

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 7th (Seventh) Board's Report along with the Audited Financial Statements of your Company for the Financial Year ended March 31, 2022 ("FY 2022"). This Report is prepared on the basis of Standalone Financial Statements of the Company for FY 2022 and the consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Standalone Financial Results

The standalone financial performance of your Company is summarized below:

(₹ in Lakh)

Particulars	FY 2021-22	FY 2020-21
Income		
Revenue from Operations	1,980.98	2,954.20
Other Income	48,842.97	170.57
Total Revenues	50,823.95	3,124.77
Expenditure		
Employee benefits expense	867.18	842.69
Finance costs	321.89	332.87
Depreciation and amortization expense	378.41	371.46
Other expenses	936.40	714.78
Total Expenses	2,503.88	2,261.80
Profit/(Loss) before Tax	48,320.07	862.97
Tax expense	9,974.57	165.42
Profit/(Loss) after Tax	38,345.50	697.55

Consolidated Financial Results

The consolidated financial performance of your Company and its subsidiaries is summarized below:

(₹ in Lakh)

Particulars	FY 2021-22	FY 2020-21
Continuing operations		
Income		
Revenue from Operations	10,096.71	6,669.98
Other Income	992.58	718.81
Total Revenues	11,089.29	7,388.79
Expenditure		
Cost of raw materials consumed	705.33	191.04
Change in inventories of finished goods, traded goods and work in progress	1,850.94	1,557.97
Employee benefits expense	1,316.28	1,461.78
Finance costs	1,657.28	1,718.84
Depreciation and amortization expense	1,481.29	1,311.46
Other expenses	3,651.72	3,664.84
Total Expenses	10,662.84	9,905.93
Profit/(Loss) before exceptional items and tax	426.45	(2,517.14)
Exceptional items	-	(2,699.89)
Profit before tax from continuing operations	426.45	(5,217.03)
Attributable tax expense	(39.15)	(755.25)
Profit/(Loss) after Tax	465.60	(4,461.78)

Particulars	FY 2021-22	FY 2020-21
Discontinued operations		
Revenue from operations	126,984.14	111,388.56
Other income	1,029.34	1,043.86
Total expenses	106,189.26	99,029.04
Profit before tax	21,824.22	13,403.38
Gain on sale of discontinued operations (also refer note 4)	40,922.47	-
Tax expenses/(credit) (also refer note 4)	17,339.72	3,232.11
Profit for the period from discontinued operations (refer note 7)	45,406.97	10,171.27
Profit for the period from continuing and discontinued operations	45,872.57	5,709.49
Attributable to:		
Equity holders of parent	38,768.48	767.83
Non-controlling interest	7,104.09	4,941.66

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

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

Company's Performance / Operations

In FY 2022, the Company reported consolidated revenues from continuing operations of ₹ 10,096.71 Lakh and a Profit after tax of ₹ 465.60 Lakh.

Dividend

Considering the future business plans of the Company, the Board of Directors of the Company do not recommend any dividend on the equity shares of the Company for FY 2022.

Transfer to Reserves

The Company did not transfer any amount out of profits to General Reserve during FY 2022.

Listing Information

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

The annual listing fees for the Financial Year 2022-23 has been paid to both the Stock Exchanges.

Changes in Share Capital

As at March 31, 2022, the authorized share capital of the Company stood at ₹ 1,50,00,00,000/- (Rupees One Hundred and Fifty Crore Only) divided into 15,00,00,000 (Fifteen Crore) equity shares of ₹ 10/- (Rupees Ten only) each. There was no change in the authorized share capital of the Company during FY 2022.

As at March 31, 2022, the paid-up equity share capital of the Company was ₹ 1,46,94,66,480/- (Rupees One Hundred and Forty Six Crore Ninety Four Lakh Sixty Six Thousand Four Hundred and Eighty only) comprising of 14,69,46,648 (Fourteen Crore Sixty Nine Lakh Forty Six Thousand Six Hundred and Forty Eight) equity shares of ₹ 10/- (Rupees Ten only) each.

During FY 2022, the Company has allotted 3,22,586 (Three Lakh Twenty Two Thousand Five Hundred and Eighty Six) equity shares of ₹ 10/- (Rupees Ten Only) each arising from the exercise of Stock Options by the Option Holders under 'Max Ventures and Industries Employee Stock Plan - 2016' of the Company.

Subsidiaries, Joint Ventures and Associates

As at March 31, 2022, your Company had following subsidiaries:

- (i) Max Estates Limited;
- (ii) Max I. Limited;
- (iii) Max Asset Services Limited;
- (iv) Max Towers Private Limited;
- (v) Max Square Limited; and
- (vi) Pharmax Corporation Limited.

Further, during FY 2022; the Company has sold 1,71,89,601 (One Crore Seventy One Lakh Eighty Nine Thousand Six Hundred and One) equity shares of ₹ 10/- (Rupees Ten only) each

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constituting 41.00% of the equity share capital of Max Specialty Films Limited ("MSFL"), an erstwhile material unlisted subsidiary of the Company to Toppan Inc., a company incorporated under the laws of Japan and having its registered office at 1-5-1 Taito, Taito-ku, Tokyo - 110-8560 on February 1, 2022; and accordingly, MSFL had ceased to be a subsidiary of the Company effective that date. The Company along with its Nominees holds 41,92,585 (Forty One Lakh Ninety Two Thousand Five Hundred and Eighty Five) equity shares constituting 10.00% of the equity share capital of MSFL as on March 31, 2022.

There were no associates or joint ventures of the Company during FY 2022.

Form AOC-1 containing the salient features of Financial Statements of the Company's subsidiaries is enclosed with this Report as 'Annexure - 1'.

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

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

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

Annual Return

The Annual Return of the Company for FY 2020-21 is available at the website of the Company at www.maxvil.com. Further, the Annual Return for FY 2022 shall be made available at the website of the Company upon the same being filed with the concerned Registrar of Companies.

Employees Stock Option Plan

Your Company has adopted an employee stock option plan viz. 'Max Ventures and Industries Limited - Employee Stock Plan 2016' ('ESOP Plan') at its first Annual General Meeting held on September 27, 2016. The ESOP Plan provides for grant of stock options aggregating not more than 5% of equity share capital of the Company to eligible employees and Directors of the Company and its subsidiaries. There was no change in the ESOP Plan during FY 2022. Further, the ESOP Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (as

amended from time to time). The ESOP Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors of the Company.

During FY 2022, your Company has granted 1,32,724 stock options to the eligible employees of the Company and its subsidiaries. A statement setting out the details of options granted upto March 31, 2022 and other disclosures as required under Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Rule 12(9) of Companies (Share Capital & Debentures) Rules, 2014 for FY 2022, is enclosed as 'Annexure - 2' to this report.

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

There were no material changes affecting the financial position of the Company between the Financial Year ended March 31, 2022 and the date of this Report.

However, the Board of Directors of the Company in its meeting held on April 18, 2022 has approved the draft Composite Scheme of Amalgamation and Arrangement amongst the Company and Max Estates Limited and their respective shareholders and creditors ('Scheme'), for amalgamation of the Company with Max Estates Limited, a wholly owned subsidiary of the Company and various other matters incidental, consequential or otherwise integrally connected thereto pursuant to Sections 230 to 232 read along with Section 66 and other applicable provisions of the Companies Act, 2013 (including any statutory modifications or re-enactments or amendments thereof) and rules made thereunder, with effect from the Appointed Date i.e. April 01, 2022, subject to receipt of requisite statutory / regulatory approvals including the approval of the jurisdictional Bench of the National Company Law Tribunal.

Report on Corporate Governance

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

A certificate from M/s Sanjay Grover & Associates, Practicing Company Secretaries regarding compliance with the regulations of Corporate Governance pursuant to Part E of Schedule V of the Listing Regulations and a certificate from the Managing Director and Chief Financial Officer of the Company on compliance of Part B of Schedule II of the Listing Regulations

forms part of the Corporate Governance Report.

Management Discussion & Analysis

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

Directors

As at March 31, 2022, the Board of Directors of your Company comprised of 7 (seven) Directors with one Executive Director and (Six) Non-Executive Directors out of which 4 (Four) were Independent Directors.

During FY 2022, Mr. Arthur Seter resigned from the position of Non-Executive Director of the Company effective from closure of business hours on January 31, 2022. The Board places on record its appreciation for the valuable contributions made by him during his association with the Company.

Further, Mr. Ka Luk Stanley Tai was appointed as Non-Executive Additional Director by the Board of Directors of the Company w.e.f. February 01, 2022, who was subsequently appointed as a Non-Executive Director by the Members of the Company through an Ordinary Resolution passed by way of Postal Ballot effective March 13, 2022.

In terms of Section 152 of the Act and the Articles of Association of the Company, Mr. Analjit Singh shall retire by rotation at the ensuing AGM of the Company. Being eligible, he has offered himself for re-appointment at the ensuing AGM. Your Directors recommend his re-appointment. A brief profile of Mr. Analjit Singh, forms part of the Notice convening AGM of the Company.

Board Meetings

The Board of Directors met 04 (Four) times during FY 2022. The details of meetings and the attendance of directors are provided in the Corporate Governance Report which forms part of this Annual report.

Statement of Declaration by Independent Directors

In terms of Section 149(6) of the Act and Regulation 25 of the Listing Regulations, the Company has received declaration of independence from all Independent Directors namely Mr. Kummamuri Narasimha Murthy, Mr. Dinesh Kumar Mittal, Mr. Niten Malhan and Ms. Gauri Padmanabhan.

In the opinion of the Board, the Independent Directors fulfil the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and also meet the criteria in relation to integrity, expertise and experience (including the proficiency) as outlined by your Company. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct and the inlaid policies and applicable laws.

Key Managerial Personnel

As at March 31, 2022, in terms of provisions of Section 203 of the Act, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Sahil Vachani - Managing Director and CEO, Mr. Nitin Kumar Kansal - Chief Financial Officer were the Key Managerial Personnel of the Company.

During FY 2022, Mr. Saket Gupta has resigned from the position of Company Secretary and Compliance Officer of the Company effective January 31, 2022. Further, Mr. Ankit Jain was appointed as the Company Secretary and Compliance Officer of the Company w.e.f. May 16, 2022.

Committees of Board of Directors

As at March 31, 2022, the Company had 5 (Five) committees of Board of Directors of the Company viz. Audit Committee, Nomination & Remuneration Committee, Stakeholder's Relationship Committee, Investment & Finance Committee and Risk Management and Sustainability Committee which have been established as a part of the best Corporate Governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes.

During FY 2022, the Board of Directors of the Company in its meeting held on June 11, 2021 has dissolved the Corporate Social Responsibility Committee and role of the Corporate Social Responsibility Committee is being discharged by the Board of Directors effective that date.

A detailed note on Board and Committees composition, its terms of references and the meetings held during FY 2022 has been provided in the Corporate Governance Report which forms part of this Annual Report.

Independent Directors' Meeting

The Independent Directors met on June 11, 2022, inter-alia, to:

1. Review the performance of non-independent Directors and the Board as a whole;

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2. Review the performance of the Chairman of the Company, taking into account the views of executive Directors and non-executive Directors; and
3. Assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Performance Evaluation of the Board

The performance evaluation of the Board as stipulated under the Listing Regulations and Section 134 of the Act read with Rule 8(4) of the Companies (Accounts) Rules, 2014, a formal annual evaluation has been carried out for evaluating the performance of the Board, the Committees of the Board and the Individual Directors including the Independent Directors and the Chairman.

The performance evaluation was carried out by obtaining feedback from all Directors through a confidential online survey mechanism through Diligent Boards which is a secured electronic medium through which the Company interfaces with its Directors. The Directors were also provided an option to participate in physical mode. The outcome of this performance evaluation was placed before Nomination & Remuneration Committee, Independent Directors' Committee and the Board in their respective meeting for the consideration of members.

The review concluded by affirming that the Board as a whole as well as its Chairman, all of its members, individually and the Committees of the Board continued to display commitment to good governance by ensuring a constant improvement of processes and procedures and contributed their best in overall growth of the organization.

Nomination & Remuneration Policy

In terms of the provisions of Section 134(3)(e) and 178 of the Act, the Board of Directors on the recommendation of the Nomination & Remuneration Committee have put in place a policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided. The said Policy is available on our website at <https://www.maxvil.com/shareholder-information/>.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company has requisite policy for prevention, prohibition and redressal of Sexual Harassment of Women at Workplace.

This comprehensive policy ensures gender equality and the right to work with dignity. The Internal Complaints Committee (ICC) is in place for redressal of complaints received relating to sexual harassment.

During FY 2022 and till the date of this report, no complaint pertaining to sexual harassment was received by ICC.

Particulars of Loans, Guarantees or Investments in Securities

The details of loans, guarantees and investments are provided in Note No. 27 to the Standalone Financial Statements forming part of this Annual Report.

Contracts or Arrangements with Related Parties

All transactions entered by the Company during FY 2022 with related parties under the Act were in the ordinary course of business and on an arm's length basis. Further, your Company did not enter into any Related Party Transaction which may be considered material in terms of the Listing Regulations and thus disclosure in Form AOC-2 is considered to be not applicable to the Company.

The details of all related party transactions are provided in Note No. 34 to the Standalone Financial Statements attached to this Report.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at <https://www.maxvil.com/shareholder-information/>.

Risk Management

Your Company considers that risk is an integral part of its business and therefore, it takes proper steps to manage all risks in a proactive and efficient manner. The Company management periodically assesses risks in the internal and external environment and incorporates suitable risk treatment processes in its strategy, business and operating plans.

There are no risks which, in the opinion of the Board, threaten the very existence of your Company. However, some of the challenges faced by the Company and/or its key operating subsidiaries have been set out in the Management Discussion and Analysis Report forming part of this Annual Report.

Vigil Mechanism

The Company has a vigil mechanism pursuant to which a Whistle Blower Policy ('Policy') has been adopted and the same

is hosted at the Company's website at <https://www.maxvil.com/shareholder-information/>.

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

The Company affirms that no person was denied access to the Audit Committee on matters relating to the Policy during FY 2022.

Human Resources

The information required under Section 197(12) of the Act read with Rule 5(1) and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, is given in 'Annexure - 3'.

Particulars of Conservation of Energy, Technology Absorption & Foreign Exchange Earning and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings & outgo as stipulated under Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is as follows:

a) **Conservation of Energy**

- (i) the steps taken or impact on conservation of energy
 Regular efforts are made to conserve the energy through various means such as use of low energy consuming lightings, etc.
- (ii) the steps taken by the Company for using alternate sources of energy
 Since your Company is not an energy intensive unit, utilization of alternate source of energy may not be feasible.
- (iii) Capital investment on energy conservation equipment:
 Nil

b) **Technology Absorption**

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

in this regard.

There was no expenditure on Research and Development during FY 2022.

c) **Foreign Exchange Earnings and Outgo**

The foreign exchange earnings and outgo during FY 2022 are given below:

Total Foreign Exchange earned	:	Nil
Total Foreign Exchange used	:	Nil

Statutory Auditors and Auditors' Report

Pursuant to provisions of Section 139 and other applicable provisions of the Act, M/s. S. R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. 301003E) were re-appointed as Statutory Auditors of the Company for a second tenure of five years at AGM held on December 30, 2020 to hold office till the conclusion of the 10th AGM of the Company to be held in the year 2025.

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

Secretarial Auditors and Secretarial Audit Report

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Directors appointed M/s. Sanjay Grover & Associates, Company Secretaries to undertake the Secretarial Audit of your Company. The Report of the Secretarial Auditors has been annexed as 'Annexure - 4' to this Report, which is self-explanatory.

There are no qualifications, reservations, adverse remarks or disclaimers given by the Secretarial Auditors in their Report for FY 2022 and hence, does not call for any further comments.

Internal Auditors

M/s. MGC Global Risk Advisory LLP were appointed as the Internal Auditors of the Company for conducting the Internal Audit of key functions and assessment of Internal Financial Controls for FY 2022.

Internal Financial Controls

The Company has in place adequate internal financial controls with reference to Financial Statements. During FY 2022, such controls were tested and no reportable material weaknesses in the design or operation effectiveness were observed.

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Further, the testing of such controls was also carried out independently by the Statutory Auditors for FY 2022.

In the opinion of the Board, the existing internal control framework is adequate and commensurate with the size and nature of the business of the Company.

Reporting of Frauds by Auditors

During FY 2022, neither the Statutory Auditors nor the Internal Auditors or Secretarial Auditors of the Company have reported to the Audit Committee under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which are required to be mentioned in the Board's Report.

Corporate Social Responsibility Policy (CSR Policy)

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

The Annual Report on CSR Activities of the Company for FY 2022 is enclosed as 'Annexure – 5' to this Report, which is self-explanatory.

Business Responsibility Report

In terms of Clause 34(2)(f) of the Listing Regulations, a Business Responsibility Report, on various initiatives taken by the Company, is enclosed to this report as **Annexure - 6**.

Cost Records

The provisions of Section 148(1) of the Act relating to maintenance of cost records were not applicable to the Company for FY 2022.

Public Deposits

During FY 2022, the Company has not accepted or renewed any deposits from the public.

Compliance of Secretarial Standards

During FY 2022, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) pursuant to the provisions of Section 118 of the Companies Act 2013.

Directors' Responsibility Statement

In terms of Section 134(3)(c) of the Act and to the best of their knowledge and belief, and according to the information and explanation provided to them, your Directors hereby confirm that:

- (a) in preparation of the Financial Statements, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- (b) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2022 and of the profit of the Company for year ended on that date;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities;
- (d) the financial statements have been prepared on going concern basis;
- (e) proper internal financial controls were in place and that such financial controls were adequate and were operating effectively; and
- (f) the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

Unclaimed Shares

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

The details of equity shares of the Company held in the Unclaimed Suspense Account have been provided in the Corporate Governance Report which forms part of this Annual Report.

Significant and/or material Orders passed by Regulators or the Courts

There were no significant and/or material orders passed against your Company by the regulators / courts / tribunals during FY 2022 which may impact the going concern status and your Company's operations in future.

Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the

meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

Acknowledgements

Your Directors would like to place on record their sincere appreciation for the continued co-operation and contribution made by its management and employees towards the growth of the Company. Your Directors acknowledge with thanks the co-operation and assistance received from various agencies of the Central and State Governments, local authorities, Financial Institutions and Banks, valued Customers, Suppliers, Vendors, Shareholders and all other business associates.

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

Date: May 16, 2022
Place: New Delhi

Sahil Vachani
Managing Director and CEO
DIN: 00761695

Dinesh Kumar Mittal
Independent Director
DIN: 00040000