

Income tax paid was ₹ 390.81 lakhs in Fiscal 2017.

Fiscal 2016

In Fiscal 2016, net cash flows from operating activities was ₹ 6,650.01 lakhs and the operating profit before working capital changes was ₹ 8,165.89 lakhs.

The main working capital adjustments were increase in trade and other payables of ₹ 990.61 lakhs and increase in inventories of ₹ 437.23 lakhs which was offset primarily by an increase in trade and other receivables and prepayments of ₹ 1,867.53 lakhs and decrease in provisions, gratuity and government grant of ₹ 361.14 lakhs.

Income tax paid was ₹ 715.04 lakhs in Fiscal 2016.

Investing Activities

Six Months Period Ended September 30, 2017

Net cash flows used in investing activities was ₹ 3,027.88 lakhs for the six months period ended September 30, 2017, primarily on account of purchase of current investments of ₹ 23,075.20 lakhs comprising of mutual funds, purchase of property, plant and equipment (including tangible assets, capital work-in-progress and capital advances) of ₹ 14,143.89 lakhs and purchase of non-current investments of ₹ 3,700.00 lakhs on account of the purchase of shareholding in Azure Hospitality Private Limited. This amount was substantially offset by proceeds from redemption of mutual funds of ₹ 23,576.35 lakhs and proceeds from sale of stake in our Subsidiary of ₹ 14,187.44 lakhs. The sale of stake was in our Subsidiary, Max Speciality Films Limited and was purchased by Toppan.

Fiscal 2017

Net cash used in investing activities was ₹ 22,090.06 lakhs in Fiscal 2017, primarily on account of purchase of property, plant and equipment (including tangible assets, capital work-in-progress and capital advances) of ₹ 4,904.35 lakhs, purchase of current investments of ₹ 14,355.25 lakhs comprising of mutual funds and purchase of non-current investments of ₹ 5,104.97 lakhs on account of the purchase of shareholding in Azure Hospitality Private Limited and FSN E-commerce Private Limited. This amount was partly offset by proceeds from redemption of mutual funds of ₹ 2,075.50 lakhs.

Fiscal 2016

Net cash used in investing activities was ₹ 4,740.65 lakhs in Fiscal 2016, primarily on account of purchase of property, plant and equipment (including tangible assets, capital work-in-progress and capital advances) of ₹ 5,152.46 lakhs and purchase of current investments of ₹ 1,046.39 lakhs comprising of mutual funds. This was partly offset by proceeds from redemption of mutual funds of ₹ 1,071.37 lakhs.

Financing Activities

Six Months Period Ended September 30, 2017

Net cash flows from financing activities in Fiscal 2017 was ₹ 9,709.14 lakhs which primarily consisted of proceeds from issuance of equity share capital including security premium (net of expenses, incurred for shares issued) of ₹ 7,328.64 lakhs and proceeds/ repayments from short term borrowings of ₹ 3,968.19 lakhs. This amount was partly offset by interest paid of ₹ 1,220.79 lakhs and repayment of long term borrowings of ₹ 824.28 lakhs.

Fiscal 2017

Net cash flows from financing activities in Fiscal 2017 was ₹ 14,586.63 lakhs which primarily consisted of proceeds from issuance of equity shares capital including security premium, net of expenses incurred for shares issued of ₹ 12,043.70 lakhs and proceeds/ repayments from short term borrowings of ₹ 4,321.26 lakhs and proceeds from long term borrowings ₹ 2,903.44 lakhs, respectively. This amount was partly offset by interest paid of ₹ 3,275.97 lakhs and repayment of long term borrowings of ₹ 2,084.05 lakhs.

Fiscal 2016

Net cash used in financing activities in Fiscal 2016 was ₹ 1,793.34 lakhs which primarily consisted of interest paid of ₹ 2,939.33 lakhs and proceeds/ repayments from short term borrowings of ₹ 1,382.52 lakhs. This amount was significantly offset by proceeds from long term borrowings of ₹ 3,063.08 lakhs.

Effect of Ind AS adoption

For information on reconciliation of equity and statement of profit and loss under Indian GAAP to Ind AS for Fiscal 2016 and Fiscal 2017, please see "*Notes 42, 43 and 44 - Annexure V*" of our Restated Consolidated Financial Statements on pages 286, 290 and 292, respectively.

Indebtedness

As at September 30, 2017, we had non-current borrowings of ₹ 17,226.53 lakhs and current borrowings (including current maturity of long-term borrowings) of ₹ 18,839.48 lakhs. The following table sets forth certain information relating to our outstanding indebtedness as at September 30, 2017, and our repayment obligations in the periods indicated:

	As at September 30, 2017			
	Payment due by period			
	Total	Not later than 1 year	1-5 years	More than 5 years
	(₹ lakhs)			
Interest bearing borrowings	36,725.38	18,839.48	12,744.73	5,141.17
Trade payable	21,599.03	21,114.10	484.93	-
Other financial liabilities	215.83	215.83	-	-

Of our total outstanding borrowings of ₹ 36,066.01 lakhs as at September 30, 2017, ₹ 13,673.93 lakhs was denominated in Indian Rupees and ₹ 22,392.08 lakhs was denominated in foreign currency. The principal amounts outstanding under the borrowings bear interest either at a fixed rate or at a floating rate. For further information, see "*Financial Information*" on page 177.

Contractual Obligations and Commitments

The following table sets forth certain information relating to future payments due under known contractual commitments as at September 30, 2017, aggregated by type of contractual obligation:

Particulars	As at September 30, 2017				
	Payment due by period				
	Total	Less than 1 year	1-3 years	3 – 5 years	More than 5 years
	(₹ lakhs)				
Estimated amount of contracts remaining to be executed on capital account and not provided for	7,983.92	7,983.92	-	-	-
Capital advances	3,099.46	3,099.46	-	-	-
Total Contractual Obligations	4,884.46	4,884.46	-	-	-

Contingent Liabilities and other Off-Balance Sheet Arrangements

The following table sets forth certain information relating to our contingent liabilities as at September 30, 2017:

Particulars	Amount (₹ lakhs)
Claims against the Company not acknowledged as debts	1,414.78
Contingent liability for pending C form's from customers	883.52
Total	**2,298.30**

For further information, see Annexure V of our Restated Financial Statements on page 244.

Except as disclosed in our Restated Consolidated Financial Statements or otherwise in this Draft Letter of Offer, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

Historical and Planned Capital Expenditures

In Fiscal 2016, Fiscal 2017 and for the six months period ended September 30, 2017, our capital expenditure (including capital advances) under our Restated Consolidated Financial Statements was ₹ 3,525.90 lakhs, ₹ 6,548.27 lakhs and ₹ 10,417.25 lakhs, respectively. We believe that our capital expenditures in Fiscal 2018 and Fiscal 2019 will be financed by the proceeds of this Issue, funds generated from operations and borrowings.

Changes in Accounting Policies

Except as disclosed in this Draft Letter of Offer, there have been no changes in our Company's accounting policies during Fiscal 2016, Fiscal 2017 and the six months ended September 30, 2017. For further information, see "*Financial Statements*" on page 181.

Auditor's Observations/ Remarks

Restated Consolidated Financial Statements

Matters of emphasis

The auditors have drawn attention to Note 55 of Annexure – V to the Restated Consolidated Financial Statements which describes the impact of the recognition of land development rights by our Subsidiary, Max Estates Limited, which has led to a restatement of the interim financial statements for the six months ended September 30, 2017 (and corresponding period of the previous financial year).

Company response

Our Subsidiary, Max Estates Limited, entered into an agreement with Trophy Estates Private Limited, Mr. Analjit Singh and Analjit Singh HUF (collectively "land owners") on July 25, 2016 for the development of land owners' land in Dehradun for which consideration payable to them was 27% of the sale proceeds of the developed property on such land by our Subsidiary. As required by Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable) ("Guidance Note"), development rights received from the land owner for development of land was required to be recognised in 'Inventory' at fair value, however, these rights were earlier recorded to the extent of non-refundable security deposit paid. Our Management has identified such adjustment only in current period together with certain other adjustments and therefore, the figures in respect of 'Inventory' in the 'Statement of Assets and Liabilities' in the interim consolidated financial statements as at September 30, 2017 have been restated in accordance with Ind AS 8 and are ₹ 66,223.66 lakhs as against ₹ 63,254.46 lakhs in the 'Statement of Assets and Liabilities' as per the consolidated limited review results as at September 30, 2017, 'Non- Current Trade Payables' are ₹ 484.93 lakhs as against nil, 'Current Trade Payables' are ₹ 21,109.60 lakhs as against ₹ 19,284.50 lakhs, 'Other Current Assets' are ₹ 4,827.48 lakhs as against ₹ 5,184.88 lakhs (approved by the Board of Directors on February 14, 2018)

Companies (Auditor's Report) Order, 2016

As at and for the year ended March 31, 2017

<u>Clause xiv</u>

According to the information and explanations given by the management, our Company has complied with provisions of Section 42 of the Companies Act, 2013 in respect of the preferential allotment of equity shares and share warrants during the year. According to the information and explanations given by the management, we report that the amount raised, have been used for the purposes for which the funds were raised though idle or surplus funds which were not required for immediate utilization have been gainfully invested in mutual funds. The maximum amount of idle/surplus funds invested during the year was ₹ 12,781.15 lakhs, of which ₹ 12,036.15 was outstanding at the end of the year.

Company response

For the period for which the funds were not invested, they were deployed in mutual funds. The funds were subsequently deployed in business operations of the Company.

Except as disclosed above and in the "*Financial Statements*" page 181, there are no summary of reservations, qualifications, adverse remarks and matters of emphasis by our auditor for the previous five financial years.

Related Party Transactions

We enter into various transactions with related parties in the ordinary course of business. Primarily these transactions include transactions relating to rendering of services, purchase of materials, insurance expenses, managerial remuneration and reimbursement of expenses. For further details relating to our related party transactions, see "*Related Party Transactions*" on page 175.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various types of market risks in the ordinary course of business, including credit risks, interest rate risks and foreign currency exchange risks.

Capital Risk

We are exposed to credit risk on amounts owed to us by our clients. If our clients do not pay us promptly, or at all, it may impact our working capital cycle and/or we may have to make provisions for or write-off on such amounts.

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. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our financing activities, including deposits with banks, foreign exchange transactions and other financial instruments. \

Customer credit risk is managed basis our established policy, procedures and control relating to customer credit risk management. 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.

Credit risk from balances with banks and financial institutions are managed by our treasury department in accordance with our policy. Investment 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.

Exchange Rate Risk

Exchange rate 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. Our exposure to the risk of changes in foreign exchange rates relates primarily to our 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. We evaluate exchange rate exposure arising from foreign currency transactions and follows established risk management policies.

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. Our exposure to the risk of changes in market interest rates relates primarily to our long term debt obligation at floating interest rates.

Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial obligations as they become due. We employee 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 department 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. While borrowing funds for large capital projects, we negotiate the repayment schedule in 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 senior management.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Letter of Offer, there have been no other events or transactions that, to our knowledge, may be described as "unusual" or "infrequent".

Segment Reporting

Other than as disclosed in our Restated Consolidated Financial Statements included in this Draft Letter of Offer, we do not follow any other segment reporting. Please see "*Note 45 – Segment Reporting - Annexure V*" of our Restated Consolidated Financial Statements on page 293.

Total Turnover of Each Major Industry Segment

We currently operate in specialty packaging film business, real estate development, investment business and education related activities. For further details, see "*Industry Overview*", "*Our Business*" and "*Note 45 – Segment Reporting - Annexure V*" of our Restated Consolidated Financial Statements on pages 95, 105 and 293, respectively.

Significant Dependence on Clients or Suppliers

Other than as described in this Draft Letter of Offer, particularly in the "Risk Factors" section, to our knowledge, there is no significant dependence on a single or few customers or suppliers.

Known Trends or Uncertainties

Other than as described in this section and in "*Risk Factors*" on page 12, to our knowledge, there are no known trends or uncertainties that are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationship between Cost and Income

Other than as described in this section, "*Risk Factors*" and "*Our Business*" on pages 12 and 105, respectively, to our knowledge there are no known factors that will have a material adverse impact on our operations and finances.

New Product or Business Segment

We introduce new products from time to time based on the requirements of our customers. Other than the new products under development as described in the "*Our Business*" section on page 105, to our knowledge, there are no current plans to develop new products or establish any new business segments.

Seasonality of Business

Our results of operations do not generally exhibit seasonality. However, we may have variation in our financial results from financial period to financial period as a result of various factors, including those described under "*Factors Affecting our Results of Operations*" above and in "*Risk Factors*" on page 12. While the business operations of certain of our clients are seasonal, given the large size of our operations and large and diverse client base, seasonality of businesses affecting such clients do not have any material impact on our business and results of operations.

Competitive Conditions

We operate in a competitive environment. See "*Our Business*", "*Industry Overview*" and "*Risk Factors*" on pages 105, 95 and 12, respectively, for further details on competitive conditions that we face across our various business segments.

Significant Developments after September 30, 2017 that may affect our Future Results of Operations

- The shareholders of our Company on December 19, 2017, through a postal ballot process on November 7, 2017, approved the cancellation of area purchase agreement dated September 4, 2013, addendum agreement dated July 27, 2016, and agreement dated July 27, 2016 and all other related agreements executed by our Company for the purchase of aggregate super built up area admeasuring 591,104 square feet along with car parking area, all passageways and other facilities at the complex between PEPL and Boulevard Projects Private Limited, erstwhile holding company of WZBPL. Consequent to above approval, rights and obligations of PEPL towards sale of 115,000 square feet area to Max Financial Services Limited and Max Life Insurance Company Limited aggregating to ₹ 14,030.00 lakhs will be assigned/novated in favour of WZBPL.

- On February 5, 2018, WZBPL availed a loan of ₹ 25,000 lakhs availed by WZBPL from IDFC Bank Limited to finance its payment made for the transfer of rights for commercial towers situated at Max Towers located in the Delhi One campus, Noida. For further details, see "*Objects of the Issue - Details of the Objects of the Issue - Investment in Max Estates Limited, one of our Subsidiaries, for pre-payment / repayment of loan availed by WZBPL, one of our Subsidiaries*" on page 82.

- At the meeting of our Board of Directors on February 14, 2018, we have adopted and filed with the stock exchanges on February 14, 2018, the unaudited consolidated and unaudited standalone interim financial results for the quarter ended December 31, 2016 and 2017, in accordance with Regulation 33(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, subjected to a limited review by our statutory auditors S. R. Batliboi & Co. LLP. For further information, see "*Material Developments*" on page 301.

Except as disclosed above and in this Draft Letter of Offer, including under "Our Business" and "Risk Factors", to our knowledge no circumstances have arisen since the date of the last financial information disclosed in this Draft Letter of Offer which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings involving our Company, Directors, Promoters, Subsidiaries or Group Companies; (ii) actions taken by statutory or regulatory authorities involving our Company, Directors, Promoters, Subsidiaries or Group Companies; (iii) outstanding claims involving our Company, Directors, Promoters, Subsidiaries or Group Companies for any direct and indirect tax liabilities; (iv) other pending litigations involving our Company, Directors, Promoters, Group Companies, Subsidiaries or any other person, as determined to be material by our Board of Directors, in accordance with the SEBI ICDR Regulations.

Further, except as stated in this section there are no (i) inquiries, inspections or investigations initiated or conducted under the Companies Act against our Company from our inception till the date of this Draft Letter of Offer, (ii) prosecutions filed (whether pending or not); (iii) fines imposed or compounding of offences for our Company from our inception till the date of this Draft Letter of Offer; (iv) litigation or legal action against our Promoters by any ministry or Government department or statutory authority from our inception till the date of this Draft Letter of Offer; (v) material frauds committed against our Company, in each case in the five years preceding the date of this Draft Letter of Offer; (vi) outstanding dues to creditors of our Company as determined to be material by our Company's Board of Directors in accordance with the SEBI ICDR Regulations; (vii) outstanding dues to small scale undertakings and other creditors; (viii) over dues or defaults to banks or financial institutions by our Company; and (ix) pending defaults or non-payment of statutory dues by our Company. Further, except as disclosed below, there have been no proceedings initiated against our Company for economic offences, defaults in respect of dues payable.

*Details of other legal proceedings, determined to be material by our Board of Directors and currently pending involving our Company are set forth below. Pursuant to the SEBI ICDR Regulations, for the purposes of disclosure and as per the policy approved by the Board of Directors on February 14, 2018, all pending litigation involving (A) our Company, its Directors, Promoters and Subsidiaries ("**Relevant Parties**") other than criminal proceedings, tax matters, and statutory or regulatory actions, are considered 'material' if (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of ₹ 100 lakhs, or (ii) pending proceedings involving the Relevant Parties, wherein a monetary liability is not quantifiable, but whose outcome may have a bearing on the business, operations or prospects or reputation of the Company (B) all pending litigation involving our Group Companies, other than criminal proceedings, tax matters, and statutory or regulatory actions, would be considered 'material' if (i) the monetary amount of claim by or against the entity or person in any such pending proceeding is in excess of 1% of standalone profit after tax of the respective group company or 1% of the net worth of its standalone net worth or Rs. 100 lakhs, whichever is higher, or (ii) pending proceedings involving the group company, wherein a monetary liability is not quantifiable, but whose outcome may have a bearing on the business, operations or prospects or reputation of the Company. Further, pre-litigation notices received by the Relevant Parties and the group companies (excluding those notices issued by statutory/regulatory/tax authorities or notices) shall, unless otherwise decided by the Board, not be evaluated for materiality until such time that the Relevant Parties and the group companies are impleaded as defendants in litigation proceedings before any judicial forum*

Our Board has also approved that dues owed by our Company to creditors exceeding 5% of our Company's trade payables as per the Restated Standalone Financial Statements as at September 30, 2017 would be considered as material dues for our Company and accordingly, we have disclosed consolidated information of outstanding dues owed to creditors, separately giving details of number of cases and amount for all dues where each of the dues exceed ₹ 1,079.95 lakhs.

Litigation involving our Company

1. Litigation against our Company

<u>*Criminal Proceedings*</u>

NIL

<u>*Civil Proceedings*</u>

NIL

Tax Proceedings

There are no proceedings relating to direct and/or indirect taxes pending against our Company, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

2. Litigation by our Company

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax Proceedings

There are no proceedings relating to direct and/or indirect taxes filed by our Company, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

Litigation involving our Subsidiaries

1. Litigation against Max Specialty Films Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax Proceedings

Except as disclosed below, there are no proceedings relating to direct and/or indirect taxes pending against our Company, as on the date of this Draft Letter of Offer.

(in ₹ lakhs)

Particulars	Number of cases	Ascertainable amount involved
Direct Tax		
Income Tax	NIL	NIL
Total (A)	**NIL**	**NIL**
Indirect Tax		
Central Excise	15	3,137.90
Entry Tax	NIL	NIL
Service Tax	2	7.04
Total (B)	**17**	3,144.94
Total (A+B)	**17**	3,144.94

Regulatory Proceedings

NIL

2. Litigation by Max Specialty Films Limited

Criminal Proceedings

NIL

Civil Proceedings

- Max Speciality Films Limited ("**Petitioner**") had filed an execution proceeding (No. 2017/3784 E) dated September 15, 2017 against Baris Ambalaj Matbaacilik San. Ve Tic. Ltd. Sti., Turkey ("**Defendant**") before the first enforcement office, Torbalı for collection of receivables of Euro 1,35,544.10 ("**Receivables**") arising from 4 (four) invoices in relation to supply of various film materials from Petitioner to Defendant. The Defendant raised an objection to the execution proceeding by a petition dated September 19, 2017. The Petitioner filed a civil petition (No. 2017/3784 E) dated November 11, 2017, before İzmir Torbalı Civil Court, Turkey, seeking annulment of Defendant's objection to the execution proceeding and its continuation, additional compensation of 20% of the Receivables, and other costs. The defendant has filed a response petition on December 22, 2017. MSFL submitted its statement against the response petition on January 17, 2018. The defendant did not submit its second response petition to the case file in due course of time. As the pleading process has completed, MSFL has requested the court to appoint first date of hearing. The case is still pending.

- Max Speciality Films Limited had supplied film material to Giada Srl, Italy under five invoice for an amount of € 618.674,16. The agreed payment terms were 10% of the invoice value as advance; balance 40% within 30 days of delivery and balance 50% within 60 days of delivery. Giada made the first payment of 10% of the invoice value and thereafter defaulted in making the payment of the 2nd and the 3rd tranch payment. A number of creditors submitted to the Court petition for bankruptcy against Giada Srl, Italy. The court accepted the request and declared in bankruptcy Giada Srl on July 6, 2017 opening the proceeding no. 541/2017 near the Court of Milano - Bankruptcy Division. Max Speciality Films Ltd. demanded to be admitted to the bankruptcy proceeding, as timely creditor, for the amount of € 618.674,16, arising from 5 (five) invoices in relation to supply of various film materials in favour of Giada Srl." The demand has been admitted and the next date of hearing is March 8, 2018.

- A European Patent No. 2 399 741 (EP 2 399 741) in the name of Taghleef Industries S.L. has been opposed by Max Speciality Films Limited before the European Patent Office on September 24, 2015. The opposed EP 2 399 741 related to a film for the lamination of graphic media or printed matter, comprising an extruded plastic film core or substrate (1) with thickness of between 10 and 40 µm which is coated with a liquid base dispersion of aliphatic polyurethane (2) containing between 30% and 100% solids, depending on the degree of soft-touch required, the thickness of which is comprised between 0.2 and 5 µm, when dry; and that the dispersion may further contain other chemical products such as other plastic resins (binders), hardening agents (crosslinkers) and/or adhesives (primers). The Opposition Division of the European Patent Office during oral proceedings held on June 22, 2017 decided to revoke the patent in its entirety based in insufficiency of disclosure; and that the written decision was issued on July 14, 2017. The decision to revoke the patent was appealed by the patent proprietor Taghleef Industrial SL, that the appeal proceedings are currently pending in front of Technical Board of Appeal 3.3.09 at the European Patent Office (file number T 1583/17), and that the grounds of appeal submitted by the patent proprietor have been notified on November 30, 2017. A reply by MSFL to the grounds of appeal must be filed by March 30, 2018.

- MSFL has taken the services of a third party (Mobility Vision Research) specializing in filing in IPR in India to file a pre-grant opposition to the Indian counterpart, 6868/DELNP/2011, of European Patent Application No. 09 840 260.5. The third party has filed the opposition in India on the basis of art cited in the opposition filed in Europe to the Application No. 09 840 260.5, and also on additional prior art found by them. First examination report has been issued including the prior art citied by Mobility Vision Reaearch. Also, as European Patent Office has accepted the opposition filed against European Counterpart of 6868/DELNP/2011.

Tax Proceedings

There are no proceedings relating to direct and/or indirect taxes filed by Max Specialty Films Limited, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

3. Litigation against Max Estates Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax Proceedings

There are no proceedings relating to direct and/or indirect taxes pending against Max Estates Limited, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

4. Litigation by Max Estates Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax Proceedings

NIL

Regulatory Proceedings

NIL

5. Litigation against Max Learning Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax Proceedings

There are no proceedings relating to direct and/or indirect taxes pending against our Company, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

6. Litigation by Max Learning Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax Proceedings

There are no proceedings relating to direct and/or indirect taxes filed by our Company, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

7. Litigation against Max I. Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax Proceedings

There are no proceedings relating to direct and/or indirect taxes pending against our Company, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

8. Litigation by Max I. Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax Proceedings

There are no proceedings relating to direct and/or indirect taxes filed by our Company, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

9. Litigation against Wise Zone Builders Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax Proceedings

There are no proceedings relating to direct and/or indirect taxes pending against our Company, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

10. Litigation by Wise Zone Builders Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax Proceedings

There are no proceedings relating to direct and/or indirect taxes filed by our Company, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

11. Litigation involving our Promoters

A. Litigation involving Mr. Analjit Singh

Litigation against Mr. Analjit Singh

Criminal Proceedings

NIL

Civil Proceedings

- 4 recovery cases instituted by different banks (State Bank of Patiala, Punjab & Sind Bank, Punjab National Bank) against Montari Industries Limited and personally against Mr. Manjeet Singh and Dr. Bhai Mohan Singh (who furnished personal guarantees) are pending before the Debt Recovery Tribunal, Delhi. The aggregate principal amount of claims is in the region of approximately Rs. 4,300 lakhs which with interest till date would amount nearly to Rs 10,000 lakhs. After demise of Dr. Bhai Mohan Singh, Mr. Analjit Singh has been impleaded in these cases as one of the legal heirs of Bhai Sahib (and additionally as one of the mortgagors in respect of property No. 28-A, Prithvi Raj Road, New Delhi) The issue at hand relates to possibility of liability falling on Mr. Analjit Singh as one of the legal heirs of Dr. Bhai Mohan Singh. The matters are currently pending before the Debt Recovery Tribunal.

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	1	Not quantifiable
Indirect Tax	NIL	NIL
Total	1	Not quantifiable

Regulatory Proceedings

NIL

Litigation by Mr. Analjit Singh

Criminal Proceedings

NIL

Civil Proceedings

A suit no. 148 of 2003 was instituted before Court of IIIrd Additional Civil Judge (Sr. Division, Dehradun) by Mr. Surinder Madan Singh, the then owner of the property for injunction against Mr. Dinesh Kumar and 10 others to restrain the defendants from interfering in the peaceful possession of the plaintiff over the property bearing old no. 226 (new no. 222/200), Rajpur Road, Dehradun. The court by its order dated March 19, 2003 granted an *ad-interim* stay in favour of the plaintiff and is continuing as on date. An application was moved by (1) Trophy Estates Private Limited; (2) Mr. Analjit Singh HUF; and (3) Mr. Analjit Singh (individually) for being impleded as a plaintiff in the said suit. The said application was allowed by order dated November 7, 2017. The next date of hearing is February 19, 2018.

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	1	30,000
Indirect Tax	1	3,609
Total	2	33,609

Regulatory Proceedings

NIL

B. Litigation involving Ms. Neelu Analjit Singh

Litigation against Ms. Neelu Analjit Singh

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	2	Not quantifiable
Indirect Tax	NIL	NIL
Total	2	Not quantifiable

Regulatory Proceedings

NIL

Litigation by Ms. Neelu Analjit Singh

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	2	17,938
Indirect Tax	NIL	NIL
Total	2	17,938

Regulatory Proceedings

NIL

C. Litigation involving Ms. Piya Singh

Litigation against Ms. Piya Singh

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	2	52
Indirect Tax	NIL	NIL
Total	2	52

Regulatory Proceedings

NIL

Litigation by Ms. Piya Singh

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

There are no proceedings relating to direct and/or indirect taxes filed by Ms. Piya Singh, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

D. Litigation involving Mr. Veer Singh

Litigation against Mr. Veer Singh

Criminal Proceedings

Ms. Madhulekha Sawhney has filed a first information report before police station Hauz Khas, South Delhi under Section 406/380/427/34 of IPC alleging theft of installed material from the premise given to one of the companies on which Mr. Veer Singh was a director on lease, non payment of rental dues, and damages to the property. A detailed response with the concerned Investigation Officer is filed.

Civil Proceedings

NIL

Tax proceedings

There are no proceedings relating to direct and/or indirect taxes pending against Mr. Veer Singh, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

Litigation by Mr. Veer Singh

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

There are no proceedings relating to direct and/or indirect taxes filed by Mr. Veer Singh, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

E. Litigation involving Ms. Tara Singh Vachani

Litigation against Ms. Tara Singh Vachani

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

There are no proceedings relating to direct and/or indirect taxes pending against Ms. Tara Singh Vachani, as on the date of this Draft Letter of Offer.
Regulatory Proceedings

NIL

Litigation by Ms. Tara Singh Vachani

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

There are no proceedings relating to direct and/or indirect taxes filed by Mr. Tara Singh Vachani, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

F. Litigation involving Mr. Sahil Vachani

Litigation against Mr. Sahil Vachani

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	1	Not quantifiable
Indirect Tax	NIL	NIL
Total	1	Not quantifiable

Regulatory Proceedings

NIL

Litigation by Mr. Sahil Vachani

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

There are no proceedings relating to direct and/or indirect taxes filed by Mr. Sahil Vachani, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

G. Litigation involving Liquid Investment and Trading Company Private Limited

Litigation against Liquid Investment and Trading Company Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	4	79.87
Indirect Tax	NIL	NIL
Total	4	79.87

Regulatory Proceedings

NIL

Litigation by Liquid Investment and Trading Company Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

There are no proceedings relating to direct and/or indirect taxes filed by Liquid Investment and Trading Company Private Limited, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

H. Litigation involving Mohair Investment and Trading Company Private Limited

Litigation against Mohair Investment and Trading Company Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	3	126
Indirect Tax	NIL	NIL
Total	3	126

Regulatory Proceedings

NIL

Litigation by Mohair Investment and Trading Company Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

There are no proceedings relating to direct and/or indirect taxes filed by Mohair Investment and Trading Company Private Limited, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

I. Litigation involving Max Ventures Investment Holdings Private Limited

Litigation against Max Ventures Investment Holdings Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	8	3,467
Indirect Tax	NIL	NIL
Total	8	3,467

Regulatory Proceedings

NIL

Litigation by Max Ventures Investment Holdings Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	7	101.02
Indirect Tax	NIL	NIL
Total	7	101.02

Regulatory Proceedings

NIL

J. Litigation involving Siva Enterprises Private Limited

Litigation against Siva Enterprises Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

There are no proceedings relating to direct and/or indirect taxes pending against Siva Enterprises Private Limited, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

Litigation by Siva Enterprises Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

There are no proceedings relating to direct and/or indirect taxes filed by Siva Enterprises Private Limited, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

NIL

12. Litigation involving our Group Companies

A. Max Life Insurance Company Limited

Litigation against Max Life Insurance Company Limited

Criminal Proceedings

1. Ex ADM Aman Sethi has filed a criminal complaint no. 8851/2017 under Section 156(3) of the Criminal Procedure Code before Chief Metropolitan Magistrate, Dwarka, Delhi against employees of Max Life Insurance Company Limited i.e. Operations Head, RM MD and other officials for an insurance policy no. 108883950 taken by the complainant from Max Life Insurance Company Limited. Aman Sethi has alleged that the he has got a policy in his name of ₹ 15,000, wherein he has disputed that his signatures has been forged by the accused and the signatures on the proposal form and illustrations are different and not done by him. Aman Sethi is an Ex ADM and has made allegation against the employees of Max Life Insurance for forging his signatures to get the policy issues. Max Life Insurance Company Limited received a notice u/s 91 CRPC notice which have been duly responded and the complaint under section 156 (3) Criminal Procedure Code has been denied vide order dated August 25, 2017. Now the matter is listed for pre-summoning under Section 202 of the Criminal Procedure Code and next date is March 17, 2018.

2. Mr. Rajinder Rai has filed a criminal complaint U/s 156(3) CRPC before JMIC, Jamshedpur against employees of Max Life Insurance Company Limited i.e. Operations Head and Managing Director, under Section 156(3) of the CRPC for an insurance policy no. 600013379 taken by the complainant from Max Life Insurance Company Limited. He has alleged that the agent has promised that the complainant has to pay 3 years premium and can withdraw complete amount after three years whereas there is no such option available in the policy terms and conditions. Further, complainant was not informed about increase of premium to 5% every year. Aggrieved by the complaint of not getting the refund after 3 years of policy inception, the criminal complaint was filed. A criminal case has been registered before JMIC Jamshedpur and the total claim amount is ₹ 56,232.47. Non bailable warrants were issued by JMIC Jamshedpur on May 1, 2014 against the Operations Head and Managing Director. Operations Head and MD were declared proclaimed offender vide order dated August 11, 2016 passed by JMIC. Neither any summons nor any warrants were received by the official. It came to knowledge only in May 2017. The company filed a revision petition before District & Sessions Judge Jamshedpur and vide order dated August 1, 2017 the District & Sessions Judge Jamshedpur court remanded the case back before JMIC and set aside the proclaimed offender proceedings. Now the matter is disposed off and the order is awaited.

3. Mr. Lalaram has lodged an FIR on May 5, 2017 before Police station Nawabganj Bareily under Sections 406 and 420 of Indian Penal Code against an agent and ADM of Max Life Insurance Company Limited. Complainant has alleged mis-selling of policy as the policy was paid for 7 years and was a ULIP plan (market linked), policy was auto terminated as value of the policy was less than one Annual Target Premium. The customer is alleging that he was not made aware of the policy terms and conditions and was cheated for the money by the ADM. Max Life Insurance Company Limited has submitted the reply before Investigating Officer on May 18, 2017 and police is yet to file the report before JMIC.

4. Ms. Hetal Desai has filed a police complaint no. 3702/2017 before Police station Bhandup under Sections 509 and 354 of Indian Penal Code against one of Max Life Insurance Co. Ltd's employee i.e. Vijay Chaudhary, Assistant Vice President Human Resources for alleged sexual harassment committed by the accused on the complainant while she was working in the company. Max Life Insurance Company Limited's Internal Complaints committee constituted under the policy adopted under Prevention of Sexual Harassment at Workplace Act, has recorded its statement before Investigating Officer. FIR number 347 dated August 24, 2016 is registered which is challenged in the Mumbai HC vide Cr WP number 3702/2017 and writ has been admitted and stay has been granted.

5. Mr. Neeraj Kumar has filed a criminal complaint no. 74/2014 before JMIC, Dhuri, Punjab under Sections 406 and 420 of Indian Penal Code against the Max Life Insurance Company Limited, Amsure (Corporate agent of Max Life) , Agent of Amsure Amrish Kumar and IRDAI of Max Life Insurance Company Limited Neeraj Kumar has complained that he purchased 5 policies bearing nos. 628427890, 628431199, 626471809, 626471817, 628431231for an amount of ₹ 5,00,000/- and at the time of sale

of sale the agent told him that he will make 150% in three years and double in 5 years. The company received an Ombudsman complaint which was decided in favour of the company by Insurance Ombudsman Chandigarhvide order dated August 25, 2014. Further, a criminal complaint was also filed vide complaint number 74/2014 before Sub Divisional Judicial Magistrate, Dhuri wherein we have submitted our reply to the concerned Investigating Officer, Police station Sadar, Dhuri vide letter dated August 16, 2017, the Magistrate has not taken cognizance in the present criminal complaint yet. The company has given its statement to Dhuri police who visited the company's head office. There are two cases, one is civil and other is criminal and both are pending.

6. Mr. Rajinder Kumar Rastogi has filed a criminal complaint no. 200/2016 before JMIC, Bareily against Managing Director and Operations Head. The complainant has alleged that the policy no. 774679542, 770999407 and 774679161 has been missold to him and he has been cheated and forged. The policy was a ULIP plan and was auto terminated as the value of the policy was less than one Annual Target Premium. The amount under claim is ₹ 1,19,088. Vide order dated August 6, 2016, Judicial Magistrate First Class, Bareily took cognizance of the case against Branch Head Bariely only and not against Mr. Analjit Singh. A revision has been filed against the summoning order and matter is pending. The company has filed revision petition against the said order.

7. Ms. Pooja Sharma filed a case no. 998/2013 before Judicial Magistrate, Greater Noida against of an ex-employee Mr. Ashwani Kumar Chanourof Max Life Insurance Company Limited. The court, vide order dated December 21, 2015 under Section 125 of Criminal Procedure Code, directed Max Life Insurance Company Limited to pay the maintenance of an amount of ₹ 30,000 to the wife by deducting the same from the employee's salary. As the employee has left the organization, the company is unable to comply with the order and a reply to this effect has been can not deduct the salary to comply the order. A reply on the same line has been submitted by the company.

8. Mr. Ramjeevan has filed a criminal complaint before JMIC, Alwar, Rajasthan under Section 138 of Negotiable Instrument Act against Max Life Insurance Company Limited alleging bouncing of cheque of an amount of ₹ 25,000. The company has not received the summons, as cognizance have not been taken by the court.

9. Labour Inspector of Mumbai, Mr. M.K. Mahatry filed a case no. 985/2008 before against Mr. Analjit Singh, Chairman, Max Life Insurance Company Limited for not obtaining the necessary registrations under the Maharashtra Security Guard Board Act. Max Life Insurance Company Limited filed a writ petition before the High Court of Bombay challenging this proceeding. The High Court of Bombay stayed the proceedings. Currently the matter is under due course and will be notified when listed.

10. Mr. Padmakar Joshi, ex-employee of Max Life Insurance Company Limited has police complaint before Police station MIDC, Mumbai under Sections 406, 420 Indian Penal Code vide FIR number 715/ 11 dated November 24, 2013 against five officials of Max Life Insurance Company Limited. The complainant has alleged that he was beaten up and thrashed by other employees of the company. The FIR was registered at MIDC police station and quashing petition under Secton 482 Cr.P.C was filed before the Mumbai High Court. The High Court of Bombay has *vide* order dated March 17, 2017 quashed the FIR and the matter is now pending before JMIC for filling protest application by complainant for July 7, 2018

11. Ms. Vimla Garg has filed a criminal complaint before JMIC, Ghaziabad against Max Life Insurance Company Limited with respect to policy no. 371666421. The claim amount of ₹ 1,55,000/- paid to the nominee has been disputed by the complainant. No summons have been issued so far.

12. Mr. Amrish Tyagi has filed a criminal complaint no. 4139/13 before JMIC, Dehradun under Section 499 IPC, against Mr. Vivek Tiwari, an employee of Max Life Insurance Co. Ltd, wherein it was alleged that the accused Vivek has insulted Mr. Amrish Tyagi and thrown papers on his face at Dehradun office in front of employees and customers. Case is currently pending for February 19, 2018.

13. Mr. Bijoy Kumar Malick (customer of Max Life) has filed a first information report before Hare Police station Calcutta under Sections 120B/406/420 IPC against an agent Mr. Jagjit for cheating with respect to policy nos. 296546815 and 296546000. The company filed a writ petition no. CRR Number 3889 of 2013 before Calcutta High court which is pending wherein quashing is filed against the impugned first information report.

14. Complaint was filed against Ex Operations Head, Mr. Vikas Gujral under Sections 420/466/467 IPC wherein it was alleged that customer was cheated as Mr Vikas Gujral had explained the terms and conditions to him on call. The complaint was filed against the Agent, ADM as well as Mr. Vikas Gujral. The customer has filed an application at Munger and the Court has issued order to register the first information report. The company has approached the High Court at Patna and matter was admitted and stay was granted during the pendency of matter at High Court, subsequent to which the matter stands settled with the customer. The settlement has been mentioned by the High Court and the matter is currently pending.

Civil Proceedings

NIL

Tax proceedings

There are no proceedings relating to direct and/or indirect taxes pending against Max Life Insurance Company Limited, as on the date of this Draft Letter of Offer.

Regulatory Proceedings

There are numerous cases in relation to insurance claims filed before the Ombudsman wherein claim aggregate to over ₹ 116 lakhs.

Litigation by Max Life Insurance Company Limited

Criminal Proceedings

1. The complainant, Mr. O.H. Shreyansh Jain has filed a complaint before JMIC, Faridabad against the Ex ADM, Mr. Parvez. The accused, Mr. Parvez upon termination of services for non performance, was alleged to have slapped the Office Head at Faridabad Branch. Alleging that the police denied to take any action, the complaint was filed. The JMIC has ordered to register a first information report.

2. Max Life Insurance Company Limited has filed a police complaint on July 6, 2016 before police Station Dalanwala, Dehradun under Sections 406, 420, 467 of the Indian Penal Code against Mr. Bhuwan Ram. The complainant has alleged that policy nos. 275446813, 275446862 and 275590255 were sourced on a dead person and cheating and fraud has been played by the accused. Further, police investigation is on.

3. Max Life Insurance Company Limited has filed a case no. 565/2015 before JMIC, Gurgaon, Haryana under Section 499 of the Indian Penal Case against Mr..Raghvendra Negulurukar for defamation as the policy holder has allegedly started threatening to initiate false criminal action, defame the company if he was not paid Rs. 10,000 lakhs for not pursuing his complaint. Mr. Negulukar allegedly sent some defamatory mails to the officials threatening criminal actions and a similar mail was sent to Axis Bank. The complainant has a claim ₹ 10,000 lakhs for defamation. The case is currently pending for evidence on March 16, 2018.

4. Max Life Insurance Company Limited has filed a case before JMIC, Gurgaon under Section 499 of the India Penal Code against ex-agent Ms. Brinda Rai and Mr. Dhananjay Rai for defamation as the accused was allegedly sending defamatory mails to senior management.

5. Max Life Insurance Company Limited has filed a criminal complaint before JMIC, Bareily, Uttar Pradesh under Section 138 of the Negotiable Instruments Act, 1938 against Mr. Mohit Sharma, an ex-employee of the company for bouncing of a cheque of an amount of ₹ 1,80,002. Matter is listed for evidence.

6. Max Life Insurance Company Limited has filed a criminal complaint 42569/2014 before JMIC, Vadodra, Gujarat under Section 138 of the Negotiable Instruments Act, 1938 against Mr. Anil Bhai Vaghela for receovery of an amount of ₹ 1.68 lakhs which allegedly mistakenly got deposited into the

account of the accused. The accused has allegedly issued a cheque in favour of the company which bounced. Further, now the accused has deposited the money on appeal and the matter is listed for final disposal.

7. Max Life Insurance Company Limited has filed a criminal complaint no. 3692/2014 before JMIC, Hyderabad under Section 156(3) of the Cr.P.C. against Ex ADM, Mr. Gowtham Puspa, regarding embezzlement of funds by the accused. The company's statement has been recorded by the police and now a report is required to be filed by the police before the Court.

8. Max Life Insurance Company Limited has filed a criminal complaint no. 308/2013 and 309/2013 before JIMC, Hyderabad under Section 156(3) of the Cr.P.C. for an offence under Sections 107, 406, 420 and 463 of the IPC, against agents, Mr. V.R. Babu and Ms. V. Hymavathi, wherein a large number of people were allegedly lured into purchasing Max New York Life Insurance policies by offering them employment in the company, due to which, allegedly, Max New York Life's reputation was badly damaged and 90% of the policyholders sought cancellation of the policies. Also, the company has filed a suit no. 329/2011before Civil Judge, Hyderabad for recovery of commissions and payment made to the accused.

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹lakhs)
Direct Tax	5	30,554
Indirect Tax	6	23,913
Total	11	54,467

Regulatory Proceedings

Nil

B. Max Healthcare Institute Limited

Litigation against Max Healthcare Institute Limited

Criminal Proceedings

1. A criminal case number 135 of 2013 has been filed by Mr. Nitin Kumar before the 1st Judicial Magistrate, Dehradun, Uttrakhand under Section 304 of the Indian Penal Code, 1860 against Max Super Specialty Hospital, Dehradun in relation to an accident which occurred near Max Super Specialty Hospital, Dehradun, which resulted in the death of three persons. The case is under trial.

2. A criminal complaint, FIR No. 2000 of 2014 has been filed by Mr. Sandeep Gupta before Police Station Rajpur Road, Dehradun against Max Hospital, Dehradun in relation to alleged medical negligence. The case is under investigation by Police.

3. A criminal case has been filed by Mr. Ishan Mangal before Police Station Rajpur Road, Dehradun under Section 304 of the Indian Penal Code, 1860 against Max Super Speciality Hospital, Dehradun in relation to the death of Mr. Rajeev Mangal who was being treated at the hospital. The case is under investigation by Police.

4. A criminal complaint, FIR No. 376 of 2016 has been filed by Mr. Harendra Singh before Police Station Prasad Nagar, New Delhi under Section 304/304A/383/466/467/468/471/420 of the Indian Penal Code, 1860 against Max Super Speciality Hospital, Dehradun in relation to alleged medical negligence. The case is under investigation by Police

5. A criminal complaint, FIR No. 565 of 2017 has been filed by Mr. Ashish before Police Station Shalimar Bagh, New Delhi, under Section 308 of the Indian Penal Code, 1860 against Max Super Speciality Hospital, Shalimar Bagh in relation to alleged medical negligence. The case is under investigation by Police.

Civil Proceedings

1. A consumer case no. CC/1523/2017 has been filed by (a) Ramesh Suri; (b) Poonam Suri; (c) Abhishek Suri; (d) Amrita Mulchandani; and (e) Shivani Suri against (a) Dr. Shakir Hussain Sr. Consultant; and (b) Dr. Goutham Sevlam Periasamy, Asst. Consultant at Max Super Speciality Hospital, Saket, New Delhi; (c) Max Super Speciality Hospital, Saket , New Delhi; (d) Fortis Memorial Research Institute, Sector- 44, Opposite Huda City Centre, Gurgaon, Haryana before National Consumer Disputes Redressal Commission regarding a medical negligence for a claim of ₹ 19,22,93,218.

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	10	4,665.49
Indirect Tax	NIL	NIL
Total	10	4,665.49

Regulatory Proceedings

NIL

Litigation by Max Healthcare Institute Limited

Criminal Proceedings

1. A criminal complaint, FIR No. 190 of 2011 has been filed by Max Hospital Pitampura before Police Station Saraswati Vihar, New Delhi under Section 307 of the Indian Penal Code, 1860 against Asha Bhatia & Ors. The case (State vs. Asha) is under trial before the court of Sh. Yashwant Kumar, ASJ, Rohini Court, Delhi.

2. A criminal complaint, FIR No. 339/09 of 2009 has been filed by Max Super Speciality Hospital Saket against The Oriental Insurance Company Limited, Medsave Healthcare TPA Limited, and others claiming medical negligence. The case is under trial before the Saket court, New Delhi claiming an amount of 43 lakhs.

Civil Proceedings

2. An arbitration proceeding being claim no. 2 of 2010 has been initiated by Max Healthcare Institute Limited against Mr. Vinod Chopra and Mrs. Veena Chopra for a claim amount of ₹ 11,80,00,000 in relation to certain Joint Venture and Service Agreements entered into between such parties.

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	3	837.26
Indirect Tax	5	1,358.70
Total	8	2,195.96

Regulatory Proceedings

NIL

C. Max Bupa Health Insurance Company Limited

Litigation against Max Bupa Health Insurance Company Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	1	3,849.84
Indirect Tax	NIL	NIL
Total	1	3,849.84

Regulatory Proceedings

There are numerous cases in relation to insurance claims filed before the Ombudsman wherein claim aggregate to over ₹ 158 lakhs.

Litigation by Max Bupa Health Insurance Company Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	4	5,172.72
Indirect Tax	NIL	NIL
Total	4	5,172.72

Regulatory Proceedings

Nil

D. Max Financial Services Limited

Litigation against Max Financial Services Limited

Criminal Proceedings

The Ministry of Corporate Affairs, Government of India, pursuant to an inspection on Max Financial Services Limited (formerly Max India Limited) during the year 2006 alleged that Max Financial Services Limited has been in violation of certain provision of the Companies Act, 1956. Applications for compounding of the aforesaid offences to settle the matters were made, pursuant to which the Company Law Board listed the matters for hearing. The Company Law Board returned the applications to the RoC, basis which a criminal proceeding was initiated against Max Financial Services Limited, Mr. Analjit Singh, and former executive directors, Mr. Surendra Kaul, Mr. B. Anantharaman and Mr. V. Krishnan, the company secretary, pursuant to which summons were issued by Chief Judicial Magistrate, Chandigarh for hearing on December 11, 2010. Max Financial Services Limited moved to the High Court of Punjab and Haryana to quash the said proceeding which stayed the proceeding at Chief Judicial Magistrate, Chandigarh. The High Court of Punjab and Haryana listed the matter for hearing on April 25, 2018.

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	21	57,076.59
Indirect Tax	NIL	NIL
Total	21	57,076.59

Regulatory Proceedings

NIL

Litigation by Max Financial Services Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	NIL	NIL
Indirect Tax	1	213
Total	1	213

Regulatory Proceedings

NIL

E. Vana Enterprises Limited

Litigation against Vana Enterprises Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

Litigation by Vana Enterprises Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

F. Max India Limited

Litigation against Max India Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

Litigation by Max India Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

G. Antara Purukul Senior Living Limited

Litigation against Antara Purukul Senior Living Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

Litigation by Antara Purukul Senior Living Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

H. Leeu Collections South Africa Pty Limited

Litigation against Leeu Collections South Africa Pty Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

Litigation by Leeu Collections South Africa Pty Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

I. New Delhi House Services Limited

Litigation against New Delhi House Services Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

Litigation by New Delhi House Services Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

J. Siva Realty Ventures Private Limited

Litigation against Siva Realty Ventures Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

Litigation by Siva Realty Ventures Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

K. Pharmax Corporation Limited

Litigation against Pharmax Corporation Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	NIL	NIL
Indirect Tax	1	73.28
Total	1	73.28

Regulatory Proceedings

NIL

Litigation by Pharmax Corporation Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

L. iCare Health Projects and Research Private Limited

Litigation against iCare Health Projects and Research Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

Litigation by iCare Health Projects and Research Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

M. Max Ventures Private Limited

Litigation against Max Ventures Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

1. A regular scrutiny assessment u/s 143(3) of Income Tax Act, 1961 for Assessment Year 2016-17 has been initiated by Assessment Officer and the amount cannot be quantified as the matter has not come up for hearing till date.

Regulatory Proceedings

NIL

Litigation by Max Ventures Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

N. Piveta Estates Private Limited

Litigation against Piveta Estates Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

Litigation by Piveta Estates Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

O. Trophy Estates Private Limited

Litigation against Trophy Estates Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

Litigation by Trophy Estates Private Limited

Criminal Proceedings

NIL

Civil Proceedings

A suit no. 148 of 2003 was instituted before Court of IIIrd Additional Civil Judge (Sr. Division, Dehradun) by Mr. Surinder Madan Singh, the then owner of the property for injunction against Mr. Dinesh Kumar and 10 others to restrain the defendants from interfering in the peaceful possession of the plaintiff over the property bearing old no. 226 (new no. 222/200), Rajpur Road, Dehradun. The court by its order dated March 19, 2003 granted an *ad-interim* stay in favour of the plaintiff and is continuing as on date. An application was moved by (1) Trophy Estates Private Limited; (2) Mr. Analjit Singh HUF; and (3) Mr. Analjit Singh (individually) for being impleded as a plaintiff in the said suit. The said application was allowed by order dated November 7, 2017. The next date of hearing is February 19, 2018.

Tax proceedings

NIL

Regulatory Proceedings

NIL

P. Max UK Limited

Litigation against Max UK Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

Litigation by Max UK Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

Q. Azure Hospitality Private Limited

Litigation against Azure Hospitality Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

Particulars	Number of Cases	Amount involved (in ₹ lakhs)
Direct Tax	1	0.18
Indirect Tax	NIL	NIL
Total	1	0.18

Regulatory Proceedings

NIL

Litigation by Azure Hospitality Private Limited

Criminal Proceedings

NIL

Civil Proceedings

NIL

Tax proceedings

NIL

Regulatory Proceedings

NIL

13. Litigation involving our Directors

For details pertaining to litigation involving Mr. Analjit Singh and Mr. Sahil Vachani, see "*Outstanding litigation and material developments - Litigation involving our Promoters*" above. None of our other Directors are involved in any litigation proceedings.

Default or non-payment of statutory dues

As on the date of this Draft Letter of Offer, there are no fines defaults or non-payment of statutory dues by our Company.

Amounts owed to small-scale undertakings and creditors

Our Company, in its ordinary course of business, has outstanding dues aggregating to ₹ 21,599.03 lakhs as of September 30, 2017. Our Company owes the following amounts, whereby material dues to creditors are identified as each creditor owed an amount exceeding ₹ 1,079.95 lakhs (being five per cent of total outstanding trade payables based on Restated Consolidated Financial Statements).

S. No.	Name of the Creditors	No. of cases	Amount Outstanding (₹ *in Lakhs*)
Micro, Small Scale and Medium Enterprises			
1.	Payable to MSME Creditors	9	18.88
Total MSME Creditors (A)		9	**18.88**
Material Creditors			
1.	Payable to Material Creditors	3	11,002.78
Total Material Creditors (B)		3	**11,002.78**

We further confirm that as on September 30, 2017, our Company owed an aggregate amount of ₹ 21,599.03 lakhs to an aggregate of 871 creditors (including provisions).

The details pertaining to material outstanding dues towards our creditors are available on the website of our Company at www.maxvil.com. It is clarified that such details available on our website do not form a part of this Draft Letter of Offer. Anyone placing reliance on any other source of information, including our Company's website, would be doing so at their own risk.

Material Developments

Except as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 312, there have not arisen, since the date of the last financial information disclosed in this Draft Letter of Offer, any circumstances which materially and adversely affect, or are likely to affect, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

Proceedings initiated against our Company and our Directors for economic offences

There are no proceedings initiated against our Company or our Directors for any economic offences.

Inquiries, inspections or investigations under Companies Act

There are no inquiries, inspections or investigations initiated or conducted against our Company under the Companies Act, 2013 or the Companies Act, 1956 from our inception till the date of filing this Draft Letter of Offer. Further, except as disclosed above, there are no prosecutions filed (whether pending or otherwise), fines imposed, compounding of offences done by our Company under the Companies Act, 2013 or the Companies Act, 1956 from our inception till the date of filing this Draft Letter of Offer involving our Company.

Material Frauds

There are no material frauds committed against our Company from our inception till the date of this Draft Letter of Offer.

Outstanding litigation against any other person or companies whose outcome could have an adverse effect on our Company

Except as stated above, there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, prosecution under any enactment in respect of Schedule V of the Companies Act, 2013, show cause notices or legal notices pending against any other person or company whose outcome could affect the operation or finances of our Company or have a material adverse effect on the position of our Company.

Adverse findings against any persons/entities connected with our Company as regards non-compliance with securities laws

There are no adverse findings involving any persons/entities connected with our Company as regards non-compliance with securities law.

Disciplinary action taken by SEBI or stock exchanges against our Company

There are no disciplinary actions taken by SEBI or stock exchanges against our Company, Promoters or Directors.

GOVERNMENT AND OTHER APPROVALS

Except as stated below, we have obtained the necessary consents, licenses, permissions and approvals from various governmental and regulatory authorities that are required for carrying on our present business. Some of the approvals and licenses that we require for our present business operations may expire in the ordinary course of business, and we will apply for their renewal from time to time.

Incorporation details of our Company

1. Certificate of incorporation dated January 20, 2015 issued by the RoC to our Company, in its former name, being "Capricorn Ventures Limited".

2. Fresh certificate of incorporation dated January 22, 2016 issued by the RoC to our Company consequent upon change of name to "Max Ventures and Industries Limited".

Approvals relating to the Issue

For details, see section titled "*Other Regulatory and Statutory Disclosures*" on page 370.

Approvals relating to our Company's business and operations

Our Company requires various approvals to undertake its business in India. The approvals that we require include the following:

Pursuant to the Scheme, *inter alia* all permits, quotas, rights, entitlements, bids, tenders, registrations and other licenses, letters of intent, expressions of interest, development rights (whether vested or potential and whether under agreement or otherwise), patents, copyrights, records, designs, and all relevant intellectual property rights in the aforesaid, municipal permissions, approvals, consents, subsidies, tenancies in relation to the offices, and/or residential properties for the employees, privileges, income tax subsidies and all other interests relating to Max Speciality Films Limited stood transferred to and vested in our Company as if the same were originally given or issued to or executed in favour of our Company.

Permanent Account Number of our Company as issued by the Income Tax department is AAFCC9174K.

Tax deduction Account Number of our Company, as issued by the Income Tax department is DELC15418E.

Approval from the erstwhile Foreign Investment Promotion Board ("**FIPB**") *vide* its letter dated May 6, 2016 read with letter dated February 19, 2015 authorising foreign shareholding of 37.62% in the share capital of the Company. For further details, refer to section titled "*Regulations and Policies*" on page 120.

Approvals relating to the Objects

A. Max Estates Limited

- Certificate of incorporation dated March 22, 2016 issued by the RoC.

- Permanent Account Number: AAKCM2620D.

B. Delhi One Project

- Application seeking approval for making material alteration in building plot number C-001A, Sector-16B, Noida, dated December 13, 2017.

- No objection certificate number Noida/Commercial/C-1A-16B/2011/1252 from New Okhla Industrial Development Authority for project loan for development of project/raising funds on the project plot, dated August 19, 2011.

- No objection certificate number Noida/P.A./Water/First/1077/2010 from New Okhla Industrial Development Authority, dated August 23, 2010.

- Environmental clearance number 687/SEAC/546/2010 from State Level Environment Impact Assessment Authority, Uttar Pradesh, dated March 30, 2012.

- No objection certificate numbers AAI/NOC/2011/179/1668 and AAI/NOC/2011/179/2527 (height clearance) from the Airports Authority of India, dated June 13, 2011 and February 11, 2012, renewed vide letter dated August 10, 2016.

- Provisional no objection certificate number 229/J.D./F.S./Lucknow-17 (Gautam.)/525 from the Office of Joint Director, Fire Service Headquarter., U.P., Lucknow dated November 30, 2017.

Pending approvals

Stated below are the details of the approvals applied for as on the date of this Draft Letter of Offer, but not yet received:

Max Speciality Films Limited

1. Application for renewal of Factory license number HP-M-50/1532, dated November 28, 2017;

2. Approval for high voltage electricity installation by Chief Electrical Inspector, Government of Punjab, dated February 2, 2017;

3. Approval for medium voltage electricity installation by Chief Electrical Inspector, Government of Punjab, dated February 2, 2017;

4. Application for registration under Plastic Waste Management Rules, 2011, as a "*manufacturer*", dated June 16, 2016;

5. Application for renewal of Forest Clearance dated December 19, 2016.

Okhla Project

1. Application filed by MEL before Registrar Office for seeking a no objection certificate for purchase of a portion of the land at Max House from Pharmax Corporation Limited.

Approvals required but not obtained

Except as disclosed above, as on the date of this Draft Letter of Offer, there are no approvals that are required by our Company but have not been obtained.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of our Board passed at its meeting held on January 15, 2018 pursuant to Section 62 of the Companies Act, 2013. The Issue Price of ₹ [●] per Rights Equity Share has been determined by the Board and the Rights Entitlement is [●] Rights Equity Share for every [●] fully paid-up Equity Shares held on the Record Date. The Issue Price has been arrived at in consultation with the Lead Manager.

Our Company has received in-principle approvals from the BSE and the NSE under Regulation 28 of the SEBI Listing Regulations for listing of the Rights Equity Shares to be allotted in the Issue pursuant to their letters, dated [●] and [●].

Prohibition by RBI, SEBI or other governmental authorities

Our Company, our Promoters, the members of the Promoter Group, our Directors, persons in control of our Company and persons in control of our Corporate Promoters have not been debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies with which our Promoters, our Directors or the persons in control of our Company are or were associated as promoters, directors or persons in control have not been debarred from accessing the capital market under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except as stated below, none of our Directors are associated with the securities market in any manner. Further, SEBI has not initiated action against our Directors or any entity with which the Directors are associated, except as stated below.

- Mr. D.K. Mittal is a director on the board of directors of HSBC Asset Management (India) Private Limited, which is a SEBI registered portfolio manager. SEBI has not initiated any action against Mr. D.K. Mittal or HSBC Asset Management (India) Private Limited.

- Mr. Ashok Brijmohan Kacker is a director on the board of directors of Indiabulls Asset Management Company Private Limited, which is a SEBI registered portfolio manager. SEBI has not initiated any action against Mr. Ashok Brijmohan Kacker or Indiabulls Asset Management Company Private Limited.

None of the Directors currently hold or have held directorships in the last five (5) years in a listed company, whose shares have been suspended from trading from any stock exchange(s); or in a listed company that has been/ was delisted from any stock exchange(s) during the term of their directorship in such companies.

Neither our Company, our Promoters, relatives of our Individual Promoters, Group Companies nor our Directors are or have been classified as a wilful defaulter by a bank or financial institution or a consortium thereof in accordance with the guidelines on wilful defaulters issued by RBI. Accordingly, no disclosures have been made pursuant to the requirements of Regulation 4(6) read with Part G of Schedule VIII of the SEBI ICDR Regulations.

In terms of Regulation 6 of FEMA 20, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Company.

Eligibility for the Issue

The Equity Shares of our Company are presently listed on the BSE and NSE. We are eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter IV of the SEBI ICDR Regulations.

Due to the provisions of clause 3(b) of Part E of Schedule VIII of the SEBI ICDR Regulations, our Company is required to make disclosures as per Part A of Schedule VIII of the SEBI ICDR Regulations.

Compliance with Regulation 4(2) of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulation 4(2), to the extent applicable. Further, in relation to compliance with Regulation 4(2)(d) of the SEBI ICDR Regulations, our Company undertakes to make an application to the Stock Exchanges for listing of the Rights Equity Shares to be issued pursuant to this Issue. Our Company has chosen BSE as the Designated Stock Exchange for the Issue.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. THE LEAD MANAGER, AXIS CAPITAL LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, AXIS CAPITAL LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 16, 2018, WHICH READS AS FOLLOWS:

(1) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT LETTER OF OFFER PERTAINING TO THE ISSUE;

(2) ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

- **(a) THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

- **(b) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

- **(c) THE DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELLINFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013, SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

(3) WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID;

(4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – NOT APPLICABLE. THE ISSUE IS NOT UNDERWRITTEN;

(5) WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED / SOLD / TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE;

(6) WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER – NOT APPLICABLE;

(7) WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT THE AUDITOR'S CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE ISSUE – NOT APPLICABLE;

(8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION. THE MEMORANDUM OF ASSOCIATION OF THE COMPANY DOES NOT SEGREGATE BETWEEN THE 'MAIN OBJECTS' AND 'OTHER OBJECTS'. THE ACTIVITIES THAT ARE CARRIED OUT AND HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION;

(9) WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE LETTER OF OFFER. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKER TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOT APPLICABLE. THIS BEING A RIGHTS ISSUE, SECTION 40(3) OF THE COMPANIES ACT 2013 IS NOT APPLICABLE. FURTHER, TRANSFER OF MONIES RECEIVED PURSUANT TO THE ISSUE SHALL BE RELEASED TO THE COMPANY AFTER FINALISATION OF THE BASIS OF ALLOTMENT IN COMPLIANCE WITH REGULATION 56 OF THE

SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009;

(10) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT LETTER OF OFFER THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE – COMPLIED WITH;

(11) WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION – COMPLIED WITH

(12) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:

(a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

(b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.

(13) WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE;

(14) WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. – COMPLIED WITH;

(15) WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT LETTER OF OFFER WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY - COMPLIED WITH;

(16) WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI – NOT APPLICABLE FOR A RIGHTS ISSUE;

(17) WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS – COMPLIED WITH TO THE EXTENT OF RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH INDIAN ACCOUNTING STANDARD 24, INCLUDED IN THE DRAFT LETTER OF OFFER, AND AS CERTIFIED BY K. K. MANKESHWAR & CO., CHARTERED ACCOUNTANTS, BY WAY OF A CERTIFICATE DATED FEBRUARY 14, 2018;;

(18) WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) – NOT APPLICABLE;

(19) WE CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY – <u>COMPLIED WITH</u>;

(20) WE CONFIRM THAT THE COMPANY IS ELIGIBLE TO MAKE FAST TRACK ISSUE IN TERMS OF REGULATION 10 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009. THE FULFILMENT OF THE ELIGIBILITY CRITERIA AS SPECIFIED IN THAT REGULATION, BY THE COMPANY, HAS ALSO BEEN DISCLOSED IN THE DRAFT LETTER OF OFFER – <u>NOT APPLICABLE</u>;

(21) WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE COMPANY HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE COMPANY OR RELATING TO THE ISSUE, UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE SPECIFIED EQUITY SHARES OFFERED THROUGH THIS ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES / ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH THE PRE-ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE HAVE BEEN GIVEN – <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>;

(22) WE CONFIRM THAT THE ABRIDGED LETTER OF OFFER PREPARED IN CONNECTION WITH THE ISSUE CONTAINS ALL THE DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 - <u>COMPLIED WITH</u>;

(23) WE CONFIRM THAT AGREEMENTS HAVE BEEN ENTERED INTO WITH THE DEPOSITORIES FOR DEMATERIALISATION OF THE EQUITY SHARES OF THE COMPANY - <u>COMPLIED WITH</u>;

(24) WE CERTIFY THAT AS PER THE REQUIREMENTS OF FIRST PROVISO TO SUB-REGULATION (4) OF REGULATION 32 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, THE CASH FLOW STATEMENT HAS BEEN PREPARED AND DISCLOSED IN THE DRAFT LETTER OF OFFER – <u>NOT APPLICABLE</u>.

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE OUR COMPANY FROM ANY LIABILITIES UNDER SECTION 34 OR SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCE AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

Disclaimer clauses from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made otherwise than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at his own risk.

Investors who invest in the Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Rights Equity Shares, and are relying on independent advice / evaluation as to their ability and quantum of investment in the Issue.

CAUTION

Our Company and the Lead Manager shall make all information available to the Eligible Shareholders and no selective or additional information would be available for a section of the Eligible Shareholders in any manner whatsoever including at presentations, in research or sales reports etc. after filing of this Draft Letter of Offer.

No dealer, salesperson or other person is authorised to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorised information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and rights to purchase the Rights Equity Shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this Draft Letter of Offer is current only as of its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian laws and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in New Delhi, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue will be BSE.

Disclaimer Clause of BSE

[●]

Disclaimer Clause of NSE

[●]

IMPORTANT INFORMATION FOR INVESTORS – SELLING, ELIGIBILITY AND TRANSFER RESTRICTIONS

The distribution of this Draft Letter of Offer and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Draft Letter of Offer may come are required to inform themselves about and observe such restrictions. Our Company is making this Issue on a rights basis to the Eligible Shareholders of our Company and will dispatch this Draft Letter of Offer/ Abridged Letter of Offer and CAF only to Eligible Shareholders who have provided an Indian address. No action has been or will be taken to permit the Issue in any jurisdiction, or the possession, circulation, or distribution of this Draft Letter of Offer or any other material relating to our Company, the Rights Equity Shares or Rights Entitlement in any jurisdiction, where action would be required for that purpose, except that this Draft Letter of Offer has been filed with SEBI.

Accordingly, the Rights Equity Shares and Rights Entitlement may not be offered or sold, directly or indirectly, and none of this Draft Letter of Offer or any offering materials or advertisements in connection with the Rights Equity Shares or Rights Entitlement may be distributed or published in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of this Draft Letter of Offer will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer.

This Draft Letter of Offer and its accompanying documents are being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, in whole or in part, to any other person or published, in whole or in part, for any purpose.

If this Draft Letter of Offer is received by any person in any jurisdiction where to do so would or might contravene local securities laws or regulation, or by their agent or nominee, they must not seek to subscribe to the Rights Equity Shares or the Rights Entitlement referred to in this Draft Letter of Offer. Investors are advised to consult their legal counsel prior to applying for the Rights Entitlement and Rights Equity Shares or accepting any provisional allotment of Rights Equity Shares, or making any offer, sale, renouncement, resale, pledge or other transfer of the Rights Equity Shares or Rights Entitlement.

Neither the delivery of this Draft Letter of Offer nor any sale hereunder, shall under any circumstances create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as of any time subsequent to this date or the date of such information.

European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each, a "**Relevant Member State**"), with effect from and including the date on which the Prospectus Directive is or was implemented in that Relevant Member State (the "**Relevant Implementation Date**"), the Rights Equity Shares and Rights Entitlements offered in the Issue may not be offered or sold to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Rights Equity Shares and Rights Entitlements that has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive (defined below) and the 2010 Amending Directive (defined below), except that the Rights Equity Shares and Rights Entitlements, with effect from and including the Relevant Implementation Date, may be offered to the public in that Relevant Member State at any time:

(a) to persons or entities that are "qualified investors" as defined in the Prospectus Directive or, if that Relevant Member State has implemented the 2010 Amending Directive, as defined in the 2010 Amending Directive;

(b) to (i) fewer than 100 natural or legal persons (other than "qualified investors" as defined in the Prospectus Directive); or (ii) if that Relevant Member State has implemented the 2010 Amending Directive, fewer than 150 natural or legal persons (other than "qualified investors" as defined in the 2010 Amending Directive), in each case subject to obtaining the prior consent of the Lead Managers and

(c) in any circumstances falling within Article 3(2) of the Prospectus Directive as amended (to the extent implemented in that Relevant Member State) by Article 1(3) of the 2010 Amending Directive, provided that no such offering of the Rights Equity Shares or Rights Entitlements shall result in a requirement for the publication by our Company or the Lead Manager of a prospectus pursuant to Article 3 of the Prospectus Directive as amended (to the extent implemented in that Relevant Member State) by Article 1(3) of the 2010 Amending Directive.

For the purposes of this provision, the expression an "offer of Rights Equity Shares or Rights Entitlements to the public" in relation to any Rights Equity Shares or Rights Entitlements in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Rights Equity Shares and Rights Entitlements to be offered so as to enable an investor to decide to acquire the Rights Equity Shares or Rights Entitlements, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State and the expression "2010 Amending Directive" means Directive 2010/73/EU and includes any relevant implementing measure in each Member State.

Neither our Company nor the Lead Manager has authorised, nor do they authorise, the making of any offer of Rights Equity Shares or Rights Entitlements through any financial intermediary on their behalf, other than offers made by our Company.

Hong Kong

This Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, has not been and will not be reviewed or approved by any regulatory authority in Hong Kong. In particular, this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer has not been, and will not be, registered as a "prospectus" in Hong Kong under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) ("**CO**") nor has it been authorised by the Securities and Futures Commission ("**SFC**") in Hong Kong pursuant to the Securities and Futures Ordinance (Cap 571) ("**SFO**"). Recipients are advised to exercise caution in relation to the Issue. If recipients are in any doubt about any of the contents of this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer, they should obtain independent professional advice.

This Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer does not constitute an offer or invitation to the public in Hong Kong to acquire any Rights Equity Shares or Rights Entitlements nor an advertisement of the Rights Equity Shares or Rights Entitlements in Hong Kong. This Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer must not be issued, circulated or distributed in Hong Kong other than:

- to "professional investors" within the meaning of the SFO and any rules made under that ordinance ("**Professional Investors**"); or

- in other circumstances which do not result in this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer being a prospectus as defined in the CO nor constitute an offer to the public which requires authorisation by the SFC under the SFO.

Unless permitted by the securities laws of Hong Kong, no person may issue or have in its possession for issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Rights Equity Shares or Rights Entitlements, which is directed at, or the content of which is likely to be accessed or read by, the public of Hong Kong other than with respect to the Rights Equity Shares or Rights Entitlements which are or are intended to be disposed of only to persons outside Hong Kong or only to Professional Investors.

Any offer of the Rights Equity Shares or Rights Entitlements will be personal to the person to whom relevant offer documents are delivered, and a subscription for the Equity Shares will only be accepted from such person. No person who has received a copy of this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer may issue, circulate or distribute this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer in Hong Kong or make or give a copy of this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer to any other person. No person allotted Rights Equity Shares or Rights Entitlements may sell, or offer to sell, such Rights Equity Shares or Rights Entitlements to the public in Hong Kong within six months following the date of issue of such Rights Equity Shares and Rights Entitlements.

Singapore

This document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**") under the Securities and Futures Act (Chapter 289) of Singapore ("**SFA**"). Accordingly, the Rights Equity Shares or Rights Entitlements offered in the Issue may not be offered or sold, or made the subject of an invitation for subscription or purchase nor may this document or any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the Rights Equity Shares or Rights Entitlements be circulated or distributed, whether directly or indirectly, in Singapore other than (i) to an "institutional investor" within the meaning of Section 274 of the SFA and in accordance with the conditions of an exemption invoked under Section 274, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) other pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Rights Equity Shares or Rights Entitlements are subscribed or purchased under Section 275 of the SFA by a relevant person which is: (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Rights Equity Shares or Rights Entitlements pursuant to an offer made under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such shares, debentures and units of shares and debentures of that corporation or such rights or interest in that trust are acquired at a consideration of not less than S$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further for a corporation, in accordance with the conditions specified in Section 275 of the SFA; (2) where no consideration is or will be given for the transfer; or (3) where the transfer is by operation of law.

United Kingdom (in addition to the European Economic Area selling restrictions above)

The Rights Equity Shares and Rights Entitlements offered in the Issue cannot be promoted in the United Kingdom to the general public. The contents of this document have not been approved by an authorised person within the meaning of Financial Services and Markets Act 2000, as amended (the "**FSMA**"). The Lead Manager (a) may only communicate or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA), to persons who (i) are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Financial Promotion Order**"), or (ii) fall within any of the categories of persons described in article 49(2)(a) to (d) of the Financial Promotion Order or otherwise in circumstances in which Section 21(1) of the FSMA does not apply to our Company; and (b) have complied and will comply with all applicable provisions of the FSMA with respect to anything done by each of them in relation to the Rights Equity Shares or Rights Entitlements in, from or otherwise involving the United Kingdom. Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of FSMA) in connection with, or relating to, the sale or purchase of any Rights Equity Shares or Rights Entitlements offered in the Issue, may only be communicated or caused to be communicated in circumstances in which Section 21(1) of the FSMA does not apply. It is the responsibility of all persons under whose control or into whose possession this document comes to inform themselves about and to ensure observance of all applicable provisions of FSMA in respect of anything done in relation to an investment in Rights Equity Shares or Rights Entitlements in, from or otherwise involving, the United Kingdom.

NOTICE TO INVESTORS IN THE UNITED STATES AND U.S. PERSONS

The Rights Entitlements and Rights Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Draft Letter of Offer, the enclosed CAF or the Offering Memorandum. Any representation to the contrary is a criminal offence in the United States.

The Rights Entitlements and Rights Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act) or under any securities laws of any state or other jurisdiction of the United States of America and may not be offered, sold, resold, allotted, taken up, exercised, renounced, pledged, transferred or delivered, directly or indirectly, within the United States or to or for the account or benefit, of U.S. Persons (as defined in Regulation S under the Securities Act (Regulation S)) except pursuant to an applicable exemption from, or a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. The Rights Entitlements and Rights Equity Shares are being offered and sold (a) outside the United States to non-U.S. Persons in offshore transactions in reliance on Regulation S and (b) to persons in the United States or to U.S. Persons outside the United States in transactions exempt from the registration requirements of the Securities Act, so long as such persons are QIBs and have provided to our Company (and our Company has accepted) a duly executed Investor Representation Letter including the "Purchaser Representations and Transfer Restrictions in the United States and by U.S. Persons" specified below.

Accordingly, this Draft Letter of Offer, the Draft Letter of Offer, the Abridged Letter of Offer and the enclosed CAF should not be forwarded to or transmitted in or into the United States at any time other than to QIBs who have provided to our Company (and our Company has accepted) a duly executed Investor Representation Letter including the "Purchaser Representations and Transfer Restrictions in the United States and by U.S. Persons" specified below. Neither our Company nor any person acting on behalf of our Company will accept subscriptions or renunciation from any person, or the agent of any person, who appears to be, or who our Company or any person acting on behalf of our Company has reason to believe is, either a "U.S. Person" (as defined in Regulation S) or otherwise in the United States when the buy order is made unless such person has previously delivered to our Company (and our Company has accepted) a duly executed Investor Representation Letter. Unless a duly executed Investor Representation Letter has been provided to our Company (and our Company has accepted such duly executed Investor Representation Letter), envelopes containing a CAF should not otherwise be postmarked in the United States or otherwise dispatched from the United States or by a U.S. Person and all persons subscribing for the Rights Equity Shares must provide an address for registration of the Rights Equity Shares in India. In addition, until the expiry of 40 days after the commencement of the Issue, an offer or sale of Rights Entitlements or Rights Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Purchaser Representations and Transfer Restrictions by Persons in the United States and by U.S. Persons

The Rights Equity Shares and Rights Entitlements have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Any person in the United States or a U.S. Person acquiring the Rights Entitlements and/or Rights Equity Shares must have provided to our Company (and our Company must have accepted) a duly executed Investor Representation Letter confirming the following representations, warranties and undertakings; and (ii) by its acceptance of this Draft Letter of Offer, the Letter of Offer/ Abridged Letter of Offer or of the Rights Entitlements or Rights Equity Shares, will be deemed to have declared, represented, warranted and agreed with our Company and the Lead Manager as follows:

- It will comply with all laws, regulations and restrictions (including the transfer restrictions contained herein) which may be applicable in your jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Rights Entitlements and/or Equity Shares, and it acknowledges and agree that none of us or the Lead Manager and their respective affiliates shall have any responsibility in this regard;

- It (A) is a "qualified institutional buyer" (as defined in Rule 144A), (B) is aware that the sale of the Rights Entitlements and/or Rights Equity Shares to it is being made in reliance on Section 4(a)(2), Rule 144A or another available exemption from the registration requirements of the Securities Act and (C) is acquiring such Rights Entitlements and/or Rights Equity Shares for its own account or for the account of a "qualified institutional buyer";

- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Rights Entitlements and/or Rights Equity Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act, have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be reoffered, resold, renounced, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction in reliance on Regulation S, as applicable, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction in which such offers or sales are made;

- It is not an affiliate of our Company or a person acting on behalf of an affiliate;

- It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, are purchasing the Equity Shares as a result of any general solicitation or general advertising (as defined in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act);

- The Rights Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Rights Equity Shares and agree that such securities may not be deposited into any unrestricted depository facility established or maintained by any depository bank;

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Rights Entitlements and/or Rights Equity Shares. It is experienced in investing in private placement transactions of securities of companies in similar jurisdictions. It and any accounts for it is subscribing to the Rights Entitlements and/or Rights Equity Shares for (i) are each able to bear the economic risk of the investment in the Rights Entitlements and/or Rights Equity Shares, (ii) will not look to the Company or the Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Rights Equity Shares, (iv) have no need for liquidity with respect to the investment in the Rights Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Rights Entitlements and/or Rights

Equity Shares. It acknowledges that an investment in the Rights Entitlements and/or Rights Equity Shares involves a high degree of risk and that the Rights Entitlements and/or Rights Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Rights Entitlements and/or Rights Equity Shares in this Issue for its own investment and not with a view to distribution.

- It will notify any transferee to whom it subsequently offers, sells, renounces, pledges or otherwise transfers and the executing broker and any other agent involved in any resale of the Rights Entitlements and/or Rights Equity Shares of the foregoing restrictions applicable to the Rights Entitlements and/or Rights Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.

- It acknowledges that our Company will not recognize any offer, sale, renunciation, pledge or other transfer of such Rights Entitlements and/or Rights Equity Shares made other than in compliance with the above-stated restrictions; and

- It acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its acquisition of Rights Entitlements and the Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Rights Entitlements and/ or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Other Purchaser Representations and Transfer Restrictions

Any person who acquires Rights Entitlements and/or Rights Equity Shares outside the United States and is not a U.S. Person, by its acceptance of this Draft Letter of Offer, the Letter of Offer/ Abridged Letter of Offer or of the Rights Entitlements or Rights Equity Shares, will be deemed to have declared, represented, warranted and agreed with our Company and the Lead Manager as follows:

- It will comply with all laws, regulations and restrictions (including the transfer restrictions contained herein) which may be applicable in your jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Rights Entitlements and/or Equity Shares, and it acknowledges and agree that none of us or the Lead Manager and their respective affiliates shall have any responsibility in this regard;

- It is not a U.S. Person (as defined in Regulation S under the Securities Act;

- It certifies that it is, or at the time the Rights Entitlements and/or Rights Equity Shares are purchased will be, (a) the beneficial owner of such Rights Entitlements and/or Rights Equity Shares, it is located outside the United States of America (within the meaning of Regulation S), and it has not purchased the Rights Entitlements and/or Rights Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of Rights Entitlements and/or Rights Equity Shares or an economic interest therein to any person in the United States; or (b) it is a broker-dealer acting on behalf of a customer and its customer has confirmed to it that (i) such customer is, or at the time the Rights Entitlements and/or Rights Equity Shares are purchased will be, the beneficial owner of such Rights Entitlements and/or Rights Equity Shares, (ii) such customer is located outside the United States of America (within the meaning of Regulation S), and (iii) such customer has not purchased the Rights Entitlements and/or Rights Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Rights Entitlements and/or Rights Equity Shares or an economic interest therein to any person in the United States;

- It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Rights Entitlements and/or Rights Equity Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act, have not been and will not be registered under the Securities Act or any state securities laws in the United States; if, in the future, it decides to offer, resell, renounce, pledge or otherwise transfer such Rights Entitlements and/ or Rights Equity Shares, or any economic interest therein, such Rights Entitlements and/ or Rights Equity Shares or any economic interest therein may be offered, sold, renounced, pledged or otherwise transferred only (A) to a purchaser not known by it to be a U.S. Person; (B) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act; and (C) in accordance with all applicable laws, including the securities laws of the States of the United States and any other jurisdiction in which such offers or sales are made;

- It is not an affiliate of our Company or a person acting on behalf of an affiliate;

- It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, are purchasing the Equity Shares as a result of any general solicitation or general advertising (as defined in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act);

- It will base its investment decision on a copy of the Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer. It acknowledges that neither the Company nor any of its affiliates nor any other person (including the Lead Manager) or any of their respective affiliates has made or will make any representations, express or implied, to it with respect to the Company, the Issue, the Rights Entitlements and/or Rights Equity Shares, the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Issue or the Rights Entitlements and/or Rights Equity Shares, other than (in the case of the Company only) the information contained in the Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer, as it may be supplemented;

- It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Rights Entitlements and/or Rights Equity Shares. It is experienced in investing in private placement transactions of securities of companies in similar jurisdictions. It and any accounts for it is subscribing to the Rights Entitlements and/or Rights Equity Shares for (i) are each able to bear the economic risk of the investment in the Rights Entitlements and/or Rights Equity Shares, (ii) will not look to the Company or the Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Rights Equity Shares, (iv) have no need for liquidity with respect to the investment in the Rights Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Rights Entitlements and/or Rights Equity Shares. It acknowledges that an investment in the Rights Entitlements and/or Rights Equity Shares involves a high degree of risk and that the Rights Entitlements and/or Rights Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Rights Entitlements and/or Rights Equity Shares in this Issue for its own investment and not with a view to distribution.

- It will notify any transferee to whom it subsequently offers, sells, renounces, pledges or otherwise transfers and the executing broker and any other agent involved in any resale of the Rights Entitlements and/or Rights Equity Shares of the foregoing restrictions applicable to the Rights Entitlements and/or Rights Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.

- It acknowledges that our Company will not recognize any offer, sale, renunciation, pledge or other transfer of such Rights Entitlements and/or Rights Equity Shares made other than in compliance with the above-stated restrictions; and

- It acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its acquisition of Rights Entitlements and the Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Rights Entitlements and/ or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Our Company reserves the right to treat as invalid from any such investor any CAF which:

(i) does not include the certification set out in the CAF to the effect that the subscriber is not a "U.S. Person" (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorized to acquire the rights and the Rights Entitlements and/or Rights Equity Shares in compliance with all applicable laws and regulations, unless such the relevant person has previously delivered to our Company (and our Company has accepted) a duly executed Investor Representation Letter;

(ii) appears to our Company or its agents to have been executed in or despatched from the United States, unless such the relevant person has previously delivered to our Company (and our Company has accepted) a duly executed Investor Representation Letter; or

(iii) where a registered Indian address is not provided;

or, in the case of all investors, where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares or Rights Entitlement in respect of any such CAF.

Filing

This Draft Letter of Offer is being filed with the Stock Exchanges as per the provisions of the SEBI ICDR Regulations. Further, in terms of Regulation 6(4) of the SEBI ICDR Regulations, our Company will simultaneously while filing this Draft Letter of Offer with the Stock Exchanges, file a copy of this Draft Letter of Offer with SEBI, located at 5th Floor, Bank of Baroda Building, 16 Sansad Marg, New Delhi 110 001.

Issue Related Expenses

The expenses of the Issue payable by our Company include brokerage, fees and reimbursement to the Lead Manager, Auditor, legal advisors, Registrar, printing and distribution expenses, publicity, listing fees, stamp duty and other expenses and will be met out of the Issue Proceeds.

The total expenses of the Issue are estimated to be ₹ [●]. For details, see "*Objects of the Issue*" on page 79.

Expert

Our Company has received written consent from the Auditors namely, S.R. Batliboi & Co. LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 and as "expert" as defined under Section 2(38) of the Companies Act, 2013 to the extent and in their capacity as an auditor and in respect of their examination report dated February 14, 2018 on Restated Standalone Financial Statements and Restated Consolidated Financial Statements and their report dated February 14, 2018 on the Statement of Tax Benefits included in this DLOF, and such consent has not been withdrawn as of the date of this DLOF. However, the term "expert" shall not be construed to mean an "expert" as defined under U.S. Securities Act.

Except as stated above, our Company has not obtained any expert opinion.

Public or rights issues by our Company during the last five years

Our Company has not made a public issue or rights issue of Equity Shares since incorporation.

Previous issues of securities otherwise than for cash

Except as disclosed in "*Capital Structure*" on page 65, our Company has not made any issue of securities for consideration otherwise than cash.

Performance vis-à-vis objects

Our Company has not undertaken any public or rights issue since incorporation. Accordingly, the requirement to disclose performance vis-à-vis objects in respect of earlier offerings does not apply to our Company.

Performance vis-à-vis objects – Last issue by Listed Group Companies or Subsidiaries

None of our Subsidiaries are listed. None of our Group Companies have undertaken any public or rights issue in the ten years preceding the date of this Draft Letter of Offer.

Commission or brokerage in previous issue of Equity Shares

No sum has been paid or is been payable as commission or brokerage for any of our previous issue(s) of Equity Shares.

Outstanding debentures, bonds, redeemable preference shares or other instruments

Our Company does not have any outstanding debentures, bonds, redeemable preference shares or other instruments as of the date of this Draft Letter of Offer.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the SEBI Listing Regulations.

Our Company has a Stakeholders' Relationship Committee which currently comprises Mr. Mohit Talwar, Mr. Ashok Brijmohan Kacker and Mr. Sahil Vachani. The broad terms of reference include redressal of investors' complaints pertaining to share / debenture transfers, non-receipt of annual reports, interest / dividend payments, issue of duplicate certificates etc. Our Company has been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/ OIAE/ 2/ 2011 dated June 3, 2011. Consequently, investor grievances are tracked online by our Company. Our Company received 16 investor complaints since our Equity Shares got listed on June 22, 2016 to the date of filing of this Draft Letter of Offer and 16 investor complaints were disposed off in the last three years preceding the date of filing of this Draft Letter of Offer.

The Investor complaints received by our Company are generally disposed of within 7 days from the date of receipt of the complaint.

Disposal of investor grievances by listed companies under the same management

As on the date of this Draft Letter of Offer, two of our Group Companies, Max India Limited and Max Financial Services Limited, are listed and have arrangements and mechanisms in place for redressal of investor grievances. As on date of the Draft Letter of Offer, there are no investor complaints pending with respect to these entities.

As on the date of this Draft Letter of Offer, none of our Subsidiaries are listed on any stock exchange. Accordingly, the requirement to disclose details of investor grievances by listed companies under the same management as our Company does not apply.

Changes in Auditors during the last three years

There has been no change in Auditors during last three years.

Capitalisation of reserves or profits during last five years.

Our Company has not capitalised reserves or profits in preceding five fiscals.

Revaluation of fixed assets

Our Company has not revalued its assets in preceding five fiscals.

Stock market data for Equity Shares

For stock market data, please see "*Stock Market Data for Equity Shares of our Company*" on page 179.

Status of outstanding investor complaints in relation to our Company

As on the date of this Draft Letter of Offer, there were no outstanding investor complaints in relation to our Company.

Investor Grievances arising out of the Issue

Our Company's investor grievances arising out of the Issue will be handled by MAS Services Limited, the Registrar to the Issue. The Registrar will have a separate team of personnel handling only post-Issue correspondence.

The agreement between our Company and the Registrar provides for retention of records with the Registrar for a period of at least three years from the last date of dispatch of Allotment Advice/ demat credit/ refund order to enable the Registrar to redress grievances of Investors.

All grievances relating to the Issue may be addressed to the Registrar or the SCSB in case of ASBA Applicants giving full details such as folio number / demat account number, name and address, contact telephone / cell numbers, email id of the first Applicant, number of Rights Equity Shares applied for, CAF serial number, amount paid on application and the name of the bank and the branch where the application was deposited, along with a photocopy of the acknowledgement slip. In case of renunciation, the same details of the Renouncee should be furnished.

The average time taken by the Registrar to the Issue for attending to routine grievances will be 7 days from the date of receipt of complaints. In case of non-routine grievances where verification at other agencies is involved, it would be the endeavour of the Registrar to attend to them as expeditiously as possible. Our Company undertakes to resolve the investor grievances in a time bound manner.

Changes in Auditors during the last three years

There has been no change in Auditors since our incorporation.

Capitalisation of reserves or profits since our incorporation.

Our Company has not capitalised reserves or profits since incorporation.

Revaluation of fixed assets

Our Company has not revalued its assets since incorporation.

Registrar to the Issue

MAS Services Limited
T-34, Second Floor, Okhla Industrial Area, Phase II, New Delhi 110020
Telephone: +91 (11) 2638 7281-82-83
Facsimile: +91 (11) 2638 7384
Email: sm@masserv.com
Investor Grievance Email: info@masserv.com
Website: www.masserv.com
Contact person: Mr. Shravan Mangla
SEBI Registration Number: INR000000049
Investors may contact the Compliance Officer at the below mentioned address and/ or Registrar to the Issue at the above mentioned address in case of any pre-Issue/ post -Issue related problems such as non-receipt of allotment advice/ share certificates/ demat credit/ refund orders etc.

Mr. Gopalakrishnan Ramachandran
Max House, A-81
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SECTION VII: ISSUE INFORMATION

TERMS OF THE ISSUE

This Section applies to all Investors. ASBA Investors should note that the ASBA process involves procedures that may be different from that applicable to other Investors and should carefully read the provisions applicable to such Applications, in the Letter of Offer, the Abridged Letter of Offer and the CAF, before submitting an Application Form. Our Company and the Lead Manager are not liable for any amendments, modifications or changes in applicable law which may occur after the date of the Letter of Offer.

OVERVIEW

The Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in the Letter of Offer, the Abridged Letter of Offer, the Composite Application Form, the Split Application Form, the Memorandum of Association and Articles of Association of our Company, and the provisions of the Companies Act, FEMA, the guidelines and regulations issued by SEBI, the guidelines, notifications and regulations for the issue of capital and for listing of securities issued by the Government of India and other statutory and regulatory authorities from time to time, approvals, if any from the RBI or other regulatory authorities, the SEBI Listing Regulations and terms and conditions as stipulated in the allotment advice or security certificate.

Please note that, in terms of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011, all QIB Applicants, Non-Institutional Investors (including all companies or body corporates) and other Applicants whose application amount exceeds ₹ 200,000, complying with the eligibility conditions of SEBI circular SEBI/CFD/DIL/ASBA/1/ 2009/30/12 dated December 30, 2009, can participate in the Issue only through the ASBA process. Further, all QIBs and Non-Institutional Investors are mandatorily required to use the ASBA facility, even if application amount does not exceed ₹ 200,000. All Retail Individual Investors complying with the conditions prescribed under the SEBI Circular dated December 30, 2009, may optionally apply through the ASBA process, provided they are eligible ASBA investors. The Investors who are (i) not QIBs, (ii) not Non-Institutional Investors or (iii) Investors whose application amount is less than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Renouncees are not eligible ASBA investors and must only apply for the Rights Equity Shares through the non ASBA process. ASBA Investors should note that the ASBA process involves application procedures that may be different from the procedure applicable to non ASBA process. ASBA Investors should carefully read the provisions applicable to such applications before making their application through the ASBA process. See "*Terms of the Issue – Procedure for Application*" on page 390.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public issues / rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, for ensuring compliance with the applicable regulations.

Renouncees

All rights/obligations of the Eligible Shareholders in relation to application and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Authority for the Issue

This Issue to our Eligible Shareholders with a right to renounce is being made pursuant to a resolution passed by Board of Directors on January 15, 2018.

Basis for the Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of the Equity Shares held in the electronic form and on the register of members of our Company in respect of the Equity Shares held in physical form at the close of business hours on the Record Date, fixed in consultation with the Designated Stock Exchange.

Rights Entitlement

As your name appears as a beneficial owner in respect of the Equity Shares held in the electronic form or appears in the register of members as an Eligible Shareholder of our Company in respect of the Equity Shares held in physical form as on the Record Date, you are entitled to the number of Equity Shares as set out in Part A of the CAFs.

The distribution of the Letter of Offer / Abridged Letter of Offer and the issue of Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India may be restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Letter of Offer, Abridged Letter of Offer or CAF may come are required to inform themselves about and observe such restrictions. Our Company is making the issue of Rights Equity Shares on a rights basis to the Eligible Shareholders and the Letter of Offer/Abridged Letter of Offer and the CAFs will be dispatched only to those Eligible Shareholders who have a registered address in India or who have provided an Indian address.. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of the Letter of Offer/Abridged Letter of Offer and the CAFs, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be in any restricted jurisdiction.

PRINCIPAL TERMS OF THE ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ [●] per Rights Equity Share (including a premium of ₹ [●] per Rights Equity Share).

Rights Entitlement Ratio

The Rights Equity Shares are being offered on a rights basis to Eligible Shareholders in the ratio of [●] Rights Equity Shares for every [●] fully paid-up Equity Shares held on the Record Date.

Terms of Payment

Full amount of ₹ [●] per Rights Equity Share is payable on application.

The payment towards each Equity Share offered will be applied as under:

(a) ₹ 10 towards share capital; and

(b) ₹ [●] towards securities premium account.

A separate cheque/demand draft/pay order must accompany each application form.

All payments should be made by cheque/demand draft/pay order drawn on any bank, (including a cooperative bank), which is situated at and is a member or a sub-member of the bankers clearing house located at the center where the CAF is accepted. Outstation cheques /money orders/postal orders will not be accepted and CAFs accompanied by such cheque/money orders/postal orders are liable to be rejected. The Registrar to the Issue will not accept any payments against applications, if such payments are made in cash.

Pursuant to the RBI Circular DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the Stockinvest scheme has been withdrawn and accordingly, payment through Stockinvest will not be accepted in the Issue.

Where an applicant has applied for additional Rights Equity Shares and is allotted lesser number of Rights Equity Shares than applied for, the excess Application Money paid shall be refunded. The monies would be refunded within 15 (fifteen) days from the Issue Closing Date. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to Eligible Shareholders in the ratio of [●] Rights Equity Share for every [●] fully paid-up Equity Shares held as on the Record Date. For Rights Equity Shares being offered in this Issue, if the shareholding of any of the Eligible Shareholders is less than [●] Equity Shares or not in the multiple of [●] fully paid-up Equity Shares, the fractional entitlement of such Eligible Shareholders shall be ignored in the computation of the Rights Entitlement. However, Eligible Shareholders whose fractional entitlements are being ignored as above would be given preference in the Allotment of [●] additional Rights Equity Share each if they apply for additional Rights Equity Shares over and above their Rights Entitlement, if any.

Those Eligible Shareholders holding less than [●] Equity Shares, that is, holding up to [●] Equity Shares and therefore entitled to 'zero' Rights Equity Shares under this Issue shall be dispatched a CAF with zero entitlement. Such Eligible Shareholders are entitled to apply for additional Rights Equity Shares and would be given preference in the Allotment of [●] additional Rights Equity Share if, such Eligible Shareholders have applied for the additional Rights Equity Shares. However, they cannot renounce the same in favour of third parties. CAFs with zero entitlement will be non-negotiable/non-renounceable.

For example, if an Eligible Shareholder holds [●] or [●] Equity Shares, he will be entitled to zero Rights Equity Shares on a rights basis. He will be given a preference for Allotment of [●] additional Rights Equity Share if he has applied for the same.

Ranking

The Rights Equity Shares being issued shall be subject to the provisions of the Memorandum of Association and the Articles of Association. The Rights Equity Shares allotted in the Issue shall rank *pari passu* with the existing Equity Shares in all respects including dividends.

Mode of payment of dividend

In the event of declaration of dividend, our Company shall pay dividend to the Eligible Shareholders as per the provisions of the Companies Act and the provisions of the Articles of Association.

Listing and trading of Equity Shares proposed to be issued

Our existing Equity Shares are currently listed and traded on BSE and NSE under the ISIN INE154U01015. The fully paid-up Rights Equity Shares proposed to be issued pursuant to the Issue shall, in terms of SEBI Circular No. CIR/MRD/DP/21/2012 dated August 2, 2012, be Allotted under a temporary ISIN shall be frozen till the time final listing/ trading approval is granted by the Stock Exchange. Upon receipt of such listing and trading approval, the Rights Equity Shares proposed to be issued pursuant to the Issue shall be debited from such temporary ISIN and credited in the existing ISIN and thereafter be available for trading.

The listing and trading of the Rights Equity Shares shall be based on the current regulatory framework applicable thereto. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

The Rights Equity Shares allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of the necessary formalities for listing and commencement of trading of the Rights Equity Shares shall be taken within seven Working Days of finalization of Basis of Allotment. Our Company has received in-principle approval from BSE by way of a letter no. [●] dated [●] and from NSE by way of a letter no. [●] dated [●].

Our Company will apply to BSE and NSE for final approval for the listing and trading of the Rights Equity Shares. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under the Issue will trade after the listing thereof.

If permissions to list, deal in and for an official quotation of the Rights Equity Shares are not granted by BSE and/or NSE, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of the Letter of Offer. If such money is not repaid beyond eight days after our Company becomes liable to repay it, that is, the date of refusal of an application for such a permission from a Stock Exchange, or on expiry of 15 days from the Issue Closing Date in case no permission is granted, whichever is earlier, then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be liable to repay the money, with interest as applicable.

Subscription to the Issue by the Promoter and the Promoter Group

Our Promoters alongwith Mr. Ravi Vachani, a member of our Promoter Group, have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue. In addition to subscription to their Rights Entitlements, the Promoters have further confirmed that they intend to subscribe to additional Rights Equity Shares for any unsubscribed portion in the Issue, subject to aggregate shareholding of the Promoters and Promoter Group not exceeding 75% of the post Issue capital of our Company.

Such subscription of Equity Shares over and above the Rights Entitlement of our Promoters and Mr. Ravi Vachani, if allotted, may result in an increase in its shareholding. However, the acquisition of additional Rights Equity Shares by our Promoters and Mr. Ravi Vachani shall not result in a change of control of the management of our Company and shall not result in breach of minimum public shareholding requirement in accordance with Regulation 38 of the SEBI Listing Regulations read with Rule 19 (2) and Rule 19A of SCRR.

For further details of under subscription and Allotment to the Promoter, see "*Terms of the Issue – Basis of Allotment*" on page 412.

Rights of the Equity Shareholder

Subject to applicable laws, Equity Shareholders shall have the following rights:

1. Right to receive dividend, if declared;

2. Right to attend general meetings and exercise voting powers, unless prohibited by law;

3. Right to vote on a poll either in person or by proxy;

4. Right to receive offers for Rights Equity Shares and be allotted bonus shares, if announced;

5. Right to receive surplus on liquidation;

6. Right of free transferability of shares; and

7. Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, 2013 and the Memorandum and Articles of Association.

General Terms of the Issue

Market Lot

The Equity Shares of our Company are tradable only in dematerialised form. The market lot for Rights Equity Shares in dematerialised mode is one (1) Equity Share. In case an Eligible Shareholder holds Rights Equity Shares in physical form, our Company would issue to the Allottees one certificate for the Rights Equity Shares allotted to each folio ("**Consolidated Certificate**"). Such Consolidated Certificates may be split into smaller denominations at the request of the respective Eligible Shareholder.

Joint Holders

Where two or more persons are registered as the holders of any Rights Equity Shares, they shall be deemed to hold the same as joint holders with the benefit of survivorship subject to the provisions contained in the Articles of Association.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013. An Eligible Shareholder can nominate any person by filling the relevant details in the CAF in the space provided for this purpose. In case of Eligible Shareholders who are individuals, a sole Eligible Shareholder or the first named Eligible Shareholder, along with other joint Eligible Shareholders, if any, may nominate any person(s) who, in the event of the death of the sole Eligible Shareholder or all the joint Eligible Shareholders, as the case may be, shall become entitled to the Rights Equity Shares offered in the Issue. A person, being a nominee, becoming entitled to the Equity Shares by reason of death of the original Eligible Shareholder(s), shall be entitled to the same advantages to which he would be entitled if he were the registered Eligible Shareholder. Where the nominee is a minor, the Eligible Shareholder(s) may also make a nomination to appoint, in the prescribed manner, any person to become entitled to the Rights Equity Shares, in the event of death of the said Eligible Shareholder, during the minority of the nominee. A nomination shall stand rescinded upon the sale of the Rights Equity Shares by the person nominating. A transferee will be entitled to make a fresh nomination in the manner prescribed. Where the Rights Equity Shares are held by more than one person jointly, the nominee shall become entitled to all the rights in the Rights Equity Shares only in the event of death of all the joint holders. Fresh nominations can be made only in the prescribed form available on request at the Corporate Office of our Company or such other person at such addresses as may be notified by our Company. The Investor can make the nomination by filling in the relevant portion of the CAF. In terms of Section 72 of the Companies Act, 2013 or any other rules that may be prescribed under the Companies Act, any person who becomes a nominee shall upon the production of such evidence as may be required by the Board, elect either:

1. to register himself or herself as the holder of the Equity Shares; or

2. to make such transfer of the Equity Shares, as the deceased holder could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the Rights Equity Shares himself, he shall deliver to our Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Equity Shareholder.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Rights Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Rights Equity Shares, until the requirements of the notice have been complied with.

Only one nomination would be applicable for one folio. Hence, in case the Investor(s) has already registered the nomination with our Company, no further nomination needs to be made for Rights Equity Shares that may be allotted in this Issue under the same folio.

In case the Allotment of Rights Equity Shares is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be allotted in this Issue. Nominations registered with respective DP of the Investor would prevail. Any Investor desirous of changing the existing nomination is requested to inform its respective DP.

Arrangements for Disposal of Odd Lots

Our Equity Shares are traded in dematerialised form only and therefore the marketable lot is one Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

All notices to the Eligible Shareholder(s) required to be given by our Company shall be published in one English language national daily newspaper with wide circulation, and one Hindi national daily newspaper with wide circulation will be sent by post to the registered address of the Eligible Shareholders in India or the Indian address provided by the Equity Shareholders from time to time.]

Offer to Non Resident Eligible Equity Shareholders/Investors

As per Regulation 6 of Notification No. FEMA 20(R)/2017-RB dated November 7, 2017, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional securities. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be inter alia, subject to the conditions imposed from time to time by the RBI under the FEMA in the matter of refund of Application Money, allotment of Rights Equity Shares and issue of letter of allotment. **The Abridged Letter of Offer and CAF shall be dispatched to non-resident Eligible Equity Shareholders at their Indian address only.** If an NR or NRI Investors has specific approval from RBI, in connection with his shareholding, he should enclose a copy of such approval with the Application Form. The Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by RBI while approving the allotment of Rights Equity Shares. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to the repatriation as are applicable to the original shares against which Rights Equity Shares are issued on rights basis.

CAFs will be made available for eligible NRIs at our Registered Office and with the Registrar to the Issue.

In case of change of status of holders i.e. from Resident to Non-Resident, a new demat account must be opened.

DETAILS OF SEPARATE COLLECTING CENTRES FOR NON-RESIDENT APPLICATIONS SHALL BE PRINTED ON THE CAF

By virtue of Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, OCBs shall not be eligible to subscribe to the Equity Shares. The RBI has however clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated Non-Resident entities.

Procedure for Application

The CAF for the Rights Equity Shares offered as part of the Issue would be printed for all Eligible Shareholders. In case the original CAF is not received by the Eligible Shareholder or is misplaced by the Eligible Shareholder, the Eligible Shareholder may request the Registrar to the Issue, for issue of a duplicate CAF, by furnishing the registered folio number, DP ID, Client ID and their full name and address. In case the signature of the Eligible Shareholders does not match with the specimen registered with our Company, the application is liable to be rejected.

Please note that neither our Company nor the Lead Manager nor the Registrar to the Issue shall be responsible for delay in the receipt of the CAF/duplicate CAF attributable to postal delays or if the CAF/duplicate CAF are misplaced in the transit. Eligible Shareholders should note that those who are making the application in such duplicate CAF should not utilise the original CAF for any purpose, including renunciation, even if the original CAF is received or found subsequently. If any Eligible Shareholders violates any of these requirements, they shall face the risk of rejection of both applications.

Please note that QIB Applicants, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process. The Investors who are (i) not QIBs, (ii) not Non-Institutional Investors, or (iii) Investors whose application amount is less than ₹ 200,000, can participate in the Issue either through the ASBA process or the non - ASBA process.

The CAF consists of four parts:

Part A: Form for accepting the Equity Shares offered as a part of this Issue, in full or in part, and for applying for additional Equity Shares;

Part B: Form for renunciation of Equity Shares;

Part C: Form for application of Equity Shares by Renouncee(s); and

Part D: Form for request for Split Application Forms.

Option available to the Eligible Shareholder

The CAFs will clearly indicate the number of Rights Equity Shares that the Eligible Shareholder is entitled to.

The Eligible Shareholder can:

1. apply for his Rights Entitlement of Equity Shares in full;

2. apply for his Rights Entitlement of Equity Shares in part (without renouncing the other part);

3. apply for his Rights Entitlement of Equity Shares in part and renounce the other part of the Rights Equity Shares;

4. apply for his Rights Entitlement in full and apply for additional Rights Equity Shares; and

5. renounce his Rights Entitlement in full.

Acceptance of the Issue

You may accept the offer to participate and apply for the Rights Equity Shares offered, either in full or in part, by filling Part A of the CAFs and submit the same along with the Application Money payable to the Banker to the Issue or any of the collection centres as mentioned on the reverse of the CAFs before close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors in this regard. Investors at centres not covered by the collection branches of the Banker to the Issue can send their CAFs together with the cheque payable at par or a demand draft payable at New Delhi to the Registrar to the Issue by registered post so as to reach the Registrar to the Issue prior to the Issue Closing Date. Please note that neither our Company nor the Lead Manager or the Registrar to the Issue shall be responsible for delay in the receipt of the CAF attributable to postal delays or if the CAF is misplaced in the transit. Such applications sent to anyone other than the Registrar to the Issue are liable to be rejected. For further details on the mode of payment, see "*Terms of the Issue – Mode of Payment for Resident Investors*" and "*Terms of the Issue – Mode of Payment for Non-Resident Investors*" on page 399.

Additional Rights Equity Shares

You are eligible to apply for additional Rights Equity Shares over and above your Rights Entitlement, provided that you are eligible to apply under applicable law and have applied for all the Rights Equity Shares offered to you without renouncing them in whole or in part in favour of any other person(s). Applications for additional Rights Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, subject to sectoral caps and in consultation if necessary with the Designated Stock Exchange and in the manner prescribed under "*Terms of the Issue – Basis of Allotment*" on page 412.

Further, under the Foreign Exchange Regulations currently in force in India, transfers of shares between Non-Residents and residents are permitted subject to compliance with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares is not in compliance with such pricing guidelines or reporting requirements or certain other conditions, then the prior approval of the RBI will be required.

Due to the aforementioned factors FPIs, FVCIs, multilateral and bilateral institutes intending to apply for additional Rights Equity Shares or intending to apply for Rights Equity Shares renounced in their favour shall be required to obtain prior approval from the appropriate regulatory authority.

If you desire to apply for additional Rights Equity Shares, please indicate your requirement in the place provided for additional Rights Equity Shares in Part A of the CAF. Renouncee(s) applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares by indicating the details of additional Rights Equity Shares applied in place provided for additional Equity Shares in Part C of CAF.

Where the number of additional Rights Equity Shares applied for exceeds the number of Rights Equity Shares available for Allotment, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange.

Renunciation

The Issue includes a right exercisable by you to renounce the Rights Equity Shares offered to you either in full or in part in favour of any other person or persons. Your attention is drawn to the fact that our Company shall not Allot and/or register the Rights Equity Shares in favour of the following Renouncees: (i) more than three persons (including joint holders); (ii) partnership firm(s) or their nominee(s); (iii) minors (except applications by minors having valid demat accounts as per the demographic details provided by the Depositors); (iv) HUF; or (v) any trust or society (unless the same is registered under the Societies Registration Act, 1860, as amended or the Indian Trust Act, 1882, as amended or any other applicable law relating to societies or trusts and is authorised under its constitution or bye-laws to hold equity shares, as the case may be). Additionally, the Eligible Shareholders may not renounce in favour of "U.S. Persons" (as defined in Regulation S) or persons or entities in the United States, or persons or entities which would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws in the United States or any other jurisdiction or as otherwise contemplated in this Draft Letter of Offer, Letter of Offer/ Abridged Letter of Offer.

The RBI has, pursuant to its letter dated October 13, 2017, conveyed its approval for the renunciation of Rights Entitlement by, and to, persons resident in India and persons resident outside India in the Issue, subject to adherence of Regulation 6 of Notification No.FEMA 20(R)/2017-RB dated November 7, 2017, as amended.

In terms of Regulation 6 of Notification No. FEMA 20(R)/2017-RB dated November 7, 2017, as amended from time to time, only the existing Non-Resident shareholders may subscribe for additional equity shares over and above the equity shares offered on rights basis by our Company.

By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, erstwhile Overseas Corporate Bodies (OCBs) have been derecognised as an eligible class of Investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Accordingly, the Eligible Shareholders of our Company who do not wish to subscribe to the Rights Equity Shares being offered but wish to renounce the same in favour of Renouncee shall not renounce the same (whether for consideration or otherwise) in favour of erstwhile OCB(s).

The RBI has, however, clarified in its circular, A.P. (DIR Series) Circular No. 44, dated December 8, 2003 that erstwhile OCBs which are incorporated and are not under the adverse notice of the RBI are permitted to undertake fresh investments as incorporated Non-Resident entities in terms of Regulation 5(1) of RBI Notification No. FEMA 20(R)/2017-RB dated November 7, 2017under the FDI Scheme with the prior approval of Government if the investment is through Government Route and with the prior approval of the RBI if the investment is through the automatic route on case by case basis. Equity Shareholders renouncing their rights in favour of erstwhile OCBs may do so provided such Renouncee obtains a prior approval from the RBI. On submission of such approval to us at our Corporate Office, the erstwhile OCB shall receive the Abridged Letter of Offer and the CAF.

Part 'A' of the CAF must not be used by any person(s) other than those in whose favour this offer has been made. If used, this will render the application invalid. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be the conclusive evidence for our Company of the fact of renouncement to the person(s) applying for Equity Shares in Part 'C' of the CAF for the purpose of Allotment of such Rights Equity Shares. The Renouncees applying for all the Rights Equity Shares renounced in their favour may also apply for additional Rights Equity Shares. Part 'A' of the CAF must not be used by the Renouncee(s) as this will render the application invalid. Renouncee(s) will have no right to further renounce any Rights Equity Shares in favour of any other person.

The right of renunciation is subject to the express condition that our Board shall be entitled in its absolute discretion to reject the application from the Renouncees without assigning any reason thereof.

Procedure for renunciation

To renounce all the Rights Equity Shares offered to an Eligible Shareholder in favour of one Renouncee

If you wish to renounce your Rights Entitlement indicated in Part 'A', in whole, please complete Part 'B' of the CAF. In case of joint holding, all joint holders must sign Part 'B' of the CAF. The person in whose favour renunciation has been made should complete and sign Part 'C' of the CAF. In case of joint Renouncees, all joint Renouncees must sign Part 'C' of the CAF.

To renounce in part/or renounce the whole to more than one person(s)

If you wish to either: (i) accept this offer in part and renounce the balance; or (ii) renounce your entire Rights Entitlement in favour of two or more Renouncees, the CAF must be first split into requisite number of forms. Please indicate your requirement of SAFs in the space provided for this purpose in Part 'D' of the CAF and return the entire CAF to the Registrar to the Issue so as to reach them latest by the close of business hours on the last date of receiving requests for SAFs as provided herein. On receipt of the required number of SAFs from the Registrar, the procedure as mentioned in paragraph above shall have to be followed.

In case the signature of the Eligible Shareholder(s), who has renounced the Rights Equity Shares, does not match with the specimen registered with our Company/ Depositories, the application is liable to be rejected.

Renouncee(s)

The person(s) in whose favour the Rights Equity Shares are renounced should fill in and sign Part 'C' of the CAF and submit the entire CAF to the Banker to the Issue or any of the collection branches as mentioned on the reverse of the CAFs on or before the Issue Closing Date along with the Application Money in full.

Change and/or introduction of additional holders

If you wish to apply for Rights Equity Shares jointly with any other person(s), not more than three including you, who is/are not already a joint holder with you, it shall amount to renunciation and the procedure as stated above for renunciation shall have to be followed. Even a change in the sequence of the name of joint holders shall amount to renunciation and the procedure, as stated above shall have to be followed.

Sr. No.	Option Available	Action Required
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A *(All joint holders must sign in the same sequence)*
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares.	Fill in and sign Part A, including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares *(All joint holders must sign in the same sequence)*
3.	Accept a part of your Rights Entitlement and renounce the balance to one or more Renouncee(s) OR Renounce your Rights Entitlement to all the Rights Equity Shares offered to you to more than one Renouncee	Fill in and sign Part D *(all joint holders must sign in the same sequence)* requesting for SAFs. Send the CAF to the Registrar so as to reach them on or before the last date for receiving requests for SAFs. Splitting will be permitted only once. On receipt of the SAF take action as indicated below. (i) For the Rights Equity Shares you wish to accept, if any, fill in and sign Part A. (ii) For the Rights Equity Shares you wish to renounce, fill in and sign Part B indicating the number of Rights Equity Shares renounced and hand it over to the Renouncees. (iii) Each Renouncee should fill in and sign Part C for the Rights Equity Shares accepted by them.
4.	Renounce your Rights Entitlement in full to one person *(Joint Renouncees are considered as one)*.	Fill in and sign Part B *(all joint holders must sign in the same sequence)* indicating the number of Rights Equity Shares renounced and hand it over to the Renouncee. The Renouncee must fill in and sign Part C *(all joint Renouncees must sign)*
5.	Introduce a joint holder or change the sequence of joint holders	This will be treated as renunciation. Fill in and sign Part B and the Renouncee must fill in and sign Part C.

Please note that:

1. Options (3), (4) and (5) will not be available for Equity Shareholders applying through ASBA process.

2. Part 'A' of the CAF must not be used by any person(s) other than the Eligible Shareholder to whom the Letter of Offer has been addressed. If used, this will render the application invalid.

3. Request for each SAF should be made for a minimum of one Rights Equity Share or, in each case, in multiples thereof and one SAF for the balance Rights Equity Shares, if any.

4. Request by the Investor for the SAFs should reach the Registrar to the Issue on or before [●].

5. Only the Eligible Shareholder to whom the Letter of Offer has been addressed shall be entitled to renounce and to apply for SAFs. Forms once split cannot be split further.

6. SAFs will be sent to the Eligible Shareholders by post at the Applicant's risk.

7. Eligible Shareholders may not renounce in favour of persons or entities who would otherwise be prohibited from being offered or subscribing for Rights Equity Shares or Rights Entitlement under applicable securities laws.

8. Submission of the CAF to the Banker to the Issue at its collecting branches specified on the reverse of the CAF with the form of renunciation (Part 'B' of the CAF) duly filled in shall be conclusive evidence for us of the person(s) applying for Equity Shares in Part 'C' of the CAF to receive Allotment of such Equity Shares.

9. While applying for or renouncing their Rights Entitlement, all joint Eligible Shareholders must sign the CAF and in the same order and as per specimen signatures recorded with our Company/ Depositories.

10. *Non-Resident Eligible Shareholders:* Application(s) received from Non-Resident/NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares allotted as a part of this Issue shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA in the matter of refund of application money, Allotment of Rights Equity Shares, subsequent issue and Allotment of Rights Equity Shares, interest, export of Share Certificates, etc. In case a Non-Resident or NRI Eligible Shareholder has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Applications not accompanied by the aforesaid approvals are liable to be rejected.

11. Applicants must write their CAF number at the back of the cheque / demand draft.

12. The RBI has mandated that CTS 2010 compliant cheques can only be presented in clearing hence the CAFs accompanied by non-CTS cheques could get rejected.

Availability of duplicate CAF

In case the original CAF is not received, or is misplaced by the Eligible Shareholder, the Registrar to the Issue will issue a duplicate CAF on the request of the Eligible Shareholder who should furnish the registered folio number/ DP and Client ID number and his/ her full name and address to the Registrar to the Issue. Please note that the request for duplicate CAF should reach the Registrar to the Issue within seven days prior to the Issue Closing Date. Please note that those who are making the application in the duplicate form should not utilise the original CAF for any purpose including renunciation, even if it is received/ found subsequently. If the Investor violates such requirements, he/she shall face the risk of rejection of either original CAF or both the applications. Our Company or the Registrar to the Issue or the Lead Manager will not be responsible for postal delays or loss of duplicate CAF in transit, if any.

Application on Plain Paper (Non-ASBA)

An Eligible Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Issue on plain paper, along with an account payee cheque drawn on a bank payable at par, pay order/demand draft, net of bank and postal charges and the Investor should send the same by registered post directly to the Registrar to the Issue. See "*Terms of the Issue – Modes of Payment*" on page 399. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed "***MAX VENTURES AND INDUSTRIES LIMITED - RIGHTS ISSUE***" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Shareholder including joint holders, in the same order and as per specimen recorded with our Company /Depositories, must reach the office of the Registrar to the Issue before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being Max Ventures and Industries Limited;

2. Name and Indian address of the Eligible Shareholder including joint holders;

3. Registered Folio Number/ DP and Client ID No.;

4. Number of Equity Shares held as on Record Date;

5. Share certificate numbers and distinctive numbers of Equity Shares, if held in physical form;

6. Allotment option preferred - physical or demat form, if held in physical form;

7. Number of Rights Equity Shares entitled to;

8. Number of Rights Equity Shares applied for;

9. Number of additional Rights Equity Shares applied for, if any;

10. Total number of Equity Shares applied for;

11. Total amount paid at the rate of ₹ [●] per Rights Equity Share;

12. Particulars of cheque/ demand draft;

13. Savings/ current account number and name and address of the bank where the Eligible Shareholder will be depositing the refund order. In case of Equity Shares held in dematerialised form, the Registrar shall obtain the bank account details from the information available with the Depositories;

14. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Shareholder and for each Eligible Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;

15. If the payment is made by a draft purchased from NRE/FCNR/NRO account, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/NRO account;

16. Signature of the Applicant (in case of joint holders, to appear in the same sequence and order as they appear in the records of our Company/Depositories); and

17. Additionally, all such Applicants are deemed to have accepted the following:

    Purchaser Representations and Transfer Restrictions by Persons in the United States and by U.S. Persons

    The Rights Equity Shares and Rights Entitlements have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Any person in the United States or a U.S. Person acquiring the Rights Entitlements and/or Rights Equity Shares must have provided to our Company (and our Company must have accepted) a duly executed Investor Representation Letter confirming the following representations, warranties and undertakings; and (ii) by its acceptance of this Draft Letter of Offer, the Letter of Offer/ Abridged Letter of Offer or of the Rights Entitlements or Rights Equity Shares, will be deemed to have declared, represented, warranted and agreed with our Company and the Lead Manager as follows:

- *It will comply with all laws, regulations and restrictions (including the transfer restrictions contained herein) which may be applicable in your jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Rights Entitlements and/or Equity Shares, and it acknowledges and agree that none of us or the Lead Manager and their respective affiliates shall have any responsibility in this regard;*

- *It (A) is a "qualified institutional buyer" (as defined in Rule 144A), (B) is aware that the sale of the Rights Entitlements and/or Rights Equity Shares to it is being made in reliance on Section 4(a)(2), Rule 144A or another available exemption from the registration requirements of the Securities Act and (C) is acquiring such Rights Entitlements and/or Rights Equity Shares for its own account or for the account of a "qualified institutional buyer";*

- *It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Rights Entitlements and/or Rights Equity Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act, have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be reoffered, resold, renounced, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction in reliance on Regulation S, as applicable, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction in which such offers or sales are made;*

- *It is not an affiliate of our Company or a person acting on behalf of an affiliate;*

- *It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, are purchasing the Equity Shares as a result of any general solicitation or general advertising (as defined in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act);*

- *The Rights Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Rights Equity Shares and agree that such securities may not be deposited into any unrestricted depository facility established or maintained by any depository bank;*

- *It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Rights Entitlements and/or Rights Equity Shares. It is experienced in investing in private placement transactions of securities of companies in similar jurisdictions. It and any accounts for it is subscribing to the Rights Entitlements and/or Rights Equity Shares for (i) are each able to bear the economic risk of the investment in the Rights Entitlements and/or Rights Equity Shares, (ii) will not look to the Company or the Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Rights Equity Shares, (iv) have no need for liquidity with respect to the investment in the Rights Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Rights Entitlements and/or Rights Equity Shares. It acknowledges that an investment in the Rights Entitlements and/or Rights Equity Shares involves a high degree of* *risk and that the Rights Entitlements and/or Rights Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Rights Entitlements and/or Rights Equity Shares in this Issue for its own investment and not with a view to distribution.*

- *It will notify any transferee to whom it subsequently offers, sells, renounces, pledges or otherwise transfers and the executing broker and any other agent involved in any resale of the Rights Entitlements and/or Rights Equity Shares of the foregoing restrictions applicable to the Rights Entitlements and/or Rights Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.*

- *It acknowledges that our Company will not recognize any offer, sale, renunciation, pledge or other transfer of such Rights Entitlements and/or Rights Equity Shares made other than in compliance with the above-stated restrictions; and*

- *It acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its acquisition of Rights Entitlements and the Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Rights Entitlements and/ or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.*

Other Purchaser Representations and Transfer Restrictions

Any person who acquires Rights Entitlements and/or Rights Equity Shares outside the United States and is not a U.S. Person, by its acceptance of this Draft Letter of Offer, the Letter of Offer/ Abridged Letter of Offer or of the Rights Entitlements or Rights Equity Shares, will be deemed to have declared, represented, warranted and agreed with our Company and the Lead Manager as follows:

- *It will comply with all laws, regulations and restrictions (including the transfer restrictions contained herein) which may be applicable in your jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Rights Entitlements and/or Equity Shares, and it acknowledges and agree that none of us or the Lead Manager and their respective affiliates shall have any responsibility in this regard;*

- *It is not a U.S. Person (as defined in Regulation S under the Securities Act;*

- *It certifies that it is, or at the time the Rights Entitlements and/or Rights Equity Shares are purchased will be, (a) the beneficial owner of such Rights Entitlements and/or Rights Equity Shares, it is located outside the United States of America (within the meaning of Regulation S), and it has not purchased the Rights Entitlements and/or Rights Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of Rights Entitlements and/or Rights Equity Shares or an economic interest therein to any person in the United States; or (b) it is a broker-dealer acting on behalf of a customer and its customer has confirmed to it that (i) such customer is, or at the time the Rights Entitlements and/or Rights Equity Shares are purchased will be, the beneficial owner of such Rights Entitlements and/or Rights Equity Shares, (ii) such customer is located outside the United States of America (within the meaning of Regulation S), and (iii) such customer has not purchased the Rights Entitlements and/or Rights Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Rights Entitlements and/or Rights Equity Shares or an economic interest therein to any person in the United States;*

- *It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Rights Entitlements and/or Rights Equity Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act, have not been and will not be registered under the Securities Act or any state securities laws in the United States; if, in the future, it decides to offer, resell, renounce, pledge or otherwise transfer such Rights Entitlements and/ or Rights Equity Shares, or any* *economic interest therein, such Rights Entitlements and/ or Rights Equity Shares or any economic interest therein may be offered, sold, renounced, pledged or otherwise transferred only (A) to a purchaser not known by it to be a U.S. Person; (B) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act; and (C) in accordance with all applicable laws, including the securities laws of the States of the United States and any other jurisdiction in which such offers or sales are made;*

- *It is not an affiliate of our Company or a person acting on behalf of an affiliate;*

- *It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, are purchasing the Equity Shares as a result of any general solicitation or general advertising (as defined in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act);*

- *It will base its investment decision on a copy of the Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer. It acknowledges that neither the Company nor any of its affiliates nor any other person (including the Lead Manager) or any of their respective affiliates has made or will make any representations, express or implied, to it with respect to the Company, the Issue, the Rights Entitlements and/or Rights Equity Shares, the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Issue or the Rights Entitlements and/or Rights Equity Shares, other than (in the case of the Company only) the information contained in the Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer, as it may be supplemented;*

- *It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Rights Entitlements and/or Rights Equity Shares. It is experienced in investing in private placement transactions of securities of companies in similar jurisdictions. It and any accounts for it is subscribing to the Rights Entitlements and/or Rights Equity Shares for (i) are each able to bear the economic risk of the investment in the Rights Entitlements and/or Rights Equity Shares, (ii) will not look to the Company or the Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Rights Equity Shares, (iv) have no need for liquidity with respect to the investment in the Rights Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Rights Entitlements and/or Rights Equity Shares. It acknowledges that an investment in the Rights Entitlements and/or Rights Equity Shares involves a high degree of risk and that the Rights Entitlements and/or Rights Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Rights Entitlements and/or Rights Equity Shares in this Issue for its own investment and not with a view to distribution.*

- *It will notify any transferee to whom it subsequently offers, sells, renounces, pledges or otherwise transfers and the executing broker and any other agent involved in any resale of the Rights Entitlements and/or Rights Equity Shares of the foregoing restrictions applicable to the Rights Entitlements and/or Rights Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.*

- *It acknowledges that our Company will not recognize any offer, sale, renunciation, pledge or other transfer of such Rights Entitlements and/or Rights Equity Shares made other than in compliance with the above-stated restrictions; and*

  It acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its acquisition of Rights Entitlements and the Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Rights Entitlements and/ or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and *that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.*

18. Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their rights and should not utilise the original CAF for any purpose including renunciation even if it is received subsequently. If the Eligible Shareholder violates such requirements, he/ she shall face the risk of rejection of both the applications. Our Company shall refund such application amount to the Eligible Shareholder without any interest thereon. In cases where multiple CAFs are submitted, including cases where an investor submits CAFs along with a plain paper application, such applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper application format will be available on the website of the Registrar to the Issue at www.masserv.com.

Last date for Application

The last date for submission of the duly filled in CAF or the plain paper application is [●]. The Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the CAF or the plain paper application together with the amount payable is not received by the Banker to the Issue/ Registrar to the Issue on or before the close of banking hours on the aforesaid last date or such date as may be extended by the Board/ Committee of Directors, the invitation to offer contained in the Letter of Offer shall be deemed to have been declined and the Board/ Committee of Directors shall be at liberty to dispose of the Equity Shares hereby offered, as provided under "*Terms of the Issue – Basis of Allotment*" on page 412.

Modes of Payment

Investors are advised to use CTS cheques to make payment. Investors are cautioned that CAFs accompanied by non-CTS cheques are liable to be rejected.

Mode of payment for Resident Investors

1. All cheques / demand drafts accompanying the CAF should be drawn in favour of "***MAX VENTURES AND INDUSTRIES LIMITED - RIGHTS ISSUE – R***" crossed 'A/c Payee only' and should be submitted along with the CAF to the Banker to the Issue or to the Registrar to the Issue;

2. Investors residing at places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with an account payee cheque drawn on a bank payable at par, pay order/demand draft for the full application amount, net of bank and postal charges drawn in favour of "***MAX VENTURES AND INDUSTRIES LIMITED - RIGHTS ISSUE – R***", crossed 'A/c Payee only' and payable at par, directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The envelope should be superscribed "***MAX VENTURES AND INDUSTRIES LIMITED – RIGHTS ISSUE***". Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any. The CAF along with the application money must not be sent to our Company or the Lead Manager. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the application by Non-Resident Investor, the following conditions shall apply:

1. Individual Non-Resident Indian Applicants who are permitted to subscribe for Rights Equity Shares by applicable local securities laws can obtain application forms from the following address:

   Registrar to the Issue

   MAS Services Limited

T-34, Second Floor, Okhla Industrial Area, Phase II, New Delhi 110020
Telephone: +91 (11) 2638 7281-82-83
Facsimile: +91 (11) 2638 7384
Email: sm@masserv.com
Investor Grievance Email: info@masserv.com
Website: www.masserv.com
Contact person: Mr. Shravan Mangla
SEBI Registration Number: INR000000049

Note: The Letter of Offer/ Abridged Letter of Offer and CAFs to NRIs shall be sent only to their Indian address, if provided.

2. Applications will not be accepted from Non-Resident Indian in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

3. All non-resident investors should draw the cheques/ demand drafts for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/ collection centres or to the Registrar to the Issue.

4. Non-Resident Investors applying from places other than places where the bank collection centres have been opened by our Company for collecting applications, are requested to send their CAFs together with demand draft for the full application amount, net of bank and postal charges drawn in favour of "***MAX VENTURES AND INDUSTRIES LIMITED - RIGHTS ISSUE – R***", crossed 'A/c Payee only' payable at par, in case of non-resident shareholder applying on non-repatriable basis and in favour of "***MAX VENTURES AND INDUSTRIES LIMITED - RIGHTS ISSUE – NR***", crossed 'A/c Payee only' payable at par, in case of non-resident shareholder applying on repatriable basis, directly to the Registrar to the Issue by registered post so as to reach them on or before the Issue Closing Date. The envelope should be superscribed "***MAX VENTURES AND INDUSTRIES LIMITED - RIGHTS ISSUE***". Our Company or the Registrar to the Issue will not be responsible for postal delays or loss of applications in transit, if any.

5. Payment by Non-Residents must be made by demand draft, pay order/cheque or funds remitted from abroad in any of the following ways:

Application with repatriation benefits

1. By Indian Rupee drafts purchased from abroad or funds remitted from abroad (submitted along with Foreign Inward Remittance Certificate); or

2. By cheque/draft drawn on an NRE or FCNR Account; or

3. By Rupee draft purchased by debit to NRE/FCNR Account maintained elsewhere in India and payable at par;

4. FIIs/ FPIs registered with SEBI must utilise funds from special non-resident rupee account;

5. Non-Resident Investors with repatriation benefits should draw the cheques/ demand drafts in favour of "***MAX VENTURES AND INDUSTRIES LIMITED - RIGHTS ISSUE – NR***", crossed 'A/c Payee only' for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/collection centres or to the Registrar to the Issue;

6. Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO account as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

Application without repatriation benefits

1. As far as Non-Residents holding Equity Shares on non-repatriation basis are concerned, in addition to the modes specified above, payment may also be made by way of cheque drawn on Non-Resident (Ordinary) Account or Rupee draft purchased out of NRO Account maintained elsewhere in India. In such cases, the Allotment of Equity Shares will be on non-repatriation basis.

2. Non-Resident Investors without repatriation benefits should draw the cheques/demand drafts in favour of "***MAX VENTURES AND INDUSTRIES LIMITED - RIGHTS ISSUE – R***", crossed 'A/c Payee only' for the full application amount, net of bank and postal charges and which should be submitted along with the CAF to the Banker to the Issue/collection centres or to the Registrar to the Issue;

3. Applicants should note that where payment is made through drafts purchased from NRE/ FCNR/ NRO accounts, as the case may be, an account debit certificate from the bank issuing the draft confirming that the draft has been issued by debiting the NRE/ FCNR/ NRO account should be enclosed with the CAF. In the absence of such an account debit certificate, the application shall be considered incomplete and is liable to be rejected.

4. An Eligible Shareholder whose status has changed from resident to non-resident should open a new demat account reflecting the changed status. Any application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Notes:

- In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income Tax Act.

- In case Rights Equity Shares are allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

- The CAF duly completed together with the amount payable on application must be deposited with the Banker to the Issue indicated on the reverse of the CAFs before the close of banking hours on or before the Issue Closing Date. A separate cheque or bank draft must accompany each CAF.

- In case of an application received from Non-Residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines/ rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

Application by ASBA Investors

Process

This section is for the information of the ASBA Investors proposing to subscribe to the Issue through the ASBA process. Our Company and the Lead Manager is not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of the Letter of Offer. Investors who are eligible to apply under the ASBA Process are advised to make their independent investigations and to ensure that the CAF is correctly filled up.

The Lead Manager, our Company, its Directors, its employees, affiliates, associates and their respective directors and officers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to applications accepted by SCSBs, Applications uploaded by SCSBs, applications accepted but not uploaded by SCSBs or applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for applications uploaded by SCSBs, the amount payable on application has been blocked in the relevant ASBA Account.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process, subject to them complying with the requirements of SEBI Circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009. The Investors who are (i) not QIBs, (ii) not

Non-Institutional Investors, or (iii) Investors whose application amount is less than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

Self-Certified Syndicate Banks

The list of banks which have been notified by SEBI to act as SCSBs for the ASBA Process is provided on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. For details on Designated Branches of SCSBs collecting the CAF, please refer the above mentioned SEBI link.

Eligible Shareholders who are eligible to apply under the ASBA Process

The option of applying for Rights Equity Shares in the Issue through the ASBA Process is only available to the Eligible Shareholders of our Company on the Record Date and who:

- hold the Equity Shares in dematerialised form as on the Record Date and have applied towards his/her Rights Entitlements or additional Rights Equity Shares in the Issue in dematerialised form;
- have not renounced his/her Rights Entitlements in full or in part;
- are not a Renouncee;
- are applying through a bank account maintained with SCSBs; and
- are eligible under applicable securities laws to subscribe for the Rights Entitlement and the Equity Shares in the Issue.

CAF

The Registrar will dispatch the CAF to all Eligible Shareholders as per their Rights Entitlement on the Record Date for the Issue. Those Investors who wish to apply through the ASBA payment mechanism will have to select for this mechanism in Part A of the CAF and provide necessary details.

Investors desiring to use the ASBA Process are required to submit their applications by selecting the ASBA Option in Part A of the CAF only. Application in electronic mode will only be available with such SCSBs who provide such facility. The Investors shall submit the CAF to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said ASBA Account.

More than one ASBA Investor may apply using the same ASBA Account, provided that the SCSBs will not accept a total of more than five CAFs with respect to any single ASBA Account.

Acceptance of the Issue under the ASBA process

ASBA Investors may accept the Issue and apply for the Rights Equity Shares either in full or in part, by filling Part A of the respective CAFs sent by the Registrar, selecting the ASBA process option in Part A of the CAF and submit the same to the Designated Branch of the SCSB before the close of the banking hours on or before the Issue Closing Date or such extended time as may be specified by the Board of Directors of our Company in this regard.

Renunciation under the ASBA Process

ASBA Investors can neither be Renouncees, nor can renounce their Rights Entitlement.

Mode of payment under the ASBA process

The Investor applying under the ASBA Process agrees to block the entire amount payable on application with the submission of the CAF, by authorizing the SCSB to block an amount, equivalent to the amount payable on application, in an ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the CAF, the SCSB shall block an amount equivalent to the amount payable on application mentioned in the CAF until it receives instructions from the Registrar to the Issue. Upon receipt of intimation from the Registrar to the Issue, the SCSBs shall transfer such amount as per the Registrar to the Issue's instruction from the ASBA Account. This amount will be transferred in terms of the SEBI ICDR Regulations, into the separate bank account maintained by our Company for the purpose of the Issue. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue and the Lead Manager to the respective SCSB.

The Investor applying under the ASBA Process would be required to give instructions to the respective SCSBs to block the entire amount payable on their application at the time of the submission of the CAF.

The SCSB may reject the application at the time of acceptance of CAF if the ASBA Account, details of which have been provided by the Investor in the CAF does not have sufficient funds equivalent to the amount payable on application mentioned in the CAF. Subsequent to the acceptance of the application by the SCSB, our Company would have a right to reject the application only on technical grounds.

Please note that in accordance with the provisions of SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011 all QIBs and Non-Institutional Investors complying with eligibility conditions prescribed under the SEBI circular SEBI /CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 must mandatorily invest through the ASBA process.

A Retail Individual Investor applying for a value of up to ₹ 200,000, can participate in the Issue either through the ASBA process or non-ASBA process.

Options available to the Eligible Shareholders applying under the ASBA Process

The summary of options available to the Investors is presented below. You may exercise any of the following options with regard to the Equity Shares, using the respective CAFs received from Registrar:

	Option Available	**Action Required**
1.	Accept whole or part of your Rights Entitlement without renouncing the balance.	Fill in and sign Part A of the CAF *(All joint holders must sign in the same sequence)*
2.	Accept your Rights Entitlement in full and apply for additional Rights Equity Shares.	Fill in and sign Part A of the CAF including Block III relating to the acceptance of entitlement and Block IV relating to additional Rights Equity Shares *(All joint holders must sign in the same sequence)*

The Investors applying under the ASBA Process will need to select the ASBA option process in the CAF and provide required necessary details. However, in cases where this option is not selected, but the CAF is tendered to the Designated Branch of the SCSBs with the relevant details required under the ASBA process option and the SCSBs block the requisite amount, then that CAFs would be treated as if the Investor has selected to apply through the ASBA process option.

Additional Equity Shares

An Eligible Shareholder is eligible to apply for additional Equity Shares over and above the number of Equity Shares that such an Eligible Shareholder is entitled to, provided that the Eligible Shareholder is eligible to apply for the Equity Shares under applicable law and has applied for all the Equity Shares (as the case may be) offered without renouncing them in whole or in part in favour of any other person(s). Where the number of additional Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the

Basis of Allotment in consultation with the Designated Stock Exchange. Applications for additional Equity Shares shall be considered and Allotment shall be made at the sole discretion of the Board, in consultation with the Designated Stock Exchange and in the manner prescribed under "*Terms of the Issue – Basis of Allotment*" on page 412. If you desire to apply for additional Equity Shares, please indicate your requirement in the place provided for additional Equity Shares in Part A of the CAF. The Renouncee applying for all the Equity Shares renounced in their favour may also apply for additional Equity Shares.

Application on Plain Paper under the ASBA process

An Eligible Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF and who is applying under the ASBA Process may make an application to subscribe to the Issue on plain paper. Eligible Shareholders shall submit the plain paper application to the Designated Branch of the SCSB for authorising such SCSB to block an amount equivalent to the amount payable on the application in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

The envelope should be super scribed "***Max Ventures and Industries Limited - RIGHTS ISSUE***" and should be postmarked in India. The application on plain paper, duly signed by the Eligible Shareholders including joint holders, in the same order and as per the specimen recorded with our Company /Depositories, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of Issuer, being Max Ventures and Industries Limited;

2. Name and Indian address of the Eligible Shareholder including joint holders;

3. Registered Folio Number/ DP and Client ID No.;

4. Certificate numbers and distinctive numbers of Equity Shares, if held in physical form;

5. Number of Equity Shares held as on Record Date;

6. Number of Rights Equity Shares entitled to;

7. Number of Rights Equity Shares applied for;

8. Number of additional Rights Equity Shares applied for, if any;

9. Total number of Rights Equity Shares applied for;

10. Total amount paid at the rate of ₹ [●] per Rights Equity Share;

11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

12. In case of Non-Resident Investors, details of the NRE/FCNR/NRO account such as the account number, name, address and branch of the SCSB with which the account is maintained;

13. Except for applications on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Shareholder and for each Eligible Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to the Issue;

14. Signature of the Eligible Shareholders to appear in the same sequence and order as they appear in our records; and

15. Additionally, all such Applicants are deemed to have accepted the following:

    Purchaser Representations and Transfer Restrictions by Persons in the United States and by U.S. Persons

The Rights Equity Shares and Rights Entitlements have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to U.S. Persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws.

Any person in the United States or a U.S. Person acquiring the Rights Entitlements and/or Rights Equity Shares must have provided to our Company (and our Company must have accepted) a duly executed Investor Representation Letter confirming the following representations, warranties and undertakings; and (ii) by its acceptance of this Draft Letter of Offer, the Letter of Offer/ Abridged Letter of Offer or of the Rights Entitlements or Rights Equity Shares, will be deemed to have declared, represented, warranted and agreed with our Company and the Lead Manager as follows:

- *It will comply with all laws, regulations and restrictions (including the transfer restrictions contained herein) which may be applicable in your jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Rights Entitlements and/or Equity Shares, and it acknowledges and agree that none of us or the Lead Manager and their respective affiliates shall have any responsibility in this regard;*

- *It (A) is a "qualified institutional buyer" (as defined in Rule 144A), (B) is aware that the sale of the Rights Entitlements and/or Rights Equity Shares to it is being made in reliance on Section 4(a)(2), Rule 144A or another available exemption from the registration requirements of the Securities Act and (C) is acquiring such Rights Entitlements and/or Rights Equity Shares for its own account or for the account of a "qualified institutional buyer";*

- *It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Rights Entitlements and/or Rights Equity Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act, have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be reoffered, resold, renounced, pledged or otherwise transferred except (A)(i) in the United States to a person who the seller reasonably believes is a "qualified institutional buyer" in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction in reliance on Regulation S, as applicable, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 under the Securities Act (if available), (iv) pursuant to another available exemption from the registration requirements of the Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, and (B) in each case, in accordance with all applicable securities laws of the states of the United States and any other jurisdiction in which such offers or sales are made;*

- *It is not an affiliate of our Company or a person acting on behalf of an affiliate;*

- *It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, are purchasing the Equity Shares as a result of any general solicitation or general advertising (as defined in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act);*

- *The Rights Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for re-sales of any Rights Equity Shares and agree that such securities may not be deposited into any unrestricted depository facility established or maintained by any depository bank;*

- *It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Rights Entitlements and/or Rights Equity Shares. It is experienced in investing in private placement transactions of securities of companies in similar jurisdictions. It and any accounts for it is subscribing to the Rights Entitlements and/or Rights Equity Shares for (i) are each able to bear the economic risk of the investment in the Rights Entitlements and/or Rights Equity Shares, (ii) will not look to the Company or the Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment* *in the Rights Equity Shares, (iv) have no need for liquidity with respect to the investment in the Rights Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Rights Entitlements and/or Rights Equity Shares. It acknowledges that an investment in the Rights Entitlements and/or Rights Equity Shares involves a high degree of risk and that the Rights Entitlements and/or Rights Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Rights Entitlements and/or Rights Equity Shares in this Issue for its own investment and not with a view to distribution.*

- *It will notify any transferee to whom it subsequently offers, sells, renounces, pledges or otherwise transfers and the executing broker and any other agent involved in any resale of the Rights Entitlements and/or Rights Equity Shares of the foregoing restrictions applicable to the Rights Entitlements and/or Rights Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.*

- *It acknowledges that our Company will not recognize any offer, sale, renunciation, pledge or other transfer of such Rights Entitlements and/or Rights Equity Shares made other than in compliance with the above-stated restrictions; and*

- *It acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its acquisition of Rights Entitlements and the Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Rights Entitlements and/ or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.*

Other Purchaser Representations and Transfer Restrictions

Any person who acquires Rights Entitlements and/or Rights Equity Shares outside the United States and is not a U.S. Person, by its acceptance of this Draft Letter of Offer, the Letter of Offer/ Abridged Letter of Offer or of the Rights Entitlements or Rights Equity Shares, will be deemed to have declared, represented, warranted and agreed with our Company and the Lead Manager as follows:

- *It will comply with all laws, regulations and restrictions (including the transfer restrictions contained herein) which may be applicable in your jurisdiction and it has obtained or will obtain any consent, approval or authorization required for it to purchase and accept delivery of Rights Entitlements and/or Equity Shares, and it acknowledges and agree that none of us or the Lead Manager and their respective affiliates shall have any responsibility in this regard;*

- *It is not a U.S. Person (as defined in Regulation S under the Securities Act;*

- *It certifies that it is, or at the time the Rights Entitlements and/or Rights Equity Shares are purchased will be, (a) the beneficial owner of such Rights Entitlements and/or Rights Equity Shares, it is located outside the United States of America (within the meaning of Regulation S), and it has not purchased the Rights Entitlements and/or Rights Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of Rights Entitlements and/or Rights Equity Shares or an economic interest therein to any person in the United States; or (b) it is a broker-dealer acting on behalf of a customer and its customer has confirmed to it that (i) such customer is, or at the time the Rights Entitlements and/or Rights Equity Shares are purchased will be, the beneficial owner of such Rights Entitlements and/or Rights Equity Shares, (ii) such customer is located outside the United States of America (within the meaning of Regulation S), and (iii) such customer has not purchased the Rights Entitlements and/or Rights Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Rights Entitlements and/or Rights Equity Shares or an economic interest therein to any person in the United States;*

- *It understands and agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer understands and agrees) that the Rights Entitlements and/or Rights Equity Shares are being offered in a transaction not involving any public offering within the meaning of the Securities Act, have not been and will not be registered under the Securities Act or any state securities laws in the United States; if, in the future, it decides to offer, resell, renounce, pledge or otherwise transfer such Rights Entitlements and/ or Rights Equity Shares, or any economic interest therein, such Rights Entitlements and/ or Rights Equity Shares or any economic interest therein may be offered, sold, renounced, pledged or otherwise transferred only (A) to a purchaser not known by it to be a U.S. Person; (B) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act; and (C) in accordance with all applicable laws, including the securities laws of the States of the United States and any other jurisdiction in which such offers or sales are made;*

- *It is not an affiliate of our Company or a person acting on behalf of an affiliate;*

- *It agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that neither it, nor any of its affiliates, nor any person acting on its behalf, are purchasing the Equity Shares as a result of any general solicitation or general advertising (as defined in Regulation D under the Securities Act) or directed selling efforts (as defined in Regulation S under the Securities Act);*

- *It will base its investment decision on a copy of the Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer. It acknowledges that neither the Company nor any of its affiliates nor any other person (including the Lead Manager) or any of their respective affiliates has made or will make any representations, express or implied, to it with respect to the Company, the Issue, the Rights Entitlements and/or Rights Equity Shares, the accuracy, completeness or adequacy of any financial or other information concerning the Company, the Issue or the Rights Entitlements and/or Rights Equity Shares, other than (in the case of the Company only) the information contained in the Draft Letter of Offer, Letter of Offer and the Abridged Letter of Offer, as it may be supplemented;*

- *It is a sophisticated investor and has such knowledge and experience in financial, business and investments as to be capable of evaluating the merits and risks of the investment in the Rights Entitlements and/or Rights Equity Shares. It is experienced in investing in private placement transactions of securities of companies in similar jurisdictions. It and any accounts for it is subscribing to the Rights Entitlements and/or Rights Equity Shares for (i) are each able to bear the economic risk of the investment in the Rights Entitlements and/or Rights Equity Shares, (ii) will not look to the Company or the Lead Manager or any of their respective shareholders, directors, officers, employees, counsels, advisors, representatives, agents or affiliates for all or part of any such loss or losses that may be suffered, (iii) are able to sustain a complete loss on the investment in the Rights Equity Shares, (iv) have no need for liquidity with respect to the investment in the Rights Equity Shares, and (v) have no reason to anticipate any change in its or their circumstances, financial or otherwise, which may cause or require any sale or distribution by it or them of all or any part of the Rights Entitlements and/or Rights Equity Shares. It acknowledges that an investment in the Rights Entitlements and/or Rights Equity Shares involves a high degree of risk and that the Rights Entitlements and/or Rights Equity Shares are, therefore, a speculative investment. It is seeking to subscribe to the Rights Entitlements and/or Rights Equity Shares in this Issue for its own investment and not with a view to distribution.*

- *It will notify any transferee to whom it subsequently offers, sells, renounces, pledges or otherwise transfers and the executing broker and any other agent involved in any resale of the Rights Entitlements and/or Rights Equity Shares of the foregoing restrictions applicable to the Rights Entitlements and/or Rights Equity Shares and instruct such transferee, broker or agent to abide by such restrictions.*

- *It acknowledges that our Company will not recognize any offer, sale, renunciation, pledge or other transfer of such Rights Entitlements and/or Rights Equity Shares made other than in compliance with the above-stated restrictions; and*

  It acknowledges that our Company, the Lead Manager, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and *agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its acquisition of Rights Entitlements and the Rights Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Rights Entitlements and/ or Rights Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.*

In cases where multiple CAFs are submitted, including cases where an investor submits CAFs along with a plain paper application, such applications shall be liable to be rejected.

Option to receive Equity Shares in Dematerialised Form

ELIGIBLE SHAREHOLDERS UNDER THE ASBA PROCESS MAY PLEASE NOTE THAT THE RIGHTS EQUITY SHARES UNDER THE ASBA PROCESS CAN BE ALLOTTED ONLY IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY SUCH ASBA APPLICANT ON THE RECORD DATE.

General instructions for Investors applying under the ASBA Process

1. Please read the instructions printed on the respective CAF carefully.

2. Application should be made on the printed CAF only and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of the Letter of Offer or Abridged Letter of Offer are liable to be rejected. The CAF must be filled in English.

3. The CAF/ plain paper application in the ASBA Process should be submitted at a Designated Branch of the SCSB and whose bank account details are provided in the CAF and not to the Banker to the Issue (assuming that such Banker to the Issue is not an SCSB), to our Company or Registrar or Lead Manager to the Issue.

4. All Applicants, and in the case of application in joint names, each of the joint Applicants, should mention his/her PAN allotted under the Income Tax Act, irrespective of the amount of the application. Except for applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, **CAFs without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Equity Shares pursuant to the Issue shall be made into the accounts of such Investors**.

5. All payments will be made by blocking the amount in the ASBA Account. Cash payment or payment by cheque/demand draft/pay order is not acceptable. In case payment is affected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

6. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the CAF as per the specimen signature recorded with our Company /or Depositories.

7. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company / Depositories. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

8. All communication in connection with application for the Equity Shares, including any change in address of the Investors should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers and CAF number.

9. Only the person or persons to whom the Rights Equity Shares have been offered and not Renouncee(s) shall be eligible to participate under the ASBA process.

10. Only persons outside the restricted jurisdictions and who are eligible to subscribe for Rights Entitlement and Rights Equity Shares under applicable securities laws are eligible to participate.

11. Only the Eligible Shareholders holding shares in demat are eligible to participate through ASBA process.

12. Eligible Shareholders who have renounced their entitlement in part/ full are not entitled to apply using ASBA process.

13. Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular CIR/CFD/DIL/1/ 2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors and other Applicants whose application amount exceeds ₹ 200,000 can participate in the Issue only through the ASBA process. The Investors who are (i) not QIBs, (ii) not Non- Institutional Investors or (iii) Investors whose application amount is less than ₹ 200,000, can participate in the Issue either through the ASBA process or the non ASBA process.

14. Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at all branches of the SCSBs.

15. Further, in terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications. SCSBs applying in the Issue using the ASBA facility shall be responsible for ensuring that they have a separate account in its own name with any other SCSB having clear demarcated funds for applying in the Issue and that such separate account shall be used as the ASBA Account for the application, in accordance with the applicable regulations.

16. In case of non – receipt of CAF, application can be made on plain paper mentioning all necessary details as mentioned under "*Terms of the Issue – Application on Plain Paper (non - ASBA)*" and *"Terms of the Issue – Application on Plain Paper under the ASBA process"* on pages 394 and 404, respectively.

Do's:

1. Ensure that the ASBA Process option is selected in Part A of the CAF and necessary details are filled in. In case of non-receipt of the CAF, the application can be made on plain paper with all necessary details as required under "*Terms of the Issue – Application on Plain Paper under the ASBA process*" on page 404.

2. Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be allotted in the dematerialised form only.

3. Ensure that the CAFs are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the CAF.

4. Ensure that there are sufficient funds (equal to {number of Equity Shares as the case may be applied for} X {Issue Price of Equity Shares, as the case may be}) available in the ASBA Account mentioned in the CAF before submitting the CAF to the respective Designated Branch of the SCSB.

5. Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the CAF, in the ASBA Account, of which details are provided in the CAF and have signed the same.

6. Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the CAF in physical form.

7. Except for CAFs submitted on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income Tax Act.

8. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

9. Ensure that the Demographic Details are updated, true and correct, in all respects.

10. Ensure that the account holder in whose bank account the funds are to be blocked has signed authorising such funds to be blocked.

Don'ts:

1. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

2. Do not apply on duplicate CAF after you have submitted a CAF to a Designated Branch of the SCSB.

3. Do not pay the amount payable on application in cash, by money order, pay order or by postal order.

4. Do not send your physical CAFs to the Lead Manager to Issue / Registrar / Banker to the Issue (assuming that such Banker to the Issue is not an SCSB) / to a branch of the SCSB which is not a Designated Branch of the SCSB / Company; instead submit the same to a Designated Branch of the SCSB only.

5. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

6. Do not apply if the ASBA Account has been used for five Applicants.

7. Do not apply through the ASBA Process if you are not an ASBA Investor.

8. Do not instruct the SCSBs to release the funds blocked under the ASBA Process.

Grounds for Technical Rejection under the ASBA Process

In addition to the grounds listed under "*Terms of the Issue - Grounds for Technical Rejections for non-ASBA Investors*" on page 419, applications under the ABSA Process are liable to be rejected on the following grounds:

1. Application on a SAF.

2. Application for Allotment of Rights Entitlements or additional Rights Equity Shares which are in physical form.

3. DP ID and Client ID mentioned in CAF not matching with the DP ID and Client ID records available with the Registrar.

4. Sending an ASBA application on plain paper to a person other than a SCSB.

5. Sending CAF to Lead Manager / Registrar / Banker to the Issue (assuming that such Banker to the Issue is not an SCSB) / to a branch of an SCSB which is not a Designated Branch of the SCSB / Company.

6. Renouncee applying under the ASBA Process.

7. Submission of more than five CAFs per ASBA Account.

8. Insufficient funds are available with the SCSB for blocking the amount.

9. Funds in the ASBA Account whose details are mentioned in the CAF having been frozen pursuant to regulatory orders.

10. Account holder not signing the CAF or declaration mentioned therein.

11. CAFs that do not include the certification set out in the CAF to the effect that the subscriber is not a “U.S. Person” as defined in Regulation S and does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the rights and the Rights Entitlements and/or Rights Equity Shares in compliance with all applicable laws and regulations, unless such the relevant person has previously delivered to our Company (and our Company has accepted) a duly executed Investor Representation Letter; or appears to our Company or its agents to have been executed in or despatched from the United States, unless such the relevant person has previously delivered to our Company (and our Company has accepted) a duly executed Investor Representation Letter; or where a registered Indian address is not provided; or in the case of all investors, where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements..

12. QIBs, Non-Institutional Investors and other Eligible Shareholders applying for Rights Equity Shares in this Issue for value of more than ₹ 200,000 who hold Equity Shares in dematerialised form and is not a renouncer or a Renouncee not applying through the ASBA process.

13. The application by an Eligible Shareholder whose cumulative value of Rights Equity Shares applied for is more than ₹ 200,000 but has applied separately through split CAFs of less than ₹ 200,000 and has not done so through the ASBA process.

14. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.

15. Submitting the GIR instead of the PAN.

16. An Eligible Shareholder, who is not complying with any or all of the conditions for being an ASBA Investor, applies under the ASBA process.

17. Applications by persons not competent to contract under the Indian Contract Act, 1872, as amended, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

18. Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.

19. If an Investor is (a) debarred by SEBI and/or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.

20. Applications by Eligible Shareholders ineligible to make applications through the ASBA process, made through the ASBA process.

Depository account and bank details for Investors applying under the ASBA Process

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THE ASBA PROCESS TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THE ASBA PROCESS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE CAF. INVESTORS APPLYING UNDER THE ASBA PROCESS MUST ENSURE THAT THE NAME GIVEN IN THE CAF IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE CAF IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT

THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE CAF/PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under the ASBA Process should note that on the basis of name of these Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the CAF/plain paper applications, as the case may be, the Registrar to the Issue will obtain from the Depository, demographic details of these Investors such as address, bank account details for printing on refund orders and occupation (Demographic Details). Hence, Investors applying under the ASBA Process should carefully fill in their Depository Account details in the CAF.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor. The Demographic Details given by the Investors in the CAF would not be used for any other purposes by the Registrar to the Issue. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the CAFs, the Investors applying under the ASBA Process would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Letters intimating Allotment and unblocking or refund (if any) would be mailed at the address of the Investor applying under the ASBA Process as per the Demographic Details received from the Depositories. The Registrar to the Issue will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not allotted to such Investor. Investors applying under the ASBA Process may note that delivery of letters intimating unblocking of the funds may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Investor in the CAF would be used only to ensure dispatch of letters intimating unblocking of the ASBA Accounts.

Note that any such delay shall be at the sole risk of the Investors applying under the ASBA Process and none of our Company, the SCSBs or the Lead Manager shall be liable to compensate the Investor applying under the ASBA Process for any losses caused due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that matches three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such applications are liable to be rejected.

Underwriting

This Issue shall not be underwritten.

Issue Schedule

Issue Opening Date	**:**	[●]
Last date for receiving requests for SAFs	**:**	[●]
Issue Closing Date	**:**	[●]

The Board may however decide to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Basis of Allotment

Subject to the provisions contained in the Letter of Offer, the Abridged Letter of Offer, CAF, the Articles of Association of our Company and the approval of the Designated Stock Exchange, the Board will proceed to allot the Rights Equity Shares in the following order of priority:

1. Full Allotment to those Eligible Shareholders who have applied for their Rights Entitlement either in full or in part and also to the Renouncee(s) who has/ have applied for Rights Equity Shares renounced in their favour, in full or in part.

2. Investors whose fractional entitlements are being ignored and Eligible Shareholders with Zero entitlement would be given preference in Allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Share. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after Allotment under (1) above. If number of Rights Equity Shares required for Allotment under this head is more than the number of Rights Equity Shares available after Allotment under (1) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

3. Allotment to the Eligible Shareholders who having applied for all the Rights Equity Shares offered to them as part of the Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to their Rights Entitlement, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (1) and (2) above. The Allotment of such Rights Equity Shares will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

4. Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Equity Shares provided there is surplus available after making full Allotment under (1), (2) and (3) above. The Allotment of such Rights Equity Shares will be at the sole discretion of the Board in consultation with the Designated Stock Exchange, as a part of the Issue and will not be a preferential allotment.

5. Allotment to any other person that the Board of Directors as it may deem fit provided there is surplus available after making Allotment under (1), (2), (3) and (4) above, and the decision of the Board in this regard shall be final and binding.

After taking into account Allotment to be made under (1) to (4) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Subscription to the Issue by the Promoter and Promoter Group

Our Promoters alongwith Mr. Ravi Vachani, a member of our Promoter Group, have confirmed that they intend to subscribe to the full extent of their Rights Entitlement in the Issue. In addition to subscription to their Rights Entitlements, the Promoters have further confirmed that they intend to subscribe to additional Rights Equity Shares for any unsubscribed portion in the Issue, subject to aggregate shareholding of the Promoters and Promoter Group not exceeding 75% of the post Issue capital of our Company.

Such subscription of Equity Shares over and above the Rights Entitlement of our Promoters and Mr. Ravi Vachani, if allotted, may result in an increase in its shareholding. However, the acquisition of additional Rights Equity Shares by our Promoters and Mr. Ravi Vachani shall not result in a change of control of the management of our Company and shall not result in breach of minimum public shareholding requirement in accordance with Regulation 38 of the SEBI Listing Regulations read with Rule 19 (2) and Rule 19A of SCRR.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches, a list of the ASBA Investors who have been allocated Equity Shares in the Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for the Issue, for each successful ASBA Investors;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

Allotment Advices / Refund Orders

Our Company will issue and dispatch Allotment advice/ Share Certificates/ demat credit and/or letters of regret along with refund order or credit the allotted Rights Equity Shares to the respective beneficiary accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

Investors residing at centres where clearing houses are managed by the RBI will get refunds through National Automated Clearing House ("**NACH**") (except where Investors have not provided the details required to send electronic refunds), or such other mode as may be mutually agreed upon between our Company, the Registrar and the Lead Manager.

In case of those Investors who have opted to receive their Rights Entitlement in dematerialised form using electronic credit under the depository system, advice regarding their credit of the Rights Equity Shares shall be given separately. Investors to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post intimating them about the mode of credit of refund within 15 days of the Issue Closing Date.

In case of those Investors who have opted to receive their Rights Entitlement in physical form and our Company issues letter of allotment, the corresponding Rights Equity Share certificates will be kept ready within two months from the date of Allotment thereof under Section 46 of the Companies Act, 2013 or other applicable provisions, if any. Investors are requested to preserve such letters of allotment, which would be exchanged later for the Rights Equity Share certificates.

The letter of allotment/ refund order would be sent by registered post/ speed post to the sole/ first Investor's registered address in India or the Indian address provided by the Eligible Shareholders from time to time. Such refund orders would be payable at par at all places where the applications were originally accepted. The same would be marked 'Account Payee only' and would be drawn in favour of the sole/ first Investor. Adequate funds would be made available to the Registrar to the Issue for this purpose.

In the case of Non-Resident Shareholders or Investors who remit their application money from funds held in NRE/FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts, the details of which should be furnished in the CAF. Subject to the applicable laws and other approvals, in case of Non-Resident Shareholders or Investors who remit their application money through Indian Rupee demand drafts purchased from abroad, refund and/or payment of dividend or interest and any other disbursement, shall be credited to such accounts and will be made after deducting bank and postal charges or commission in US Dollars, at the rate of exchange prevailing at such time. Our Company will not be responsible for any loss on account of exchange rate fluctuations for conversion of the Indian Rupee amount into US Dollars. The Share Certificate(s) will be sent by registered post / speed post to the address in India of the Non-Resident Shareholders or Investors.

The Letter of Offer/ Abridged Letter of Offer and the CAF shall be dispatched to only such Non-resident Shareholders who have a registered address in India or have provided an Indian address.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription, would be done through any of the following modes:

1. NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

2. National Electronic Fund Transfer ("**NEFT**") - Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website

of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

3. Direct Credit - Investors having bank accounts with the Banker to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

4. RTGS - If the refund amount exceeds ₹ 200,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the CAF. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

5. For all other Investors, the refund orders will be despatched through Speed Post/ Registered Post. Such refunds will be made by cheques, pay orders or demand drafts drawn in favour of the sole/first Investor and payable at par.

6. Credit of refunds to Investors in any other electronic manner, permissible under the banking laws, which are in force, and is permitted by SEBI from time to time.

Refund payment to Non- residents

Where applications are accompanied by Indian rupee drafts purchased abroad, refunds will be made in the Indian rupees based on the U.S. Dollars equivalent which ought to be refunded. Indian rupees will be converted into U.S. Dollars at the rate of exchange, which is prevailing on the date of refund. The exchange rate risk on such refunds shall be borne by the concerned Applicant and our Company shall not bear any part of the risk.

Where the applications made are accompanied by NRE/FCNR/NRO cheques, refunds will be credited to NRE/FCNR/NRO accounts respectively, on which such cheques were drawn and details of which were provided in the CAF.

Printing of Bank Particulars on Refund Orders

As a matter of precaution against possible fraudulent encashment of refund orders due to loss or misplacement, the particulars of the Investor's bank account are mandatorily required to be given for printing on the refund orders. Bank account particulars, where available, will be printed on the refund orders/refund warrants which can then be deposited only in the account specified. Our Company will in no way be responsible if any loss occurs through these instruments falling into improper hands either through forgery or fraud.

Allotment advice / Share Certificates/ Demat Credit

Allotment advice/ Share Certificates/ demat credit or letters of regret will be dispatched to the registered address of the first named Investor or respective beneficiary accounts will be credited within the timeline prescribed under applicable law. In case our Company issues Allotment advice, the respective Share Certificates will be dispatched within one month from the date of the Allotment. Allottees are requested to preserve such allotment advice (if any) to be exchanged later for Share Certificates.

Option to receive Rights Equity Shares in Dematerialised Form

Investors shall be allotted the Rights Equity Shares in dematerialised (electronic) form at the option of the Investor. Our Company has signed a tripartite agreement with NSDL on January 25, 2016 which enables the Investors to hold and trade in Equity Shares in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates. Our Company has also signed a tripartite agreement with CDSL on January 28, 2016 which enables the Investors to hold and trade in Equity Shares in a dematerialised form, instead of holding the Equity Shares in the form of physical certificates.

In this Issue, the Allottees who have opted for Rights Equity Shares in dematerialised form will receive their Rights Equity Shares in the form of an electronic credit to their beneficiary account as given in the CAF, after verification with a Depository Participant. Investor will have to give the relevant particulars for this purpose in the appropriate place in the CAF. Allotment advice, refund order (if any) would be sent directly to the Investor by the Registrar to the Issue but the Investor's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Investor's depository account. CAFs, which do not accurately contain this information, will be given the Rights Equity Shares in physical form. No separate CAFs for Rights Equity Shares in physical and/or dematerialised form should be made. If such CAFs are made, the CAFs for physical Rights Equity Shares will be treated as multiple CAFs and is liable to be rejected. In case of partial Allotment, Allotment will be done in demat option for the Rights Equity Shares sought in demat and balance, if any, will be allotted in physical Rights Equity Shares. Eligible Shareholders of our Company holding Equity Shares in physical form may opt to receive Rights Equity Shares in the Issue in dematerialised form.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES OF OUR COMPANY CAN BE TRADED ON THE STOCK EXCHANGE ONLY IN DEMATERIALISED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the electronic form is as under:

1. Open a beneficiary account with any Depository Participant *(care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company).* In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. *Those Investors who have already opened such beneficiary account(s) need not adhere to this step.*

2. For Eligible Shareholders already holding Equity Shares of our Company in dematerialised form as on the Record Date, the beneficial account number shall be printed on the CAF. For those who open accounts later or those who change their accounts and wish to receive their Rights Equity Shares pursuant to this Issue by way of credit to such account, the necessary details of their beneficiary account should be filled in the space provided in the CAF. It may be noted that the Allotment of Rights Equity Shares arising out of this Issue may be made in dematerialised form even if the original Equity Shares are not dematerialised. Nonetheless, it should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company / Depositories.

3. The responsibility for correctness of information (including Investor's age and other details) filled in the CAF vis-a-vis such information with the Investor's Depository Participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in CAF should be the same as registered with the Investor's Depository Participant.

4. If incomplete / incorrect beneficiary account details are given in the CAF, the Investor will get Rights Equity Shares in physical form.

5. The Rights Equity Shares allotted to Applicants opting for issue in dematerialised form, would be directly credited to the beneficiary account as given in the CAF after verification. Allotment advice, refund order (if any) would be sent directly to the Applicant by the Registrar to the Issue but the Applicant's Depository Participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the application is liable to be rejected.

7. Non-transferable allotment advice/refund orders will be directly sent to the Investors by the Registrar.

8. Dividend or other benefits with respect to the Equity Shares held in dematerialised form would be paid to those Equity Shareholders whose names appear in the list of beneficial owners given by the Depository Participant to our Company as on the date of the book closure.

General instructions for non-ASBA Investors

1. Please read the instructions printed on the CAF carefully.

2. Applicants that are not QIBs or are not Non - Institutional Investor or those whose application money is less than ₹ 200,000 may participate in the Issue either through ASBA or the non-ASBA process. Eligible Shareholders who have renounced their entitlement (in full or in part), Renouncees and Applicants holding Equity Shares in physical form and/or subscribing in the Issue for Allotment in physical form may participate in the Issue only through the non ASBA process.

3. Application should be made on the printed CAF, provided by our Company except as mentioned under "*Terms of the Issue – Application on Plain Paper (non - ASBA)*" and *"Terms of the Issue – Application on Plain Paper under the ASBA process"* on pages 394 and 404, respectively, and should be completed in all respects. The CAF found incomplete with regard to any of the particulars required to be given therein, and/ or which are not completed in conformity with the terms of this Draft Letter of Offer are liable to be rejected and the money paid, if any, in respect thereof will be refunded without interest and after deduction of bank commission and other charges, if any. The CAF must be filled in English and the names of all the Investors, details of occupation, address, father's / husband's name must be filled in block letters.

4. The CAF together with the cheque/demand draft should be sent to the Banker to the Issue or to the Registrar to the Issue and not to our Company or Lead Manager to the Issue. Investors residing at places other than cities where the branches of the Banker to the Issue have been authorised by our Company for collecting applications, will have to make payment by Demand Draft of an amount net of bank and postal charges and send their CAFs to the Registrar to the Issue by registered post. If any portion of the CAF is/are detached or separated, such application is liable to be rejected.

   Applications where separate cheques/demand drafts are not attached for amounts to be paid for Rights Equity Shares are liable to be rejected. Applications accompanied by cash, postal order or stockinvest are liable to be rejected.

5. Except for applications on behalf of the Central and State Government, the residents of Sikkim and the officials appointed by the courts, all Investors, and in the case of application in joint names, each of the joint Investors, should mention his/her PAN allotted under the Income Tax Act, irrespective of the amount of the application. CAFs without PAN will be considered incomplete and are liable to be rejected.

6. Investors holding Equity Shares in physical form are advised that it is mandatory to provide information as to their savings/current account number, the nine digit MICR number and the name of the bank with whom such account is held in the CAF to enable the Registrar to the Issue to print the said details in the refund orders, if any, after the names of the payees. Applications not containing such details is liable to be rejected.

7. All payment should be made by cheque/demand draft only. Cash payment is not acceptable. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon.

8. Signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in English or Hindi and thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/ her official seal. The Investors must sign the CAF or the plain paper application as per the specimen signature recorded with our Company.

9. In case of an application under power of attorney or by a body corporate or by a society, a certified true copy of the relevant power of attorney or relevant resolution or authority to the signatory to make the relevant investment under this Issue and to sign the application and a copy of the Memorandum and Articles of Association and / or bye laws of such body corporate or society must be lodged with the Registrar to the Issue giving reference of the serial number of the CAF. In case the above referred documents are already registered with our Company, the same need not be furnished again. In case

these papers are sent to any other entity, besides the Registrar to the Issue, or are sent after the Issue Closing Date, then the application is liable to be rejected. In no case should these papers be attached to the application submitted to the Banker to the Issue.

10. In case of joint holders, all joint holders must sign the relevant part of the CAF in the same order and as per the specimen signature(s) recorded with our Company /Depositories. Further, in case of joint Investors who are Renouncees, the number of Investors should not exceed three. In case of joint Investors, reference, if any, will be made in the first Investor's name and all communication will be addressed to the first Investor.

11. Application(s) received from NRs/NRIs, or persons of Indian origin residing abroad for Allotment of Equity Shares shall, *inter alia*, be subject to conditions, as may be imposed from time to time by the RBI under FEMA, including regulations relating to FPIs, in the matter of refund of application money, Allotment of Rights Equity Shares, subsequent issue and Allotment of Rights Equity Shares, interest, export of Share Certificates, etc. In case an NR or NRI Investor has specific approval from the RBI, in connection with his shareholding, he should enclose a copy of such approval with the CAF. Additionally, applications will not be accepted from NRs/NRIs in the United States (as defined in Regulation S), or in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws, unless they are able to provide the representations, warranties and agreements specified for such persons under "*Important Information for Investors – Selling, Eligibility and Transfer Restrictions*" on page 375.

12. All communication in connection with application for the Rights Equity Shares, including any change in address of the Investors should be addressed to the Registrar to the Issue prior to the date of Allotment in this Issue quoting the name of the first/sole Investor, folio numbers and CAF number. Please note that any intimation for change of address of Investors, after the date of Allotment, should be sent to the Registrar and Transfer Agents of our Company, in the case of Equity Shares held in physical form and to the respective Depository Participant, in case of Equity Shares held in dematerialised form.

13. SAFs cannot be re-split.

14. Only the person or persons to whom Rights Equity Shares have been offered and not Renouncee(s) shall be entitled to obtain SAFs.

15. Investors must write their CAF number at the back of the cheque /demand draft.

16. Only one mode of payment per application should be used. The payment must be by cheque / demand draft drawn on any of the banks, including a co-operative bank, which is situated at and is a member or a sub member of the Bankers Clearing House located at the centre indicated on the reverse of the CAF where the application is to be submitted.

17. A separate cheque / draft must accompany each CAF. Outstation cheques / demand drafts or post-dated cheques and postal / money orders will not be accepted and applications accompanied by such cheques / demand drafts / money orders or postal orders will be liable to be rejected. The Registrar will not accept payment against application if made in cash.

18. No receipt will be issued for application money received. The Banker to the Issue / Registrar will acknowledge receipt of the same by stamping and returning the acknowledgment slip at the bottom of the CAF.

19. The distribution of the Letter of Offer and issue of Rights Equity Shares and Rights Entitlements to persons in certain jurisdictions outside India may be restricted by legal requirements in those jurisdictions. Persons in such jurisdictions are instructed to disregard the Letter of Offer and not to attempt to subscribe for Rights Equity Shares.

20. Investors are requested to ensure that the number of Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

Do's for non-ASBA Investors

1. Check if you are eligible to apply, that is, you are an Eligible Shareholder on the Record Date.

2. Read all the instructions carefully and ensure that the cheque/ draft option is selected in Part A of the CAF and necessary details are filled in.

3. In the event you hold Equity Shares in dematerialised form, ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be allotted in the dematerialised form only.

4. Ensure that your Indian address is available to our Company and the Registrar and Transfer Agent, in case you hold Equity Shares in physical form or the Depository Participant, in case you hold Equity Shares in dematerialised form.

5. Ensure that the value of the cheque/ draft submitted by you is equal to the (number of Equity Shares applied for) X (Issue Price of Equity Shares, as the case may be) before submission of the CAF.

6. Ensure that you receive an acknowledgement from the collection branch of the Banker to the Issue for your submission of the CAF in physical form.

7. Ensure that you mention your PAN allotted under the Income Tax Act with the CAF, except for Applications on behalf of the Central and State Governments, residents of the state of Sikkim and officials appointed by the courts.

8. Ensure that the name(s) given in the CAF is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the CAF is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the CAF.

9. Ensure that the demographic details are updated, true and correct, in all respects.

Don’ts for non-ASBA Investors

1. Do not apply if you are not eligible to participate in the Issue under the securities laws applicable to your jurisdiction.

2. Do not apply on duplicate CAF after you have submitted a CAF to a collection branch of the Banker to the Issue.

3. Do not pay the amount payable on application in cash, by money order or by postal order.

4. Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

5. Do not submit Application accompanied with stockinvest.

Grounds for Technical Rejections for non-ASBA Investors

Investors are advised to note that applications are liable to be rejected on technical grounds, including the following:

1. Amount paid does not tally with the Application Money payable.

2. Bank account details (for refund) are not given and the same are not available with the DP (in the case of dematerialised holdings) or the Registrar and Transfer Agent (in the case of physical holdings).

3. Age of Investor(s) not given (in case of Renouncees).

4. Except for CAFs on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN not given for application of any value.

5. In case of CAF under power of attorney or by limited companies, corporate, trust, relevant documents are not submitted.

6. If the signature of the Investor does not match with the one given on the CAF and for renounce(s) if the signature does not match with the records available with their depositories.

7. CAFs are not submitted by the Investors within the time prescribed as per the CAF and this Draft Letter of Offer.

8. CAFs not duly signed by the sole/joint Investors.

9. CAFs/ SAFs by erstwhile OCBs not accompanied by a copy of an RBI approval to apply in this Issue.

10. CAFs accompanied by stockinvest/ outstation cheques/ post-dated cheques/ money order/ postal order/ outstation demand drafts.

11. In case no corresponding record is available with the Depositories that match three parameters, namely, names of the Investors (including the order of names of joint holders), DP ID and Client ID.

12. CAFs that do not include the certification set out in the CAF to the effect that the subscriber is not a "U.S. Person" (as defined in Regulation S), and does not have a registered address (and is not otherwise located) in the United States and is authorised to acquire the rights and the Rights Entitlements and/or Rights Equity Shares in compliance with all applicable laws and regulations. unless such the relevant person has previously delivered to our Company (and our Company has accepted) a duly executed Investor Representation Letter; or appears to our Company or its agents to have been executed in or despatched from the United States, unless such the relevant person has previously delivered to our Company (and our Company has accepted) a duly executed Investor Representation Letter; or where a registered Indian address is not provided; or in the case of all investors, where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.

13. CAFs by ineligible Non-Residents (including on account of restriction or prohibition under applicable local laws) and where a registered address in India has not been provided.

14. CAFs where our Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.

15. In case the GIR number is submitted instead of the PAN.

16. Applications by Renouncees who are persons not competent to contract under the Indian Contract Act, 1872, except applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

17. Multiple CAFs, including cases where an Investor submits CAFs along with a plain paper application.

18. Applications from QIBs, Non-Institutional Investors or Investors applying in this Issue for Equity Shares for an amount exceeding ₹ 200,000, not through ASBA process.

19. Failure to mention an Indian address in the Application. Application with foreign address shall be liable to be rejected.

20. If an Investor is debarred by SEBI and if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlement.

21. Non – ASBA applications made by QIBs and Non – Institutional Investors.

Please read this Draft Letter of Offer and the instructions contained therein and in the CAF carefully before filling in the CAF. The instructions contained in the CAF are an integral part of this Draft Letter of Offer and must be carefully followed. The CAF is liable to be rejected for any non-compliance of the provisions contained in this Draft Letter of Offer or the CAF.

Procedure for Application by Mutual Funds

In case of a Mutual Fund, a separate application can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Applications in respect of more than one scheme of the Mutual Fund will not be treated as multiple applications provided that the application clearly indicate the scheme concerned for which the application has been made. Applications made by asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made.

Procedure for Application by FPIs

In terms of the FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our Company’s post-Issue equity share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of our Company.

FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions, which may be specified by the Government from time to time. An FII who holds a valid certificate of registration from SEBI shall be deemed to be an FPI until the expiry of the block of three (3) years for which fees have been paid as per the SEBI FII Regulations. An FII or a sub-account (other than a sub-account which is a foreign corporate or a foreign individual) may participate in the Issue, until expiry of its registration as an FII or sub-account or until it obtains a certificate of registration as an FPI, whichever is earlier. If the registration of an FII or subaccount has expired or is about to expire, such FII or sub-account may, subject to payment of conversion fees as applicable under the FPI Regulations, participate in the Issue. An FII or sub-account shall not be eligible to invest as an FII after registering as an FPI under the FPI Regulations. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included.

Procedure for Applications by AIFs, FVCIs and VCFs

The VCF Regulations and the FVCI Regulations prescribe, amongst other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the AIF Regulations prescribe, amongst other things, the investment restrictions on AIFs.

As per the VCF Regulations and FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as category I AIFs, as defined in the AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility. Otherwise, applications of such AIFs are liable for rejection.

Investment by NRIs

Investments by NRIs are governed by the Portfolio Investment Scheme under Regulation 5(3)(i) of the FEMA Regulations. Applications will not be accepted from NRIs in restricted jurisdictions.

Please note that pursuant to the applicability of the directions issued by SEBI *vide* its circular bearing number CIR/ CFD/ DIL/1/2011 dated April 29, 2011, all Applicants who are QIBs, Non-Institutional Investors or are applying in this Issue for Rights Equity Shares for an amount exceeding ₹ 200,000 shall mandatorily make use of ASBA facility.

Impersonation

Attention of the Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447".

Section 447 of the Companies Act provides for punishment for fraud which *inter alia* states punishment of imprisonment for a term which shall not be less than six months but which may extend to ten years and shall be liable to a fine which shall not be less than the amount involved in the fraud, but which may extend to three times the amount involved in the fraud.

Dematerialised dealing

Our Company has entered into agreements dated January 25, 2016 and January 28, 2016 with NSDL and CDSL, respectively, and its Equity Shares bear ISIN INE154U01015.

Payment by stockinvest

In terms of RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stockinvest Scheme has been withdrawn. Hence, payment through stockinvest would not be accepted in this Issue.

Disposal of application and application money

No acknowledgment will be issued for the application moneys received by our Company. However, the Banker to the Issue / Registrar to the Issue/ Designated Branch of the SCSBs receiving the CAF will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each CAF.

The Board reserves its full, unqualified and absolute right to accept or reject any application, in whole or in part, and in either case without assigning any reason thereto.

In case an application is rejected in full, the whole of the application money received will be refunded. Wherever an application is rejected in part, the balance of application money, if any, after adjusting any money due on Rights Equity Shares allotted, will be refunded to the Investor within the timelines prescribed under applicable law. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law. For further instructions, please read the CAF carefully.

Utilisation of Issue Proceeds

The Board of Directors declares that:

1. All monies received out of the Issue shall be transferred to a separate bank account;

2. Details of all monies utilised out of the Issue shall be disclosed, and continue to be disclosed till the time any part of the Issue Proceeds remains unutilised, under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

3. Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested; and

4. Our Company may utilise the funds collected in the Issue only after the Basis of Allotment is finalised.

Undertakings by our Company

Our Company undertakes the following:

1. The complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily.

2. All steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchange where the Rights Equity Shares are to be listed will be taken within seven Working Days of finalisation of Basis of Allotment.

3. The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company.

4. Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5. The certificates of the securities/ refund orders to the non-resident Indians shall be dispatched within the specified time.

6. No further issue of securities affecting our Company's Equity Share Capital shall be made till the securities issued/ offered through this Draft Letter of Offer are listed or till the application money are refunded on account of non-listing, under-subscription etc.

7. Our Company accepts full responsibility for the accuracy of information given in this Draft Letter of Offer and confirms that to the best of its knowledge and belief, there are no other facts the omission of which makes any statement made in this Draft Letter of Offer misleading and further confirms that it has made all reasonable enquiries to ascertain such facts.

8. Adequate arrangements shall be made to collect all ASBA applications and to consider then similar to non-ASBA applications while finalising the Basis of Allotment.

9. At any given time, there shall be only one denomination for the Equity Shares of our Company.

10. Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

11. Our Company shall utilise the funds collected in the Issue only after finalisation of the Basis of Allotment.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, our Company shall refund the entire subscription amount within the prescribed time. In the event that there is a delay of making refunds beyond such period as prescribed by applicable laws, our Company shall pay interest for the delayed period at rates prescribed under applicable laws.

Important

1. Please read this Draft Letter of Offer carefully before taking any action. The instructions contained in the CAF are an integral part of the conditions of the Letter of Offer and must be carefully followed; otherwise the application is liable to be rejected. It is to be specifically noted that this Issue of Rights Equity Shares is subject to the risk factors mentioned in "*Risk Factors*" on page 12.

2. All enquiries in connection with this Draft Letter of Offer or CAF and requests for SAFs must be addressed quoting the Registered Folio Number/ DP and Client ID number, the CAF number and the name of the first Eligible Shareholder as mentioned on the CAF and superscribed "***MAX VENTURES***

AND INDUSTRIES LIMITED - RIGHTS ISSUE – R” or “***MAX VENTURES AND INDUSTRIES LIMITED - RIGHTS ISSUE – NR***”, as applicable, on the envelope and postmarked in India) to the Registrar to the Issue at the following address:

Registrar to the Issue

MAS Services Limited
T-34, Second Floor, Okhla Industrial Area, Phase II, New Delhi 110020
Telephone: +91 (11) 2638 7281-82-83
Facsimile: +91 (11) 2638 7384
Email: sm@masserv.com
Investor Grievance Email: info@masserv.com
Website: www.masserv.com
Contact person: Mr. Shravan Mangla
SEBI Registration Number: INR000000049

The Issue will remain open for a minimum 15 days. However, the Board will have the right to extend the Issue period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries / departments of the Government of India and the RBI. The Union Cabinet has recently approved phasing out the FIPB, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments.

Subsequently, the DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the “**SOP**”). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the “**Competent Authority**”) for the grant of *post facto* approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority.

The GoI has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails. The Consolidated FDI Policy, issued by the DIPP, consolidates the policy framework in place as on August 27, 2017, and supersedes all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on August 27, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore the Consolidated FDI Policy will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government of India, erstwhile OCBs cannot participate in this Issue.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

TERMS OF THE ARTICLES OF ASSOCIATION

1. Interpretation

Unless the context otherwise requires, words of expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modification thereof in force at the date on which these Articles become binding on the Company. The marginal notes hereto are inserted for convenience and shall not affect the construction hereof and in these presents unless there be something in the subject or context inconsistent therewith.

"The Act" means the Companies Act, 2013, and includes where the context so admits any re-enactment or statutory modification thereof for the time being in force.

"These Articles" means these Articles of Association as originally framed or as from time to time altered by Special Resolution.

"The Company" means the above named Company.

"The Directors" means the Directors of the Company.

"The Board of Directors" or "The Board" means the Board of Directors of the Company. "The Managing Director" means the Managing Director of the Company.

"The Office" means the registered office of the Company.

"Register" means the Register of Members of the Company required to be kept under Section 88 of the Act.

"The Registrar" means the Registrar of Companies, as defined by Section 2 (75) of the Act. "The Secretary" means the company secretary of the Company.

"Dividend" includes bonus but excludes bonus shares.

"Month" means calendar Month.

"Year" means a Calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2 (41) of the Act.

"Seal" means the Common Seal of the Company.

"Proxy" includes Attorney duly constituted under a Power-of Attorney.

2. Table "F" not to apply

(i) To the extent of specific provisions contained in these Articles, the regulations contained in Table F of Schedule I of the Act shall not apply to this Company.

(ii) To the extent of any specific provisions not contained in these Articles but contained in Table F of Schedule I of the Act, such regulations contained in Table F in Schedule I of the Act, in so far as they are applicable to a public company, shall apply to this Company as if such regulations are contained in these Articles.

3. Buy back of shares

Notwithstanding anything to the contrary contained in these Articles but subject to all applicable provisions of the Act, in the event it is permitted by law for a company to purchase its own shares or securities, the Board of Directors of the Company may and if thought fit, buy back such of Company's own shares or securities as it may think necessary, subject to such limit, upon such terms and conditions and subject to such approvals, permissions, consents as may be permitted by the law.

4. Authorized share capital

The authorized share capital of the Company shall be as specified from time to time, in the Memorandum of Association of the Company. The share capital of the Company shall comprise of equity shares and/or preference shares of such amount as may be determined by the Board, from time to time, with power to increase, reduce, subdivide or to repay the same or divide the same into several classes and to attach thereto any rights and to consolidate or subdivide or reorganize the shares, subject to Section 48 of the Act, to vary such rights as may be determined in accordance with the regulations of the Company.

5. Issue of new shares

Subject to all applicable provisions of Act and these Articles, the shares shall be under the control of the Board who may allot or otherwise dispose of the same to such persons, on such, terms and conditions and at such times, either at par or at premium and for such consideration as the Board thinks fit, provided that where at any time it is proposed to increase the subscribed capital of the Company by the allotment of further shares, then subject to the provisions of Section 62 of the Act, the Board shall issue such shares in the manner set out in Section 62 of the Act. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the Company in a general meeting.

6. Return of allotment

As regard all allotments made, from time to time, the Directors shall duly comply with Sections 62 and 42 of the Act.

7. Redeemable Preference Shares

Subject to all applicable provisions of the Act and the provisions of these Articles, the Company shall have power to issue preference shares carrying a right of redemption out of the profits which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or liable to be redeemed at the option of the Company and the Board may, subject to the provisions of Section 55 of the Act exercise such powers in such manner as may be provided in these Articles.

8. Commission and brokerage

The Company may exercise the powers of paying commission conferred by Section 40 of the Act and in such case it shall comply with the requirements of that Section, including with respect to the rate per cent or the amount of the commission paid or agreed to be paid. Such commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. The Company may also, on any issue of shares or debentures, pay such brokerage as may be lawful.

9. Deleted

10. Installments on shares to be duly paid.

If by the conditions of allotment of any shares, the whole or part of the amount of issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.

11. Liability of joint holders of shares

The joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and call due in respect of such shares.

12. <u>Trust not recognized</u>

Subject to provisions of Section 89 of the Act, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not, except as ordered by a court of competent jurisdiction, or as by statute required, be bound to recognise any equitable or other claim to or interest in such share on the part of any other person.

13. <u>Who may be registered</u>

Shares may be registered in the name of any person, Company or other body corporate. Not more than four persons shall be registered as joint holders. No share shall be alloted to or registered in the name of person of unsound mind or a partnership.

13A. <u>Dematerialization of Securities</u>

(i) For the purpose of this Article:

'Beneficial Owner' means a person or persons whose name is recorded as such with a Depository.

'Depository' means a company formed and registered under the Act or the Companies Act, 1956 and which has been granted a certificate of registration to act as a depository under the SEBI Act.

'Depositories Act' means the Depositories Act, 1996 and the rules enacted thereunder. 'SEBI' means the Securities & Exchange Board of India established under the SEBI Act.
'SEBI Act' means the Securities & Exchange Board of India Act, 1992.

(ii) Dematerialisation/ rematerialisation of Securities

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities, rematerialise its securities and/or to offer securities for subscription in a dematerialised form pursuant to the Depositories Act.

(iii) Option for Investors

Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

If a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

(iv) Securities in Depositories in fungible form

All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Section 89 and all other applicable provisions of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

(v) Rights of Depositories and Beneficial Owners

(a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

(b) Save as otherwise provided in (a) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.

(vi) Service of Documents

Notwithstanding anything contained in the Act or these Articles to the contrary, where Act securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivering of floppies or discs.

(vii) Transfer of Securities

Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a Depository.

(viii) Allotment of Securities dealt with in a Depository

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

(ix) Distinctive numbers of Securities held on Depository

Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

(x) Register of Beneficial Owners

The register and index of beneficial owners maintained by a Depository under the Depositories Act shall be deemed to be the register and index of members and security holders for the purposes of these Articles.

14. Share Certificates

(i) Issue of Share Certificates.

The issue of share certificate and duplicate and the issue of new share certificates on consolidation or sub-division or in replacement of share certificates which are surrendered for cancellation due to their being defaced torn, old, decrepit or worn out or the cages for recording transfer having been utilised or of share certificates which are lost or destroyed shall be in accordance with the provisions of the Act and the rules enacted thereunder. If any share certificate be lost or destroyed, then, upon proof thereof to the satisfaction of the Board and on such indemnity as the Board thinks fit being given a new certificate in lieu thereof shall be given to the party entitled to the shares to which such lost or destroyed certificate shall relate, provided no fee shall be charged for splitting or consolidation of share certificates in lots of market unit or for issue of new certificates in replacement of those which are old, decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised.

(ii) Members right to Certificate.

Subject to the provisions of the Act and these Articles, every member shall be entitled, free of charge, to one certificate under the Seal of the Company, for all the shares of each class registered in his name, or if the Board so approves, to several certificates each for one or more of such class of shares. The Company, unless prohibited by any provision of law or any order of any Court, Tribunal or other Authority shall within three months after the date of allotment and on surrender to the Company of its letter making the allotment or of its fractional coupons of requisite value (save in the case of issue against letters of acceptance or of renunciation or in case of issue of bonus shares) of any of its shares or debentures stock and within two months after receipt of the application for the registration of the transfer of any such shares and debentures, as the case may be deliver in accordance with the procedure laid down in Section 20 and any other applicable provisions of the Act, the certificate (s) of all shares or debentures allotted/transferred.

15. Calls

The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the provisions of Section 49 of the Act, make such calls, as the Board thinks fit, upon the members in respect of all moneys unpaid on the shares held by them respectively, and not by the conditions of allotment thereof made payable at fixed times, and each member shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Board. A call may be made payable by installments and shall be deemed to have been made when the resolution of the Board authorising such call was passed.

16. Restrictions on powers to make

No call be made payable within one month after the last preceding call was payable.

17. Notice of call.

Not less than 30 days notice of any call shall be given specifying the time and place of payment and to whom such calls shall be paid.

18. When interest on call or installments payable.

(i) If the sum payable in respect of any call or installment be not paid on or before the day of appointment for payment thereof, the holders for the time being in respect of the share for which the call shall have been made or the installment shall be due shall pay interest upon the same at the rate of 18 (Eighteen) percent per annum or such other rate as may be determined by the Board from the day appointed for the payment thereof to the time of the actual payment or at such lower rate (if any) as the Board may determine.

(ii) The Board shall be at liberty to waive payment of any such interest either wholly or in part.

19. Amount payable at fixed times or payable by installments as call.

If by the terms of issue of any share or otherwise any amount is made payable upon allotment or at any fixed time or by installments at fixed times, whether on account of the nominal value of the share or by way of premium, every such amount or installment shall be payable as if it were a call duly made by the Board and of which due notice had been given, and all the provisions contained in respect of call shall relate to such amount or installment accordingly.

20. Evidence in actions by company against shareholders.

On the trial or hearing of any action or suit brought by the Company against any shareholder or his representative to recover any debt or money claimed to be due to the Company in respect of his share, it shall be sufficient to prove that the name of the defendant is, or was when the claim arose on the Register as a holder, on one of the holders of the number of shares in respect of which such claim is made, and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Board who made any call, nor that a quorum was present at the Board meeting at which any call was made nor that the meeting at which any call was made was duly convened or constituted, nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

21. Payment of calls in advance.

The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the share held by him beyond the sum actually called for and upon the money so paid or satisfied in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, 12 (Twelve) percent per annum as the member paying such sum in advance and the Board agree upon. But the money so paid in excess of the amount of calls shall not rank for dividends or participate in profits. The Board may at any time repay the amounts so advanced upon giving to such member not less than three month's notice in writing.

22. Revocation of call.

A call may be revoked or postponed at the discretion of the Board.

FORFEITURE & LIEN

23. If call or installment not paid notice may be given.

If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same, the Board may, at any time thereafter during such time as the call or installment remains unpaid, serve a notice on such member requiring him to pay the same, together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

24. Form of Notice.

The notice shall name a day (not being less than thirty days from the date of service of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non- payment on or before the time, and at the place appointed, the shares in respect of which such call was made or installment is payable will be liable to be forfeited.

25. If notice not complied with shares may be forfeited.

If the requirement of any such notice as aforesaid be not complied with any shares in respect of which such notice has been given may, at any time thereafter, before, payment of all calls or installments interest and expenses due in respect thereof be forfeited by a resolution of the Board to that effect.

26. Notice after forfeiture.

When any share shall have been so forfeited, notice of the resolution shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.

27. Forfeited share to become property of the Company.

Any share so forfeited shall be deemed to be the property of the Company, and the Board may sell, or otherwise dispose of the same in such manner as it thinks fit.

28. Power to annul forfeiture.

The Board may, at any time, before and so forfeited share shall have been sold, or otherwise disposed of annul the forfeiture thereof upon such conditions as it thinks fit.

29. Liability on forfeiture

A person whose share has been forfeited shall cease to be a member in respect of such share, but shall, notwithstanding such forfeiture, remain liable to pay, and shall, forthwith pay to the Company all calls, or installments, interests and expenses, owing upon or in respect of such share, at the time of the forfeiture, together with interest thereon, from the time of forfeiture, until payment, at 12 (Twelve) percent per annum or at such lower rate as the Board may determine and the Board may enforce, the payment thereof, or any part thereof without any deduction or allowance for the value of the shares at the time of forfeiture, but shall not be under any obligation to do so.

30. Evidence of Forfeiture.

A duly verified declaration in writing that the declarant is a Director or Secretary of the Company, and that certain shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares and such declaration and the receipt of the Company for the consideration, given for the shares on the sale or disposition thereof shall constitute a good title to such share. The person to whom any such share is sold shall be registered as the holder of such share and shall not be bound to see to the application of the purchase money, nor shall his title to such share be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture sale or disposition.

31. Forfeiture provision to apply to non-payment.

The provisions of Articles 23 to 27 hereof shall apply in the case of nonpayment of any sum which by the terms of issue of a share becomes payable at a fixed time whether on account of the nominal value of the share or by way of premium as if the same had been payable by virtue of a call duly made and notified.

32. The Company shall have a first and paramount lien upon every share (not being a fully paid up share) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof for money called or payable at a fixed time in respect of such shares, whether the time for the payment thereof shall have actually arrived or not and no equitable interest in any share shall be created except upon the footing and condition that Article 12 hereof is to have full effect.

Fully paid shares shall be free from all lien, and that in the case of partly paid shares, the company's lien shall be restricted to money called or payable at a fixed time in respect of such shares

Unless otherwise agreed, the registration of transfer of a share shall operate as a waiver of the Company's lien, if any, on such share.

33. As to enforcing lien by sale

For the purpose of enforcing such lien the Board may sell the share subject thereto in such manner as it thinks fit, but no sale shall be made until such time for payment as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member, his executor or administrator or his committee, curator bonis or other legal representative, as the case may be, and default shall have been made by him or them in the payment of the moneys called or payable at a fixed time in respect of such share for 30 days after the date of such notice.

34. Application of proceeds of sale

The net proceeds of the sale shall be received by the Company and shall after payment of costs of such sale be applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable (as existed upon the share before the sale) and the residue shall be paid to the persons entitled to the share at the date of the sale.

35. Validity of sales in exercise of lien and after forfeiture.

Upon any sale after forfeiture or for enforcing a lien in purported exercise of the power hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the share sold and cause the purchaser's name to be entered in the Register in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money, and after his name has been entered in the Register in respect of such share the validity of the sale shall not be impeached by any person, and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

36. Board may Issue new certificate.

Where any share under the powers in that behalf herein-contained is sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such share, the Board may issue a new certificate for such share, distinguishing it in such manner as it may think fit from the certificate not so delivered up.

TRANSFER AND TRANSMISSION

37. Execution of transfer etc.

Save as provided in Section 56 of the Act, no transfer of a share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or, if no such certificate is in existence, the letter of allotment of the share. The instrument of transfer of any share shall specify the name, address and occupation, if any, of the transferee and the transferor shall be deemed to remain the member in respect of such shares until the name of the transferee is entered in the register in respect thereof. Each signature to such transfer shall be duly attested by the signature of one credible witness who shall add his address.

38. Application for registration of transfer.

Application for the registration of the transfer of a share may be made either by the transferor, or the transferee, provided that where such application is made by the transferor, no registration shall in the case of a partly paid share be effected unless the Company gives the notice of the application to the transferee in the manner prescribed by Section 56 of the Act, and subject to the provisions of these Articles the Company shall unless objection is made by the transferee, within two weeks from the date of receipt of the notice, enter in the Register the name of the transferee on the conditions as if the application for registration of the transfer was made by the transferee.

39. Form of Transfer.

The instrument of transfer shall be in writing in such form as may be prescribed by the Act, and all the provisions of Sections 56 of the Act shall be duly complied with in respect of all transfers of shares and the registration thereof.

40. Restriction on Transfer.

Subject to the provisions of Section 58 of the Act, the Board, without assigning any reason for such refusal may, refuse to register any transfer of, or the transmission by operation of law of the right to a share other than fully paid up. Provided that registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except when the Company has a lien on shares.

41. Transfer to minor etc.

No transfer shall be made to partnership firm or a person of unsound mind. However, fully paid up shares may be transferred in the name of a minor through his guardian.

42. Transfer be left at office and when to be retained.

Every instrument of transfer shall be left at the Office for registration, accompanied by the certificate of the share to be transferred or, if no such certificate is in existence, by the letter of allotment of the share and such other evidence as the Board may require to prove the title of the transferor or his right to transfer the share, and the transferor shall (subject to the Board’s right to decline to register hereinbefore mentioned) be registered as a member in respect of such share. Every instrument of transfer which shall be registered shall be retained by the Company, but any instrument of transfer which the Board may refuse to register shall be returned to the person depositing the same.

43. Notice of refusal to register transfer

If the Board refuses, whether in pursuance of Article 40 or otherwise to register the transfer of, or the transmission by operation of law of the right to any, share, the Company shall give notice of the refusal in accordance with the provision of Section 58 of the Act.

44. Fee on registration of transfer.

No fee shall be charged by the Company of registration of transfer.

45. Suspension of registration of transfer.

Subject to the provisions of Section 91 of the Act, the registration of transfer may be suspended at such time and for such periods as the Board may from time to time determine. Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

46. Deleted.

47. Transmission of registered shares.

The executor or administrator of a deceased member (not being one of the several joint- holders) shall be the only person recognised in the name of such member, and in case of the death of anyone or more of the joint- holders of any registered share, the survivor shall be the only person recognised by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on the share held by him jointly with any other person. Before recognising any executor or administrator the Board may require him to obtain a grant of Probate or letters of Administration or other legal representation, as the case may be from a court in India competent to grant it. Provided, nevertheless, that in any case where the Board in its absolute discretion thinks fit it shall be lawful for the board to dispense with the production of probate or letters of Administration or such other legal representation upon such terms as to indemnity or otherwise as the Board, in its absolute discretion, may think fit.

48. As to transfer of shares in insane, minor, deceased, bankrupt members,

Any committee or curator points of a lunatic or guardian of a minor member or any person becoming entitled to a share in consequence of insolvency of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this article or of his title as the Board thinks sufficient, may, with the consent of the Board (which the Board shall not be bound to give) be registered as a member in respect of such share, or may subject to the regulation as to transfer, herein contained transfer such shares.

49. Transmission Article.

(i) If the person so becoming entitled under the Transmission Article shall elect to be registered as holder of the share himself, he shall deliver or send to Company a notice in writing signed by him stating that he so elects.

(ii) Election under the Transmission Article

If the person aforesaid shall elect to transfer the share, he shall testify his election by executing an instrument of transfer of the share.

(iii) All the limitations restrictions and provisions of these Articles relating to the right to transfer and the registration of instrument of transfer of a share shall be applicable to any such notice or transfer as aforesaid as if the death, lunacy, bankruptcy or insolvency of the member had not occurred and the notice of transfer were signed by that member.

50. Rights of persons entitled to shares under the transmission Article.

A person so becoming entitled under the Transmission Article to shares by reason of the death, lunacy, bankruptcy or insolvency of the holder shall subject to the provisions of Article 43 and of Section 123 of the Act, be entitled to the same dividends and other advantages as he would be entitled to if he were the registered holder of the shares. Provided that the Board may at any time give notice requiring any such person to elect either to be registered himself or to transfer the shares. and if the notice is not complied with within ninety days the Board may thereafter with-hold payment of all dividends, bonuses or other moneys payable in respect of the share, until the requirements of the notice have been complied with.

ALTERATION OF CAPITAL

51. Power to increase capital.

Subject to the applicable provisions of the Act, the Company may, from time to time, by ordinary resolution alter conditions of its Memorandum of Association to increase its capital by the creation of new share of such amount and class as may be specified in the resolution.

52. On what condition new shares may be issued.

Subject to any special rights for the time being attached to any share in the capital of the Company then issued and to the provisions of Section 62 of the Act the new shares may be issued upon such terms and conditions, and with such rights attached thereto as the general meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine, and in particular such shares may be issued with a preferential right to dividends and in the distribution of assets of the Company.

52A. Keeping in abeyance rights shares pending transfer

Notwithstanding anything contained in Article 20 or the Act, the offer of rights shares under Section 62 (1) (a) of the Act on shares in respect of which instrument of transfer of shares has been delivered to the Company for registration and the transfer of shares has not been registered by the Company shall be kept in abeyance pending transfer.

53. Provision relating to the issue.

Before the issue of any new shares, the Company in general meeting may, subject to the provisions of the Act, make provisions as to the allotment and issue of shares and in particular may determine to whom the same shall be offered in the first instance and whether at par or at premium or at a discount.

54. Ranking of new shares with existing shares.

Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered part of the then existing capital of the Company and shall be subject to the provisions herein contained with reference to the payment of dividends, calls and installments, transfer and transmission, forfeiture, lien, surrender and otherwise.

55. Inequality in number of new shares.

If, owing to any inequality in the number of new shares to be issued, and the number of shares held by members entitled to have the offer of such new shares, any difficulty shall arise in the apportionment of such new shares or any of them amongst the members, such difficulty shall, in the absence of any direction in the resolution creating the shares or by the Company in general meeting be determined by the Board.

56. Reduction of capital etc.

Subject to all applicable provisions of the Act the Company may, from time to time, by special resolution reduce its capital, and capital redemption reserve account or share premium account in any manner and with and subject to any incident authorized and consent required by law. Notwithstanding anything contained in these Articles so long as any money remains due by the Company under or by virtue of any deed of mortgage executed by the Company in favour of the Corporation, no change will be made in the capital or by issue of further shares or otherwise whatsoever save with the previous consent in writing of the Corporation.

57. Subject to Section 61 of the Act, the Company may, from time to time, by ordinary resolution:

(i) Consolidate and divide all or any of its shares into shares of larger amount than its existing shares;

(ii) Sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived:

(iii) Cancel any shares which, at the date of passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of shares so cancelled.

58. Surrender of shares.

Subject to the applicable provisions of the Act, the Board may accept from any member the surrender on such terms and conditions, as shall be agreed of all or any of his shares.

59. Conversion of shares into Stock,

Subject to Section 61 of the Act, the Company may, from time to time, by ordinary resolution,

(i) convert any fully paid up shares into stock, and

(ii) reconvert any stock into fully paid up shares of any denomination.

60. Transfer of Stock.

The holders of stock may transfer the same or any part thereof in the same manner and also subject to the same regulations under which, the shares from which the stock arose might previously to conversion have been transferred, or as near thereto as circumstances admit; and the Board may, from time to time, fix the minimum amount of stock transferable, provided that such minimum shall not exceed the nominal amount of the shares from which stock arose.

61. Rights of Stock-holders.

The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at the meetings of the company, and other matters as they hold the shares from which the stock arose, but no such privileges or advantages (except participation in the dividends and profits of the Company and in the assets on a winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

62. "Stock" and "Stock holder".

Such of the Articles of the Company (other than relating to share warrants) as are applicable to paid up shares shall apply to stock and the words "Share" and "Share-holder" therein shall include "Stock and " and "Stock-holder" respectively.

SHARE WARRANTS

63. Power to issue Warrants.

Subject to the applicable provisions of the Act and subject to any directions which may be given by the Company in general meeting, the directors may issue share warrants in such manner and on such terms and conditions as the Board thinks fit.

MODIFICATION OF RIGHTS

64. Power to modify rights.

The rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may subject to the provisions of Section 48 of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less then three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at separate meeting of the holders of the shares of that class. In every such separate meeting the provisions of these Articles relating to general meeting shall mutatis mutandis apply, but so that the necessary quorum shall be two persons at least, holding or representing by proxy one- third of the issued shares of that class.

BORROWING POWERS

65. Power to borrow.

The Board may, from time to time, at its discretion, subject to the provisions of Sections 179 and 180 of the Act, raise of borrow either from the Directors or Central Government or State Governments, Bank, Corporation or any other party or parties and secure the payment of any sum of sums of money for the purposes of the Company. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and, in particular by the issue of bonds perpetual or redeemable debentures or debenture stock or any mortgage, or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its uncalled capital for time being, and Directors or any of them may guarantee the whole or any part of the loans or debts raised or incurred by or on behalf of the Company or any interest payable thereon, and shall subject to the provisions of Section 197 of the Act, be entitled to receive such payment as consideration for giving guarantee as may be determined by the Directors with power to them to indemnify the guarantors from or against liability under their guarantees by means of a mortgage or charge on the undertaking of the Company or upon any of its property or assets or otherwise. Notwithstanding anything contained in these Articles and so long as any money remains due by the Company to the Corporation under or by virtue of any deed of mortgage executed by the Company in favour of the Corporation the following provisions shall have effect;

(i) No Director shall be entitled to receive any payments as consideration for giving any guarantee in respect of loan by the Corporation to the Company.

(ii) The Company, the Directors or the Managing Director shall not create, purport or attempt to create, without the previous consent in writing of the Corporation, any charge or mortgage or other encumbrance, in respect of the properties or assets mortgaged and charged in favour of the Corporation or any part thereof in respect of any of the machinery stores and machinery spares belonging to the Company.

66. Issue at discounts etc. or with special privileges.

Any debentures or debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and with any special rights, as to redemption, surrender, drawing, allotment of shares, appointment of Directors and otherwise. Debentures, debenture-stock, bonds and other securities may be made assignable free from any equities between the Company and the person, to whom the same may be issued. Provided that debentures with the right to allotment of or conversion into share shall not be issued except in confirmity with the provisions of Sections 62 and 71 of the Act.

67. Instrument of transfer of debentures.

Save as provided in Section 56 of the Act, no transfer of debentures shall be registered unless a proper instrument of transfer duly stamped and executed by the transferor and the transferee has been delivered to the Company together with the certificate or certificates of the debentures.

68. Refusal to register transfer.

Subject to the provisions of Section 58 of the Act, the Board may without assigning any reason refuse to register the transfer of any debenture.

GENERAL MEETING

69. When Annual General Meeting to be held

In addition to any other meetings, annual general meetings of the Company shall be held within such intervals as are specified in Section 96 read with Section 129 of the Act at such times and places as may be determined by the Board. All other meetings of the Company, shall except in the case of the statutory meeting, be called extra-ordinary general meetings and shall be convened under the provisions of the next following Article.

70. When Extraordinary meeting to be called,

The Directors may, whenever they think fit, call an extra-ordinary general meeting, and an extraordinary general meeting shall also be held on such requisition or in default may be called by such requisitionists, as provided by Section 100 of the Act. If at any time there are not within India sufficient Directors capable of acting to form a quorum by Directors any two members of the Company may call an extraordinary general meeting in the same manner, as nearly as possible as that in which meeting may be called by the Directors.

71. Circulation of member's resolution.

The Company shall comply with the provisions of Section 111 of the Act as to giving notice of resolutions and circulating statements on the requisition of members.

72. Notice of Meeting.

Subject to the provision of Section 101 of the Act, notice of every meeting of the Company shall be given to such persons and in such manner as provided by Section 101 of the Act. Where any business consists of "special business" as hereinafter defined in Section 101, there shall be annexed to the notice a statement complying with Section 101 of the Act.

73. Accidentals Omission to give notice.

The accidental omission to give any such notice to or the non-receipt thereof by any member or other persons to whom it should be given, shall not invalidate the proceedings of the meeting.

PROCEEDINGS AT GENERAL MEETING

74. Business of Meetings.

The ordinary business of an annual general meeting shall be to receive and consider the profit and loss account, the balance sheet and the reports of the Directors and of the auditors, to elect Directors in the place of those retiring by rotation, to appoint auditors and fix their remuneration and to declare dividends. All other business transacted at the annual general meeting and all business at any other general meeting shall be deemed special business.

75. Quorum be present when business commenced.

No business shall be transacted at any general meeting unless a quorum of members is present in accordance with Section 103 of the Act at the time when the meeting proceeds to business.

76. When quorum not present meeting to be dissolved and when to be adjourned.

If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon such requisition as aforesaid, shall be dissolved; but in any other case it shall stand adjourned in accordance with the provisions of Section 103 of the Act.

77. Resolution to be passed by the Company in general meeting.

Any act or resolution which, under the provisions of these Articles or of the Act, is permitted or required to be done or passed by the Company in general meeting be sufficiently so done or passed if effected by an ordinary resolution as defined in Section 114 of the Act, unless either the Act or these Articles specifically require such act to be done or resolution passed as a Special Resolution as defined in Section 114 of the Act.

78. Chairman of General Meeting.

The chairman of the Board shall be entitled to take the chair at every general meeting. If there be no such chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the meeting or is unwilling to act, the members present shall choose another Director as chairman, and if no Director be present or if all the Directors present decline to take the chair, then the members present shall, on a show of hands or on a poll if properly demanded, elect one of their number being a member entitled to vote, to be the chairman of the meeting.

79. How questions to be decided at meetings casting vote.

Every question submitted to a meeting shall be decided in the first instance by a show of hands and in the case of an equality of votes both on a show of hands and on a poll, the chairman of the meeting shall have a casting vote in addition to the vote to which he may be entitled as member.

80. What is to be evidence of the passing of a resolution where poll not demanded.

At any general meeting a resolution put to vote shall be decided on show of hands, unless before or on the declaration of the result of the show of hands, a poll is ordered to be taken by the chairman of the meeting of his own motion or unless a poll is demanded by a member or members present in person or by proxy and holding shares in the Company:

(i) Which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution; or

(ii) on which an aggregate sum of not less than Rs. 50,000 has been paid up.

The demand for poll may be withdrawn at any time by the person or persons who made the demand. Unless a poll is so demanded, a declaration by the chairman that a resolution has, on show of hands, been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minutes book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution.

81. Poll.

(i) If a poll be demanded as aforesaid it shall be taken forthwith on a question of adjournment or election of the chairman of the meeting and in any other case in such manner and at such time not being later than forty eight hours from the time when the demand was made, and at such place as the chairman of the meeting directs and subject to as aforesaid, either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was demanded.

(ii) The demand for a poll may be withdrawn at any time by the person or person who made the demand.

(iii) Where a poll is to be taken, the chairman of the meeting shall appoint two scrutinizers, one at least of whom shall be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed to scrutinize the votes given on the poll and to report to him thereon.

(iv) On a poll, a member entitled to more than one vote, or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all of his votes or cast in the same way all the votes he use.

(v) The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

82. Power to adjourn general meeting.

(i) The chairman of a general meeting may adjourn the same from time to time and from place to place, but no business shall be transacted at any adjournment meeting other than the business left unfinished at the meeting from which the adjournment took place.

(ii) When a meeting is adjourned it shall not be necessary to give any notice of an adjournment or the business to be transacted at an adjourned meeting, if it is adjourned for less than 30 days.

83. Votes on show of hand and on poll.

Subject to the provisions of the Act and particularly of Section 47 thereof and of these Articles:

(i) upon a show of hands of every member holding equity shares and entitled to vote and present in person (including an attorney or a representative of a body corporate) shall have one vote:

(ii) upon poll the voting right of every member holding equity shares and entitled to vote and present in person (including a corporation or company present as aforesaid) or by attorney or by proxy shall be in the same proportion as the capital paid on the equity share or shares (whether fully paid or partly paid) held by him bears to the total paid up equity capital of the Company;

(iii) upon a show of hands or upon a poll, the voting right of every member holding preference shares shall be subject to the provisions, limitations and restrictions laid down in Section 47 of the Act.

84. Procedure where a company is member of the Company.

Where a company or a body corporate (hereinafter called “member company”) is a member of the Company, a person duly appointed by resolution in accordance with the provisions of Section 113 of the Act to represent such member company at meeting of the Company shall not, by reason of such appointment, be deemed to be a proxy, and lodging with the Company at the Office or production at the meeting of a copy of such resolution duly signed by one Director of such member Company and certified by him as being a true copy of the resolution shall, on production at the meeting, be accepted by the Company as sufficient evidence of the validity of his appointment. Such a person shall be entitled to exercise the same rights and powers including the rights to vote by proxy on behalf of the member company which he represents, as that member company could exercise if it were an individual member.

85. Votes in respect of deceased, insane and insolvent member.

Any person entitled under the Transmission Article to transfer any shares may vote at any general meeting in respect thereof in the same manner as if he were the member registered in respect of such shares, provided that forty eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of his right to transfer such shares, unless the Board shall have previously admitted his right to vote at such meeting in respect thereof. If any member be a lunatic, idiot or non- composmentis, he may vote whether on a show of hands or a poll by his committee; curator or other legal curator and such last- mentioned persons may give their votes by proxy.

86. Member registered jointly.

Where there are members registered jointly in respect of any one share any one of such person may vote at any meeting either personally or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such members be present at any meeting either personally or by proxy then one of the said members so present whose name stands first on the Register in respect of such share alone shall be entitled to vote in respect thereof. Several executors or administrators of a deceased member in whose name any share is registered shall for the purpose of this Article, be deemed to be members registered jointly in respect thereof.

87. Vote on poll.

On a poll, votes may be given either personally or by proxy, or in the case of a body corporate by a representative duly authorised as aforesaid.

88. Instrument appointing proxy to be in writing.

The instrument appointing a proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or if such appointer is a body corporate be under its common seal or the hand of its office or attorney duly authorised. A proxy who is appointed for a specified meeting only shall be called a special proxy, any other proxy shall be called general proxy.

89. Proxies may be general or special.

A person may be appointed a proxy though he is not a member of the Company and every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and that the proxy need not be a member of the Company

90. Instrument appointing a proxy to be deposited at the Office.

The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or authority, shall be deposited at the Office not less than forty eight hours before the time for holding the meeting at which the person named in default the instrument on proxy shall not be treated as valid.

91. When vote by proxy valid although authority revoked,

A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the prior death or insanity of the principal, or revocation of the instrument, or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, insanity, revocation or transfer of the share shall have been received by the Company at the office before the vote is given. Provided nevertheless that the chairman of the meeting shall be entitled to require such evidence as he may in his discretion think fit, of the due execution of instrument of proxy and that the same has not been revoked.

92. Form of instrument appointing proxy

An instrument appointing proxy, whether for a specific meeting or otherwise, shall be in the form prescribed under the Act, or a form as near thereto as circumstances admit.

93. Restriction on voting.

No member shall be entitled to exercise any voting right either personally or by proxy at any meeting of the Company in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.

94. Admission or rejection of votes

(i) An objection as to the admission or rejection of any vote either, on a show of hands, or on a poll, made in due time shall be referred to the Chairman of the meeting who shall forthwith determine the same and such determination made in good faith shall be final and conclusive.

(ii) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote disallowed at such meeting shall be valid for all purposes,

DIRECTORS

95. Number of Directors

The number of Directors of the Company shall not be less than three (3) or more than fifteen (15), excluding any debentureholder director or alternate director, provided that any increase in the number of Directors in office beyond 15 (fifteen), would require the approval of the shareholders of the Company in a general meeting by way of special resolution under Section 149 of the Act.

96. Company in General Meeting to increase of decrease number of Directors.

The Company in general meeting may, from time to time, increase or reduce the number of Directors within the limits fixed by Article 95.

97. Deleted

98. Notwithstanding anything to the contrary contained in these Articles so long as any moneys shall be owing by the Company to Industrial Development Bank of India (IDBI), or Industrial Finance Corporation of India (IFCI), or the Industrial Credit and Investment Corporation of India Limited. (ICICI), or Life Insurance Corporation of India (LIC),or Unit Trust of India (UTI) or any other Financing Corporation or Company or Body (hereinafter referred to as the Corporation), or so long as the Corporation holds any shares/debentures in the Company as a result of subscription or underwriting, or conversion of loan/debenture into equity capital of the Company or so long as any guarantee given by the Corporation in respect of any financial obligation or commitment of the Company remains outstanding the Corporation shall, pursuant to an agreement between it and the Company, have a right to appoint one or more persons as Director(s) on the Board of Directors of the Company (each such director is hereinafter referred to as "the Nominee Director"). The Nominee Director shall not be required to hold qualification shares and shall not be liable to retire by rotation. The Corporation may at any time and from time to time remove the Nominee Director appointed by it and may, in the event of such removal and also in the case of death or resignation of the Nominee Director, appoint another in his place and also fill any vacancy which may occur as a result of the Nominee Director ceasing to hold office for any reason whatsoever. Such appointment or removal shall be made in writing by the Corporation and shall be delivered to the Company at its Office. The Board of Directors of the Company shall have no power to remove the Nominee Director from office. Each such Nominee Director shall be entitled to attend all general meetings and meetings of the committee of which he is member, and he and the Corporation appointing him shall also be entitled to receive notice of all such meetings. The Nominee Director shall be paid normal fees and expenses to which other Directors are entitled, provided that if the Nominee Director nominated by IDBI is an Officer of the Reserve Bank of India (RBI) or (IDBI), unless IDBI otherwise directs, no sitting fees shall be payable to him but the Company shall reimburse RBI or IDBI as the case may be, the amount paid or payable under its rules to such Nominee Director on account of travelling and halting allowances and any other expenses for attending any meeting of the Board or Committee.

99. Share qualification of Director.

Unless otherwise determined by a special resolution in a general meeting of the Company amending this Article a Director of the Company shall not be required to hold any share as his qualification.

100. Director's remuneration.

The Director shall receive and the Company shall pay remuneration not exceeding such sum as may be prescribed by the Act or the Central Government in that behalf towards fee for attending meetings of the Board or its Committees as may be determined by the Board from time to time.

101. Remuneration for extra services.

If a Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing away from his usual place of residence for any of the purposes of the company or in giving special attention to the business of the Company or as a member of a committee to the Board then, subject to the provisions of Section 197 of the Act, the Board may remunerate the Director so doing either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled.

The directors subject to the provisions of Section 197 of the Act may be paid commission by way of additional remuneration not exceeding 1% of net annual profits of the company computed in the manner laid down in Section 198 of the Act. Such commission may be divided equally amongst the directors on the board on the last day of the financial year of the company to which the commission relates, unless they decide otherwise. Provided that the Directors appointed on the Board on recommendation by the Central Government shall not be entitled to receive the above remuneration.

102. Vacation of office of Directors.

The office of the Director shall ipso-facto become vacant if at any time he commits any of the acts or sustains any of the inabilities set out in Section 167 of the Act.

103. Resignation of Director.

A Director may at any time resign from his office by notice in writing served on the Company and such resignation shall be effective when the said notice is received by the Company.

104. Office of Profit.

No Director or other person referred to in Section 188 of the Act shall hold an office or place of profit save as permitted by that section.

105. Appointment of Director as Director of Company in which the company is interested.

A Director of this Company may be or become a Director of any other company promoted by this Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable for any benefits received as a Director or member of such company.

106. Conditions under which Directors may contract with company.

Subject to the provisions of Section 188 of the Act, neither shall a Director be disqualified from contracting with the Company either as vendor, purchaser or otherwise for goods, materials or services or for underwriting the subscription of any shares in or debentures of the Company nor shall any such contract or arrangement entered into by or on behalf of the Company with a relative of such Director or a firm in which such Director or relative is a partner or with any other partner in such firm or with a private company of which such Director is a member or Director, be avoided nor shall any Director so contracting or being such member or so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding Office or of the fiduciary relation thereby established.

107. Disclosure of a Director's interest.

Every Director shall comply with the provisions of Section 184 of the Act, regarding disclosure of his concern or interest in any contract or arrangement entered into or to be entered into by the Company.

108. Discussion and voting by Director interested.

Save as permitted by Section 184 of the Act or any other applicable provision of the Act, no Director shall, as a Director, take any part in the discussion of, or vote on any contract or arrangement in which he is in any way, whether directly or indirectly, concerned or interested nor shall his presence count for the purpose of forming a quorum at the time of such discussion or vote.

APPOINTMENT RETIREMENT AND REMOVAL OF DIRECTORS

109. Additional Directors.

The Board shall have power, at any time and from time to time to appoint any person as an additional Director on the Board, but so that the total number of Directors shall not at any time exceed the maximum number fixed by these articles. Any Director so appointed shall hold office only upto the date of the next annual general meeting of the Company and shall then be eligible for re-appointment by such general meeting.

110. Alternate Directors.

The Directors may appoint any person to act as a Director during the latter's absence for a period of not less than three months from India and such appointment shall have effect and such appointee, whilst he holds office as an alternate Director, shall be entitled to notice of meetings of the Directors and to attend and vote there at accordingly; but he shall ipso facto vacate office if and when the absentee Director returns to India or the absentee Director vacates office as a Director.

111. Board may fill up casual Vacancies.

If any Director appointed by the Company in a general meeting vacates office as a Director before his term of office expires in the normal course the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall remain in his office so long as the vacating Director would have retained the same if no vacancy had occurred, provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director in accordance with the provisions of Section 169 of the Act.

111A. Appointment of Non–Rotational Directors

The Board of Directors of the Company is empowered to appoint upto one-third of its strength as non-rotational Directors, subject to a maximum of three, excluding nominees of Financial Institutions in accordance with Article 98 above.

112. Rotation and retirement.

At each annual general meeting of the Company one-half of such of the Directors for the time being as are liable to retire by rotation, or if their number is not in multiple of two, then number rounded off to next integer, shall retire from office.

113. Which Directors retires.

Subject to the provisions of these Articles, the Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between person who became Director on the same day those to retire shall, in default of and subject to any agreement among themselves; be determined by lot.

113A. Retirement age of Directors

The Directors, who are not in the employment of the Company, shall compulsorily retire on completion of the age of 80 years and those directors in employment of the Company as managing or whole time directors shall compulsorily retire on completion of the age of 65 years.

114. Vacancies to be filled in at the general meeting.

No person not being a retiring Director shall be eligible for appointment to the office of Director at any general meeting unless he or some member intending to propose him has, not less than fourteen days before the meeting, left at the Office a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that Office as the case may be, along with a deposit of Rs. 1,00,000/- which shall be refunded to such person as the case may be, to such member if the person succeeds in getting elected as a Director and unless he has by himself or by his agent authorised in writing, signed and filed with the Registrar of Companies a consent in writing to act as such Director.

115. Appointment of Key Managerial Personnel.

(i) The Company shall appoint key managerial personnel as required in terms of Section 203 of the Act.

(ii) Every key managerial personnel of the Company shall be appointed by the Board, for such term, at such remuneration and upon such conditions as it may thing fit, by means of a resolution of the Board containing the terms and conditions of the appointment, including remuneration.

(iii) A Director may be appointed as a key managerial personnel of the Company.

116. Vacation of office by Managing Directors.

(i) Subject to the provisions of Section 152 of the Act, a managing director shall not, while he continues to hold that office be subject to retirement by rotation, but he shall be reckoned as a Director for the purpose of determining the retirement of Directors by rotation or in fixing number of Directors but he shall be subject to the same provisions as to resignation, and removal as the other Directors and he shall, ipso facto and immediately, cease to be Managing Director if he ceases to hold the office of Director from any cause.

(ii) Seniorities of Managing Directors.

If at any time the Company has more than one managing director, the incumbent who has held such office for the longest duration shall not be liable to retire by rotation.

117. Remuneration of Managing or whole time Director.

Subject to the provisions of Section 197 of the Act, a managing or whole-time Director may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profit of the Company or partly by one way and partly by the other as may from, time to time, be determined by a resolution passed by the Company in general meeting.

118. Powers of Managing or Whole time Director.

Subject to the provisions of the Act and in particular to the prohibitions and restrictions contained in Section 179 thereof, the Board may, from time to time, entrust to and confer upon a managing director or whole-time Director for the time being, such of the powers exercisable under these presents by the Board as it may think fit, and may confer such power for such time, and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions as it thinks fit, and the Board may, from time to time, revoke, withdraw, alter or vary any such powers.

PROCEEDINGS OF DIRECTORS

119. Meetings of Directors

(i) Subject to Section 173 of the Act, the Board shall meet together atleast four times in a year for disposal of business, adjourn and otherwise regulate its proceedings as it may think fit.

(ii) Notice of every meeting of the Board shall be given to the Directors in accordance with the provisions of Section 173 of the Act.

120. Board may act not-withstanding vacancy.

The continuing Directors may act not-withstanding any vacancy in the Board, but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum or of summoning a general meeting of the Company, but for no other purpose.

121. The quorum for a meeting of the Board shall be determined from time to time in accordance with the provisions of Section 174 of the Act. If the quorum is not present within fifteen minutes from the time appointed for holding a meeting of the Board the meeting shall be adjourned until such date and time as the Chairman of the Board shall by notice appoint.

122. Director may summon meeting.

A Director may, and the Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

123. Chairman.

The Board may appoint a chairman of the Board meetings and determine the period for which he is to hold office. All meetings of the Directors shall be presided over by the chairman present but if at any meeting of the Directors the chairman be not present at the time appointed for holding the same, then in that case, the vice chairman, if present, shall be the chairman of such meeting and if the vice chairman be also not present, then in that case, the Directors shall choose one of the Directors present to preside at the meeting.

124. Power of Quorum.

A meeting of the Board, at which a quorum be present, shall be competent to exercise all or any of the authorities, powers, and discretions by or under these Articles or the Act for the time being vested in or exercisable by the Board.

125. How questions to be decided casting vote.

Subject to the applicable provisions of the Act and to the provisions of these Articles, questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the chairman of the meeting shall have a second or casting vote.

126. Power to appoint committees and to delegate.

The Board may, subject to the provisions of the Act and to the provisions of these Articles, from time to time and at any time, delegate any of its powers to a committee consisting of such Director or Directors as it thinks fit, and may, from time to time, revoke such delegation. Any Committee so formed shall, in the exercise of the power so delegated, conform to any regulations that may, from time to time, be imposed upon it by the Board.

127. Proceedings of Committee.

The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Board so far as the same are applicable thereto and are not superseded by any regulations made by the Board under the last preceding Articles.

128. <u>When acts of Director or committee valid notwithstanding- defective appointment etc.</u>

All acts done by any meeting of the Directors, or by a committee of Directors, or any person acting as a Director, shall notwithstanding that it may afterwards be discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid or that they or any of them were disqualified or had vacated office by virtue of any provision contained in the Act or in these Articles be as valid as if every such Director or person had been duly appointed and was qualified to be a Director and had not vacated such office provided that nothing in this Article shall be deemed to give validity to acts done by a Director after the appointment of such director has been shown to be invalid or to have been terminated.

129. <u>Resolution of Board Meeting.</u>

Save in those cases where a resolution is required by Section 179 of the Act or any other provisions of the Act to be passed at a meeting of the Board, a resolution shall be valid and effectual as if it had been passed at a meeting of the Board or committee of the Board, as the case may be, duly called and constituted, if it is passed by circulation in the manner as provided in Section 175 of the Act.

MINUTES

130. <u>Minutes to be made.</u>

(i) The Board shall, in accordance with the provisions of Section 118 of the Act, cause minutes to be kept of proceedings of every general meeting of the Company and of every meeting of the Board or of every committee of the Board.

(ii) Any such minutes of proceedings of any meeting of the Board or of any committee of the Board or of the Company in a general meeting if kept in accordance with the provisions of Section 118 of the Act, shall be evidence of the matters stated in such minutes.

POWERS OF THE BOARD

131. <u>General Powers of Company vested in the Board.</u>

(i) Subject to the provisions of the Act, including Section 180 of the Act, the control of the Company shall be vested in the Board who shall be entitled to exercise all such powers, and to do all such acts and things as the company is authorised to exercise and do; provided that the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act or any other statute or by the Memorandum of the Company or by these Articles or otherwise, to be exercised or done by the Company in general meeting. Provided further that in exercising any such power or doing any such act or thing, the Board shall subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of the Company or in these Articles or in any regulation not inconsistent therewith and duly made thereunder including regulations made by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Board which would have been valid if that resolution had not been made.

(ii) <u>Power to Delegate</u>.

Without prejudice to general powers conferred by the preceding Sub- Article, the Directors may from time to time and at any time subject to the restrictions contained in the act, delegate to secretaries, officers, assistants, and other employees or other persons any of the powers, authorities and discretions for the time being vested in the Board and the Board may, at any time, remove any person so appointed and may annul or vary such delegation.

132. <u>Local Management Powers of attorney seal for use abroad and foreign and foreign registers.</u>

The Board may, subject to the provisions of the Act, make such arrangements as it may think fit for the management of the Company’s affairs abroad and for such purposes appoint local bodies, attorneys and agents and fix their remuneration and delegate to them such power as the Board may deem requisite or expedient. The Company may also exercise the power of Section 88 of the Act with reference to the keeping of foreign registers.

133. Directors etc. may hold office or place of profit.

Any Director or the person referred to in Section 188 of the Act, may be appointed to or hold any office or place of profit under the Company or under subsidiary of the Company in accordance with and subject to the provisions of the said section.

134. Deleted

135. Deleted

136. Power to authenticate documents.

Save as otherwise provided in the Act, any Director or the Secretary or any person appointed by the Board to the purpose shall have power to authenticate any document affecting the constitution of the Company and any resolution passed by the Company or the Board and any books, records, documents account relating to the business of the Company and to certify copies thereof or extracts there from as true copies or extracts and where any books, records, documents or accounts are elsewhere than at the office, the local manager or either officer of the company having the custody thereof shall be deemed to be a person appointed by the Board as aforesaid.

137. Certified copies resolution of Directors

A document purporting to be a copy of a resolution of the Board or an extract from the minutes of meeting of the Board which is certified as such in accordance with the provisions of the last preceding Article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be that such extract is a true and accurate record of a duly constituted meeting of the Board.

THE SEAL

138. Affixing of the Seal

(i) The Board shall provide for the safe custody of the Seal.

(ii) The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of two directors or at least one Director and Secretary or some other person appointed by the Board for the purpose : and those two Directors or a Director and Secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

RESERVES

139. Reserve.

Subject to the provisions of Section 123 of the Act, the Board of Directors may, from time to time, before recommending any dividend, set apart any such portion of the profits of the company as it thinks fit as reserves to meet contingencies or for the liquidation of any debentures, debts or other liabilities of the company, for equalisation of dividends, for repairing, improving or maintaining any of the property of the company and for such other purposes of the company as the Board in its absolute discretion thinks conducive to the interest of the company and may, subject to applicable provisions of the Act, invest the several sums so set aside upon such investments (other than shares of the Company) as it may think fit and from time to time deal with and vary such investment and dispose off all or any part thereof for the benefit of the company and may divide the reserves into such special funds as it thinks fit, with full power to employ the reserves or any part thereof in the business of the company and that without being bound to keep the same separate from the other assets.

140. Capitalisation of Reserves.

Any general meeting may, upon the recommendation of the Board, resolve that any moneys, investments, or other assets forming part of the undivided profits of the company and standing to the credit of the reserves, or any capital redemption reserve account in the hands of the Company and available for dividend or re-presenting premium received on the issue of shares and standing to the credit of the share premium account be capitalised, and be set free for distribution amongst such of the shareholders as would be entitled to receive the same if distributed by way of footing that they become entitled thereto as capital and that all or any part of such capitalised fund applied on behalf of such shareholders in paying up in full any unissued shares which shall be distributed accordingly or towards payment of the uncalled liability on any issued shares, and that such distribution or payment shall be accepted by the shareholders in full satisfaction of their interest in the said capitalised sum. Provided that any sum standing to the credit of a share premium account or a capital redemption reserve account may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to member of the Company as fully paid bonus shares.

141. Distribution of Capital profits

The Company in a general meeting may, at any time and from time, to time resolve that any surplus money in the hands of the Company representing capital profits arising from the receipt of money received or recovered in respect of or arising from the realisation of any capital assets of the Company, or any investment representing the same instead of being applied in the purchase of other capital and in the same as capital and in the same proportions in which they would have been entitled to receive the same if it had been entitled to receive the same if it had been distributed by way of dividend provided always that no such profits as aforesaid shall be so distributed unless there shall remain in the hand of the Company a sufficiency of other assets to answer in full the whole of the liabilities and paid up share capital of the Company for the time being.

142. For the purpose of giving effect to any resolution under the two last preceding Articles the Board may settle any difficulty which may arise in regard to the distribution as if thinks expedient and in particular may issue fractions certificates and may fix the value for distribution of any specific assets and may determine the cash Payment shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest such cash or capitalised fund as may seem expedient to the Board. Where required, a proper contract shall be filed in accordance with Section 39 of the Act and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend for capitalised fund and such appointment shall be effective.

DIVIDENDS

143. How profits shall be divisible.

The divisible profits of the Company shall be determined by setting aside for reserves appropriate amounts as provided hereinbefore. The residual amount shall be utilised for payment of dividend to shareholders having preferential rights and the equity shareholders in that order. The Board shall be at liberty to recommend payment of dividend to equity shareholders either on pro-rata basis or at a flat rate. Amounts paid-up in advance of calls on equity shares, whilst carrying interest, shall not be entitled to dividend or a right to participate in profits.

Subject to the rights of the members entitled to share (if any) with preferential rights attached thereto, the profits of the Company be determined to dividend in respect of any year or other period shall be applied in the payment of a dividend on the equity shares of the Company. The Board shall be at liberty to recommend payment of dividend either on pro-rata basis or at a flat rate on the shares allotted. Where capital is paid up in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest rank for dividends or confer a right to participate in profits."

144. Declaration of dividends.

Subject to Section 123 of the Act, the Company, in an annual general meeting, may declare a dividend to be paid to the members according to their rights and interest in the profit of the company.

145. Restrictions of amount of dividends.

No larger dividend shall be declared than is recommended by the Board; but the Company in an annual general meeting may declare a smaller dividend.

146. Interim dividend.

The Board may, from time to time, pay to the members such interim dividends as appear to the Board to be justified by the profits of the Company.

147. Distribution of dividend within thirty days.

All dividends shall be paid, or the warrants in respect thereof shall be posted, within thirty days from the date of the declaration by the shareholders entitled to the payment of the dividend.

148. Debits may be deducted.

The Board may deduct from any dividend payable to any member all sums of moneys, if any, presently payable by him to the Company on account of calls or otherwise relating to the shares of the Company.

149. Dividend and call together.

Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, not exceeding the amount remaining unpaid on the share, but so that the call on such member also does not exceed the dividend payable to him and so that call be made payable at the same time as the dividend and in such case the dividend may, if so arranged between the Company and the members be set of against the call.

150. Dividend in cash

No dividend shall be payable except in cash; provided that nothing in the foregoing shall be deemed to prohibit the capitalisation of profits or reserve of the Company for the purpose of issuing fully paid up bonus shares or paying up any amount for the time being unpaid on the shares held by the members of the Company.

151. Effect of transfer.

Dividend on shares, in respect of which instrument of transfer of shares has been delivered to the Company for registration and the transfer of shares has not been registered by the Company, shall be transferred to a special account referred to in Section 123 of the Act, pending transfer unless the Company is authorised by the registered holder of such shares, in writing, to pay such dividend to the transferee specified in such instrument of transfer.

152. Payment of interest on capital.

The Company may pay interest on capital raised for the construction of works or buildings when and so far as shall be authorised to do by the Act.

153. To whom dividends payable

No dividend shall be paid in respect of any share except to the registered holder of such shares or to his order or to his bankers but nothing contained in this Article shall be deemed to require the bankers of a registered shareholder to make a separate application to the Company for payment of the dividend. Nothing in this Article shall be deemed to affect in any manner the operation of Article 157.

154. Dividend to joint holders.

Anyone of several persons who are registered as joint-holders of any shares may give effectual receipt for all dividends, bonuses and other payments in respect of such shares.

155. Notice of dividends.

Notice of any dividend; whether interim or otherwise shall be given to the persons entitled to share therein in the manner hereinafter provided.

156. Payment by post.

Unless otherwise directed in accordance with Section 123 of the Act, any, dividend, interest or other money payable in cash in respect of a share may be paid by cheque or warrant sent through the post to the registered address of the members or in case of members who are registered jointly to the registered address of that one of such members who is first named in the Register in respect of the joint-holding or to such person and such address as the member or members who are registered jointly as the case may be, may direct and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent. The company shall not be liable or responsible for any cheque or warrant lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement on any cheque or warrant or fraudulent recovery thereof by any other means.

157. Unpaid or unclaimed dividends.

No unpaid of unclaimed dividend shall be forfeited unless the claim thereto becomes barred by law. The Company shall comply with the provisions of Section 123 of the Act in respect of unpaid or unclaimed dividend.

BOOKS AND DOCUMENTS

158. Where to be kept.

The books of account shall be kept at the Registered Office or at such other place in India as the Board may, from time to time, decide.

159. When accounts to be deemed finally settled.

Every balance sheet and profit and loss account of the Company when audited and adopted by the Company in an annual general meeting shall be conclusive.

160. Registers, Books and documents to be maintained by the Company.

(i) The company shall maintain all Registers, Books and Documents as required by the Act or these Articles including the following namely:-

(ii)

(a) Register of Investments under Section 187 of the Act.
(b) Register of Debentures and Charges under Section 85 of the Act,
(c) Register of Members and index of Members under Section 88 of the Act.
(d) Register and index of Debenture-holders under Section 88 of the Act.
(e) Register of contracts with and of companies and firms in which Directors of the Company are interested under Section 189 of the Act, and shall enter therein the relevant particulars contained in Sections 184 and 188 of the Act:
(f) Register of Directors, Managing Directors and Secretary under Section 170 of the Act.
(g) Register of Share-holdings and Debenture holdings of Directors under Section 170 of the Act.
(h) Books of Account under the provisions of Section 128 of the Act.
(i) Copies of instruments creating any charges requiring registration under section 85 of the Act.
(j) Copies of Annual Returns under Section 92 of the Act together with the copies of the

Certificates:.

(k) Register of Renewed and Duplicate Certificates under Section 46 of the Act.

(iii) The said registers, books and documents shall be maintained in conformity with the applicable provisions of the Act and shall be kept open for inspection for such persons as may be entitled thereto respectively, under the Act, on such days and during such business hours as may in that behalf be determined in accordance with the provisions of the Act, or these Articles and extracts shall be supplied to those persons entitled thereto in accordance with the provisions, of the Act or these Articles.

(iv) The Company may keep a Foreign Register of Members in accordance with Section 88 of the Act. Subject to the provisions of Section 88 of the Act, the Directors may from time to time make such provisions as may think fit in respect of the keeping of Branch Registers of Members and/or Debenture-holders.

INTEREST OUT OF CAPITAL

161. Where any shares are issued for the purpose of raising money to defray the expenses of construction of any works or buildings or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period, at the rate and subject to the conditions and restrictions provided by the Act and may charge the same to capital as part of the cost construction of the works or building or the provision of plant.

ANNUAL RETURNS

162. <u>Annual Return</u>

The Company shall make the requisite annual returns in accordance with the provisions of Section 92 of the Act, and shall file with the Registrar copies of the balance sheet and profit and loss account in accordance with Section 137 of the Act.

AUDIT AND AUDITORS

163. <u>Audit</u>

(i) Once at least in every year, the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet, ascertained by the auditor or auditors of the Company.

(ii) Appointment and remuneration of auditors.
Appointment, re-appointment, rotation, removal, resignation and remuneration, duties and powers etc. of the auditors of the Company shall be in accordance with the applicable provisions of the Act.

(iii) Audit of Accounts of Branch.
Where the Company has a branch office the provision of Section 243 of the Act shall apply.

(iv) Right of Auditor to attend the General meeting.

All notices and other communications relating to any general meeting of the Company which any member of the Company is entitled to have sent to him shall also be forwarded to the auditor of the Company and the auditor shall also be entitled to attend any general meeting and to be heard at any general meeting which he attends on any part of the business which concern him as auditor.

(v) Auditors Report to be read in

The auditor's report shall be read before the Company in every annual general meeting and shall be open to inspection by any member of the Company.

SERVICES OF NOTICES AND DOCUMENTS

164. How notice to be served on members.

(i) A notice or other document shall be given or sent by the Company to any member either personally or by sending it by post to him to his registered address in India or if he has no registered address in India to the address if any, within India supplied by him to the Company for the giving of notice to him.

(ii) Service by post.

Where notice or other document is sent by post:

(a) Service there of shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the notice or document, provided that where a member has intimated to the Company in advance that notice or documents should be sent to him under a certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sufficient sum to defray the expenses of doing so, service of the notice or document shall not be effected unless it is sent in the manner intimated by the member; and

(b) Such service shall be deemed to have been effected:

(A) In the case of notice of a meeting at the expiration of forty-eight hours after the letter containing the same is posted, and

(B) In any other case, at the time at which the letter would be delivered in the ordinary course of post.

165. Notice to members who have not supplied Address.

A notice or other document advertised in a newspaper circulating in the neighborhood of the office of the Company shall be deemed to be duly served on the day on which the advertisement appears on every members of the Company who has no registered address in India and has not supplied to the Company an address within India for the giving of the notices to him.

166. Notice to joint-holders,

A notice or other documents may be served by the Company on the joint- holder named first in the Register in respect of the share.

167. Notice to persons entitled by transmission.

A notice or other documents may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by the name, or by the title of representative of the deceased, or assignee of the insolvent or by any like description, at the address in India supplied for the purpose by the persons claiming to be entitled, or until such an address has been so supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

168. How to advertise.

Any notice required to be served on the members of the Company shall be deemed to have been servied when advertised in accordance with the applicable provisions of the Act.

169. Transferee etc. bound by prior notice.

Every person who by operation of law or transfer or other mean whatsoever shall become entitled to any share be bound by every notice in respect of such shares which previous to his name and address being entered on the Register shall have been duly given to the person from whom he derives his title to such share.

170. Notice valid though member deceased.

Subject to the provisions of Articles 165 to 169 and the provisions of the Act, any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these Articles shall, notwithstanding such member be then deceased and whether or not the company has notice of his death, be deemed to have been duly served in respect of any registered share, whether held solely or jointly with other persons by such member until some other person be registered in his stead as the holder or joint holders there of and such service shall, for all purposes of these presents, be deemed sufficient service of such notice or document on his heirs, executors or administrators and all persons, if any jointly interested with him in any such shares.

171. How notice to be signed.

The signature to any notice to be given by the company may be written or printed.

172. Service of process in winding up.

Subject to the applicable provisions of the Act, in the event of a winding up of the Company every member of the Company who is not for the time being in the town where the Office of the Company is situated shall be bound, within eight weeks after the passing of an effective resolution to wind-up the Company, to serve notice in writing on the Company appointing some house-holder residing in the neighborhood of the Office upon whom all summons, notices, process, orders and judgements in relation to or under the winding up of the Company, may be served and in default of such nomination, the liquidator of the Company shall be at liberty, on behalf of such member, to appoint some such persons, and service upon any such appointee whether appointed by the member or the liquidator shall be deemed to be good personal service on such member for all purposes and where the liquidator makes any such appointment he shall with all convenient speed, give notice thereof to such member by advertisement in some daily newspapers circulating in the neighborhood of the Office or by a registered letter sent by post and addressed to such member at his address as registered in the Register and such notice shall be deemed to be served on the day on which the advertisement appears or the letter should be delivered in the ordinary course of the post. The provisions of this Article shall not prejudice the right of the liquidator of the Company to serve any notice or other document in any other manner prescribed by these Articles.

173. Inspection.

(i) The books of account and other books and papers shall be open to inspection by any Director during business hours.

(ii) The Board shall, from time to time, determine whether and to what extent and at what times and place and under what conditions or regulations, the books of account and other books and documents of the Company, other than those referred to in Article 160, shall be open to the inspection of the member (not being a Director) and no member (not being a Director) shall have any right of inspecting any books of account or book or document of the company except as conferred by law or authorised by the Board or by the Company in general meeting.

174. The Books of account and other books and papers of the Company be open to inspection during business hours by the Registrar of Companies or by such officer of Government as may be authorised by the Central Government in this behalf without any previous notice to the company or any officer thereof.

CAPITALISATION

175. Capitalisation

(i) The Company in a general meeting may resolve that any amount standing to the credit of the share premium account or the capital redemption reserve account or any moneys, investments or other assets forming part of the undivided profits (including the profits or surplus moneys arising from the realisation) and where permitted by law from the appreciation in value of any capital assets of the Company standing to the credit of the general reserve any reserve funds or any other funds of the Company or in the hands of the Company and available for dividend, be capitalised, by the issue and distribution as fully paid up shares of the Company which may have been issued and are credited as partly paid up with the whole or any part of the sum remaining unpaid thereon.

Provided that any amount standing to the credit of the share premium account or the capital redemption reserve account shall be applied only in crediting the payments of shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

175(1)(a) Keeping in abeyance bonus shares pending transfer

Notwithstanding anything contained in Article 175 (1) or the Act, fully paid up bonus shares, pursuant to provisions of the Act and Article 175 (1), in respect of shares for which instrument of transfer of shares has been delivered to the Company for registration and the transfer of shares has not been registered by the Company shall be kept in abeyance pending transfer.

(2) Such issues and distribution under (1) (a) above and such payment to the credit of unpaid share capital under (1) (b) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto in accordance with their respective rights and interest and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under (1) (a) or payment under (1) (b) above shall be made on the footing that such members become entitled thereto as capital.

(3) The Directors shall give effect to any such resolution and apply such portion of the profits, general or reserve fund or any other fund or account as aforesaid as may be required for the purpose of making payment in full for the shares of the Company so distributed under (1) (a) above or (as the case may be) for the purpose of paying in whole or in part the amount remaining unpaid on the shares which may have been issued and are not fully paid under (1) (b) above provided that no such distribution or payment shall be made unless recommended by the Directors and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum.

(4) For the purpose of giving effect to any such resolution the Directors may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that such cash payments be made to any members on the footing of the value so fixed and may vest any such cash or shares in trustees upon such trusts for the persons entitled thereto as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment and sale of such shares and fractional certificates or otherwise as they may think fit.

(5) Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid only, such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares and by crediting the partly paid shares with the whole or part of the unpaid liability thereof but so that as between the holders of the fully paid shares and the partly paid shares the sums so applied on the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied Pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid shares respectively.

(6) When deemed requisite, a proper contract shall be prepared in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective.

ACCOUNTS

176. Books of Accounts to be kept

(i) The Company shall keep at its Registered Office proper books of account with respect to :

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure takes place.

(b) all sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company;

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide, the Company shall, within seven days of the decision, file with the Registrar of Companies a Notice in writing giving the full address, of that other place.

(ii) If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office and proper summarised returns made up-to-date at intervals of not more than three months, shall be sent by the Branch office of the Company to its Registered Office or other place in India, as the Board thinks fit, where the main books of the Company are kept.

(iii) All the aforesaid books shall give a true and fair view of the affairs of the Company or its branch office, as the case may be, with respect to the matters aforesaid and explain its transactions.

(iv) The Books of Account and other books and papers shall be open to inspection by any Director during business hours.

177. Books of Accounts to be preserved

The books of account of the Company relating to a period of not less than eight years immediately preceding the current year together with vouchers relevant to any entry in such books of account shall be preserved in good order.

178. Inspection by Members of books of the Company.

The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions and regulations the books of the Company shall be open to the inspection of members and no member shall have any right of inspecting any books of the Company except as conferred by law.

179. Statements of Accounts to be furnished to General Meeting.

The Board of Directors shall lay before each Annual General Meeting, a profit and loss account which shall relate:-

(i) in case of the first annual general meeting of the Company, to the period beginning with the incorporation of the Company and ending with a day which shall not precede the day of the meeting by more than nine months; and

(ii) in case of any subsequent annual general meeting of the Company, to period beginning with the day immediately after the period for which the account was last submitted and ending with the day which shall not precede the day of the meeting by more than six months, or in cases where an extension of time has been granted for holding the meeting under the Section 96 of the Act by more than six months and the extension so granted.

180. Balance Sheet and Profit and Loss Account

(i) Subject to the provisions of Sections 129 and 133 of the Act, every balance sheet shall give a true and fair view of state of affairs of the Company as at the end of the financial year and shall, subject to the provisions of the said Section, be in the form set out in the Act, or as near thereto as circumstances permit or in such other form as may be approved by the Central Government either generally or in any particular case; and in preparing the balance sheet due regard shall be had, as far as may be to the general instructions for the preparation of the balance sheet under the heading "Notes" at the end of that part.

Subject as aforesaid, every profit and loss account shall give a true and fair view of the profit or loss of the Company for the financial year and shall subject as aforesaid, comply with the requirements of the Act so far as they are applicable thereto.

(ii) There shall be annexed to every balance sheet a statement showing the bodies corporate (indicating separately the bodies corporate in the same group within the meaning of the Act in the shares of which investments have been made by it including all investments whether existing or not, made subsequent to the date as at which the previous Balance Sheet was made out) and the nature and extent of the investments so made in each body corporate.

(iii) So long as the Company is a holding Company having a subsidiary, Company shall conform to the applicable provisions of the Act.

(iv) If in the opinion of the Board, any of the current assets of the Company have not a value on realisation in the ordinary course of business at least equal to the amount at which they are stated, the fact that the Board is of that opinion shall be stated.

181. Authentication of Balance Sheet and Profit and Loss Account.

(i) Every balance sheet and every profit and loss account of the Company shall be signed on behalf of the Board of Directors, by the Secretary and by not less than two Directors of the Company one of whom shall be the Managing Director where there is one.

(ii) Provided that when only one Director is for the time being in India, the balance sheet and profit and Loss account shall be signed by Director and in such a case there shall be attached to the balance sheet and the profit and loss account a statement signed by him explaining the reason for non-compliance with the provisions and of Sub-Clause (1) above.

(iii) The balance sheet and the profit and loss account shall be approved by the Board of Directors before they are signed on behalf of the Board in accordance with the provisions of this Article and before they are submited to the auditors for their report thereon.

182. Profit and Loss Account to be annexed and Auditors' Report to be attached to the Balance Sheet

The profit and loss account shall be annexed to the balance sheet and the auditor's report (including the auditor's separate/special or supplementary reports, if any) shall be attached thereto.

183. Board's Report to be attached to Balance Sheet

(i) Every balance sheet laid before the Company in a general meeting shall have attached to it a report by the Board of Directors with respect to the state of Company's affairs, the amounts, if any, which it proposes to carry to any Reserve in such Balance Sheet and the amount, if any, which it recommends to be paid by way of dividend and material change and commitments, if any affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the Balance Sheet relates and to the date of the report.

(ii) The Report shall, so far as it is material for the appreciation of the Company's affairs by its members and will not in the Board's opinion be harmful to the business of the Company or of any of its subsidiaries, deal with any changes which have occured during the financial year in the nature of the business carried on by them and generally in the classes of business in which the Company has an interest.

(iii) The Board shall also give the fullest information and explanation in its reports on every reservation, qualification or adverse remark contained in the auditor's report.

(iv) The Board's report and addendum (if any) thereto shall be signed by its chairman if he is authorised in that behalf by the Board and where he is not so authorised, shall be signed by such number of Directors as are required to sign the balance sheet and the profit and loss account of the Company by virtue of these Articles.

(v) The Board shall have the right to charge any person not being a Director with the duty of seeing that the provisions of Clauses (1) to (3) of this Article are complied with.

184. The Company shall comply with the requirements of Section 136 of the Act.

185. Reconstruction.

On any sale of the undertaking of the Company, the Board or the liquidator on winding up may if authorised by a special resolution, accept fully paid or partly paid up shares, debentures or securities of any other company incorporated in India, or to the extent permitted by law of a company incorporated outside India either then existing or to be formed for the purchase in whole or in part of the property of the Company and the Board (if the profits of the Company permit) or the liquidator (in a winding-up) may distribute such shares or securities or any other property of the Company amongst the member without realisation or vest the same in trustees for them and any special resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefit or property, otherwise than in accordance with the legal rights of the members or contributories of the Company, and for valuation of any such securities or property at such securities or property at such price and in such manner as the meeting may approve and all holder of shares shall be bound to accept and shall be bound by any valuation or distribution so authorised and waive all rights in relation there to, save only in case the Company is proposed to be in the course of being wound up statutory rights if any under Section 319 of the Act as are in-capable of being varied or excluded by these Articles.

SECRECY

186. Secrecy.

Every Director, Secretary, Trustees for the company, members of a Committee, servant, officer, agent, accountant, or other person employed in or about the business of the company shall if so required by the Board before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal and of the matters, relating thereto which may come to his knowledge in the discharge of duties except when required so to do by the Board or by any General or by a Court of Law and except so far as may be necessary in order to comply with any of the provision in these Articles contained.

187. No shareholder to enter the premises of the company without permission.

No shareholder or other person (not being a Director) shall be entitled to enter upon the properties of the Company or to inspect or examine the premises or properties of the Company without the permission of the Board of subject to Article 173 to require discovery of or any information respecting any detail of the trading of the company or any matter which is or may be in the nature of trade secret, mystery of trade or secret process or of any matter whatever which may relate to the conduct of the business of the company and which in the opinion of the Board will be inexpedient in the interest of the company to communicate.

WINDING UP

188. Distribution of assets.

(i) Subject to the applicable provisions of the Act, in the event of the Company being wound up, the holders of preference shares, if any shall be entitled to have the surplus assets available for distribution amongst members as such applied in the first place in repayment of the amount paid up on the preference shares held by them respectively and payment of arrears of dividend up to the commencement of the winding up, whether declared or not, but shall not be entitled to any further participation in such surplus assets. If the surplus available as aforesaid shall be insufficient to repay the whole amount paid up on the preference shares and any arrears of dividend, such assets shall be distributed amongst the holders of preference shares so that the losses shall be borne by the holders of preference shares in proportion to the capital paid up or which ought to have been paid up thereon and the arrears of dividend as aforesaid.

(ii) If the Company shall be wound up and the assets available for distribution among the members as such after payment to the preference share holders as aforesaid shall be insufficient to repay the whole of the paid up capital, such assets shall be distributed so that the losses shall be borne by the members in proportion to the paid-up capital or which ought to have been paid up at the commencement of the winding up on the shares held by them, respectively.

(iii) If in the winding up, the assets available for distribution among the members after payment to the preference shareholders as aforesaid shall be more than sufficient to repay the whole of the paid-up capital, such assets shall be distributed amongst the members in proportion to the paid-up capital on the shares held by them respectively, at the commencement of the winding up.

189. If the Company shall be wound up, whether voluntarily or otherwise the liquidators may, with the sanction of a special resolution, divide amongst the contributories in specie or kind; any part of the assets of the Company and may, with the like sanction, vest any part of assets of the contributories, or any of them as the liquidators, with the like sanction shall think fit.

INDEMNITY

190. Subject to the provision of Section 197 of the Act, every Director, Secretary or officer of the Company or any person (whether an Officer of the Company or not) employed by the Company and any person appointed as Auditor shall be indemnified out of the funds of the company against all liability incurred by him as such Director, Secretary, Officer, employee or Auditor in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted, or in connection with any application under section 463 of the Act, in which relief is granted to him by the Court.

PART-II

OVERRIDING EFFECT AND INTERPRETATION

191. Subject to the requirements of applicable law, in the event of any conflict between the provisions of Part I and this Part II, the provisions of this Part II shall apply.

Unless the context otherwise requires, words or expressions contained in this Part II shall have the meanings as provided below. Provided that any terms and expressions used but not defined specifically in this Part II shall have the same meaning as ascribed to them in Part I or in the Act or any statutory modification thereof. Other terms may be defined elsewhere in the text of these Articles and, unless otherwise indicated, shall have such meaning throughout these Articles.

"Affiliate" means with respect to any Person, any other Person which, directly or indirectly, Controls, is Controlled by or is under common Control with, such Person. In case any Person is a natural person (including partners of a partnership firm), then the term "Affiliate" in relation to such natural person shall also mean a Relative of such natural person.

"Annual General Meeting" or "AGM" means the annual general meeting of the Company convened and held in accordance with the Act.

"Board of Directors" or the "Board" means the board of directors of the Company in office at applicable times and as nominated and appointed in accordance with the terms of these Articles.

"Business" means the business of manufacture and sale of specialty packaging films products carried on by the Company. In addition the Company also has shareholding in companies, which carry on the business of life insurance, health insurance, healthcare, clinical research and senior living businesses.

"Control" (including with correlative meaning, the terms "Controlled by" and "under common Control" with) means the power and ability 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 otherwise.

"Directors" means the directors of the Company as the case may be, appointed in accordance with Article 195.

"ESOP" means the employee stock option plan of the Company, which shall be in compliance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as amended from time to time.

"Extra Ordinary General Meeting" or "EGM" means the extra ordinary meeting of the Company convened and held in accordance with the Act.

"Financial Year" means the period commencing April 1 each year and ending on March 31 the next year, or such other period as may be determined by the Board to be the financial year for the Company.

"General Meetings" means either an EGM or an AGM of the Shareholders of the Company.

"Person" means any natural person, limited or unlimited liability company, corporation, partnership (whether limited or unlimited), proprietorship, Hindu undivided family, trust, union, association, government or any agency or political subdivision thereof or any other entity that may be treated as a person under applicable law.

"Promoter Group" means, collectively, the Promoters and their Affiliates. "Promoter Group Directors" shall have the meaning set forth in Article 195. "Promoters" means Mr. Analjit Singh and his Relatives.

"Relatives" shall have the meaning given to the term in the Act, and shall also include any sibling of such Relative and such sibling's children.

"Share Capital" means the total issued and paid up equity share capital of the Company, with voting rights.

"Shares" means equity shares, with one vote per equity share, of the Company having a par value of Rs. 2 (Rupees Two) and includes warrants of the Company and Shares arising out of conversion of such warrants.

"Subsidiaries" means the current and future direct and indirect subsidiaries of the Company and shall, for the avoidance of doubt, include any company which is Controlled by the Company.

192. Quorum For General Meeting

Notwithstanding anything to the contrary in these Articles, the quorum for General Meetings shall require the presence of at least one authorised representative representing the Promoter Group being present at such meeting. Provided that the Promoter Group may, in writing, waive the requirements of quorum specified in this Article for any meeting.

193. Affirmative Rights

Notwithstanding anything to the contrary contained in these Articles, the following decisions, shall not be taken and/or implemented by the Company or any of its Subsidiaries whether at meetings of their respective shareholders and/or their respective Board of Directors and/or committees of the Board of Directors, in each case without the affirmative votes or prior written consent of, the Promoter Group:

(i) Mergers, demergers, spin-offs, re-organizations, amalgamations, consolidations, divestments, winding up or liquidation, or debt restructuring, or creation or dissolution of joint ventures/partnerships, subsidiaries, or investments in such entities, acquisition or sale of shares or securities or ownership interest in or of any other company or entity;

(ii) Sale of fixed assets (including but not limited to creating a lien, a lease or exchange), outside of the business plan (as approved by the Promoter Group), in excess of Rs. 200,000,000 (Rupees Two Hundred Million) on a cumulative basis in any Financial Year;

(iii) Voluntary commencement of a winding-up proceeding for insolvency or bankruptcy of the Company and/or any of the Subsidiaries or general assignment for the benefit of their creditors or any consent to the entry of a decree or order for relief from creditors under any applicable laws or any admission by the Company and/or any of the Subsidiaries of (A) its inability to pay its debts, or (B) any other action constituting a cause for the involuntary declaration of insolvency or bankruptcy;

(iv) Acquisition of other businesses (by way of share sale, business transfer, slump sale, asset sale or any other mode of acquiring a business or asset), creation of joint ventures/ partnerships, creation or investment in Subsidiaries or any other investments (other than short term liquid investments in bank deposits and debt mutual funds with no equity exposure and in certain banks and mutual funds as approved by the investment committee of the Board);

(v) Capital expenditures or acquisitions of assets, in excess of Rs. 200,000,000 (Rupees Two Hundred Million), on a cumulative basis, in any Financial Year;

(vi) Increase, decrease, buy back or other alteration or modification in authorized or issued share capital or creation or issue of other securities (including equity shares, preference shares, non-voting shares, warrants, options and such other instruments) and terms thereof by the Company or any Subsidiary or delisting of securities of the Company or any Subsidiary. Matters in connection with any initial public offering of any Subsidiary including timing, pricing, and place/stock exchange(s) etc;

(vii) Any event that reduces the Company's equity shareholding in any of the Subsidiaries, save and except any reduction by virtue of conversion of any options granted pursuant to ESOP approved by the Board;

(viii) Any event that reduces any Subsidiary's equity shareholding (directly or indirectly) in any of its subsidiaries;

(ix) Related party transactions (other than transactions between the Company and/or its Subsidiaries with the Promoter Group so long as such transactions are entered into in the ordinary course of business);

(x) Amendments to Memorandum or Articles of Association (including, without limitation, change in the number of members of the Board of Directors of the Company and/or the Subsidiaries);

(xi) Appointment and change of chief executive officer, managing director, chief financial officer, the statutory auditor and the internal auditor;

(xii) Any appointment of Director/Chairman of the Board of its Subsidiaries;

(xiii) Approval of, or amendment to, the annual business plan (including budgets);

(xiv) Commencement of any new line of business, which is unrelated to the business of the Company or its Subsidiaries;

(xv) Availing of debt, credit facilities, issuance of any bonds/debentures, refinancing of existing debt, securitization of any receivable or incurring any indebtedness by the Company or any Subsidiary, in excess of an aggregate of Rs.1,000,000,000 (Rupees One Thousand Million);

(xvi) Settlement of any litigation where the amount involved is in excess of Rs. 50,000,000 (Rupees Fifty Million) on a cumulative basis in any Financial Year;

(xvii) Any change in the material accounting or tax policies or practices;

(xviii) Declaration or payment of any dividend;

(xix) Entry into, amendment or termination of any agreement or commitment that imposes or is likely to impose obligations on the Company or any of the Subsidiaries, to pay an amount in excess of Rs. 150,000,000 (Rupees One Hundred and Fifty Million) in a single transaction or on a cumulative basis, i.e. in more than one transaction in any Financial Year, or impose, or is likely to impose, on the Company or any of the Subsidiaries, any liability in excess of Rs. 150,000,000 (Rupees One Hundred and Fifty Million);

(xx) Acquire or sell shares or other securities (other than fixed income securities);

(xxi) Recommend giving or renewing of security in or the indemnifying or the guaranteeing of debts or obligations of any entity other than the Subsidiaries;

(xxii) Any change in the Financial Year for preparation of audited accounts;

(xxiii) Any Transfer of brand names and trademarks or any other intellectual property used by the Company or its Subsidiaries, unless such Transfer is between the Company and its Subsidiaries or amongst the aforesaid Subsidiaries inter se; and

(xxiv) Any commitment or agreement or arrangement (oral or written) to do any of the foregoing.

It is clarified that all financial limits in this Article are indicated on an aggregate basis and would apply cumulatively to the Company and all the Subsidiaries taken together.

194. Alternate Directors

(i) Each of the directors appointed by the Promoter Group shall be entitled to appoint an alternate Director in place of himself/herself from time to time.

(ii) Upon the appointment of the alternate director, the Company, shall ensure compliance with the provisions of the Act, including by filing necessary forms with the Registrar. The alternate director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the original director and generally to perform all functions of the original director in his or her absence.

195. Board Composition of The Company

(i) The Directors on the Board of the Company other than the independent Directors (the "Other Directors") shall be appointed by the Promoter Group proportionate to their shareholding, such that the Promoter Group shall appoint a minimum of 2 (two) directors from amongst the Other Directors so long as the Promoter Group holds atleast 15% of the Share Capital of the Company ("Promoter Group Directors"). The Chairman of the Board is Mr. Analjit Singh. In the event Mr. Analjit Singh is unable to act as the Chairman of the Board, then the Chairman shall be a director nominated by the Promoter Group.

(ii) Subject to the provisions of applicable Law, the Promoter Group shall have the right to nominate at least 1 (one) nominee to the Board of Directors of the Company from among the Promoter Group Directors, as a non-rotational Director.

196. Removal/Resignation of Directors

The Promoter Group may require the removal of any Director nominated by them to the Company and nominate another individual as a Director in his/her place. In the event of the resignation, retirement or vacation of office of any Director nominated by the Promoter Group, the Promoter Group shall be entitled to appoint another Director in such place.

197. Meetings Of Directors

(i) Unless agreed to by at least one nominee director of the Promoter Group, the meetings of the Board shall be held in New Delhi, India.

(ii) Subject to the provisions of Section 286 of the Act, each notice of a meeting of the Board shall contain, inter alia, an agenda specifying, in reasonable detail, the matters to be discussed at the relevant meeting and shall be accompanied by all necessary written information.

(iii) It is hereby clarified, subject to the provisions of these Articles including Article 193 and any matter in respect of which affirmative rights may have been conferred on the Promoter Group, that a decision shall be said to have been made and/ or a resolution shall be said to have been passed at a meeting of the Board of Directors of the Company only if at a validly constituted meeting, such decisions are approved of by and/ or the resolution is approved of by a majority of the Directors, which unless otherwise mandated by law in India, shall mean approval by a majority of the Directors present and voting at such Board meeting of the Company.

(iv) Subject to applicable law, Directors or members of any committee of the Board may participate in meetings of the Board or committee of the Board through video- conference or telephonic conference.

198. Quorum for Board Meeting

Notwithstanding anything to the contrary in Article 121, the quorum for a meeting of the Board shall include at least 1 (one) Director nominated by the Promoter Group being present at such meeting.

Provided that if such a quorum is not present within one hour from the time appointed for the meeting, the meeting shall adjourn to the same place and time 7 (seven) days later, at which meeting the Directors present shall, subject to their constituting a valid quorum under the Act, constitute a valid quorum even though the nominee director of the Promoter Group, is not present, provided that notice of such adjourned meeting shall have been delivered to all Directors at least 5 (five) days prior to the date of such adjourned meeting. However, any matter in respect of which the Promoter Group may have affirmative rights shall not be taken up at such adjourned meeting, without at least one Director each nominated by the Promoter Group being present.

Provided further that the Promoter Group may, in writing, waive the requirements of quorum specified in this Article for any meeting.

199. Committees

As long as the Promoter Group holds at least 10% of the Share Capital of the Company, the Promoter Group has the right to appoint any 1 (one) of its nominee Directors as a member of all the committees established by the Board of Directors of the Company. Provided that the Promoter Group may, in writing, waive the requirements of quorum specified in this Article for any meeting.

200. Resolution of Board Meeting

Notwithstanding anything to the contrary in Article 129, a resolution of a Board or committee of the Board, passed by circulation, shall be valid only if it has been circulated in draft form, together with the relevant papers, if any to all the Directors and if the resolution proposed to be passed by circulation pertains to any matter in respect of which the Promoter Group may have affirmative rights, such circular resolution shall be valid and effective only if it has received the consent of at least 1 (one)

Director nominated by the Promoter Group.

201. Statutory Auditor

Notwithstanding anything to the contrary in Article 163, the Auditor or Auditors appointed by the Company shall be from among recognized and reputable accounting firms, acceptable to the Promoter Group.

202. Termination of Certain Articles

In the event that the Promoter Group ceases to hold at least 10% of the Share Capital of the Company, then without prejudice to either rights or obligations which may have accrued to or in respect of the Promoter Group under these Articles, the provisions of this Part II shall automatically cease to have effect with respect to the Promoter Group.

203. Not used

204. Not used

205. Not used

206. Not used

207. Not used

208. Not used

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 (vii) 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. <u>Terms of Promoter Warrants</u>

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.

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years prior to the date of this Draft Letter of Offer) which are or may be deemed material have been entered or are to be entered into by our Company. Copies of these contracts and also the documents for inspection referred to hereunder, may be inspected at our Registered Office between 10 a.m. and 5 p.m. on all working days from the date of the Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue

1. Issue Agreement dated February 16, 2018 between our Company and the Lead Manager.

2. Registrar Agreement dated February 12, 2018 between our Company and the Registrar to the Issue.

3. Escrow Agreement dated [●] amongst our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company, as amended.

2. Certificate of incorporation and fresh certificate of incorporation pursuant to change of name of our Company.

3. Resolution of our Board dated January 15, 2018 approving the Issue.

4. Resolution of our Rights Issue Committee dated February 16, 2018 approving the Draft Letter of Offer.

5. Resolution of the Board dated [●] finalising the terms of the Issue including Issue Price, Record Date and the Rights Entitlement Ratio.

6. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager, Banker to the Issue, Legal Advisors to the Issue and the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities.

7. Annual Reports of our Company for Fiscal 2017 and 2016.

8. Investment Agreement dated January 9, 2017 between, amongst others, New York Life International Holdings Ltd and our Company.

9. Shareholders Agreement dated February 10, 2017 between Toppan Printing Co., Ltd., Max Speciality Films Limited and our Company.

10. Share Purchase and Share Subscription Agreement dated February 10, 2017 between Toppan Printing Co., Ltd., Max Speciality Films Limited and our Company.

11. Employment agreement between our Company and Mr. Sahil Vachani, Managing Director and CEO, dated March 16, 2016.

12. The statement of special tax benefits dated February 14, 2018 from the Statutory Auditors.

13. In-principle approvals issued by BSE and NSE, both dated [●], under Regulation 28 of the SEBI Listing Regulations.

14. Due diligence certificate dated February 16, 2018, addressed to SEBI from the Lead Manager.

15. Tripartite Agreement dated January 25, 2016 between our Company, the Registrar to our Company and NSDL.

16. Tripartite Agreement dated January 28, 2016 between our Company, the Registrar to our Company and CDSL.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Eligible Shareholders, subject to compliance with applicable law.

DECLARATION

We certify that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, the SEBI Act and the rules made thereunder or regulations issued thereunder, as the case maybe. We further certify that, all the legal requirements connected with the said Issue as also the regulations, rules, guidelines, instructions, etc. issued by the SEBI, Government of India and any other competent authority in this behalf have been duly complied with.

We hereby certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE BOARD OF DIRECTORS OF OUR COMPANY

Mr. Analjit Singh *Chairman*	**Mr. Mohit Talwar** *Vice Chairman*
Mr. Sahil Vachani *Managing Director and Chief Executive Officer*	**Mr. Arthur Seter Harutyun** *Non - Executive Director*
Mr. K. Narasimha Murthy *Independent Director*	**Mr. D.K. Mittal** *Independent Director*
Mr. Ashok Brijmohan Kacker *Independent Director*	**Ms. Sujata Keshavan Guha** *Independent Director*

SIGNED BY THE CHIEF FINANCIAL OFFICER
Mr. Nitin Kumar Kansal

Place: New Delhi
Date: February 16, 2018