



June 8, 2021

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 021.

National Stock Exchange of India Ltd.
Exchange Plaza
Bandra -Kurla Complex
Bandra (E), Mumbai 400 051

Scrip Code : 500271

Name of Scrip : MFSL

Dear Sir/Madam,

Sub: **Disclosure under SEBI (LODR) Regulations, 2015 - Outcome of Board meeting on approval of financial results**

Please refer to our letter dated May 31, 2021 on the above subject. In this regard, we would like to inform you that the Board of Directors of the Company at its meeting held today approved the following:

- Audited financial results of the Company (standalone) for the quarter / year ended March 31, 2021;
- Audited financial results of the Company for the financial year ended March 31, 2021 together with audited consolidated financial results of the Company and its subsidiary for the said period; and
- Auditors' Reports on aforesaid financial results.

The aforesaid financial results and Auditors' Reports are attached herewith.

We hereby confirm and declare that the Statutory Auditors of the Company have issued the aforesaid Audit Reports on the financial results with unmodified opinion.

The Board meeting commenced at 2.30 pm and concluded at 4.10 pm today.

We are also enclosing a Press Release being issued by the Company on the outcome of the Board meeting.

You are requested to take the aforesaid on record.

Thanking you,

For Max Financial Services Limited

V. Krishnan
Company Secretary & Compliance Officer

Encl: As above.

MAX FINANCIAL SERVICES LIMITED

CIN: L24223PB1988PLC008031

Corporate Office: L20M, Max Towers, Plot No. C-001/A/1, Sector 16B, Noida 201301 | P 0120 4696000 | www.maxfinancialservices.com

Regd. Office: 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab - 144 533, India

INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL STANDALONE FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
MAX FINANCIAL SERVICES LIMITED**

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2021 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2021, (refer 'Other Matter' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2021" of **Max Financial Services Limited** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Standalone Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2021:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2021

With respect to the Standalone Financial Results for the quarter ended March 31, 2021, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2021, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Deloitte Haskins & Sells LLP

Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2021

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

We draw attention to Note 9 to the Statement, which describes transaction relating to sale of shares held by the Company in its subsidiary to Axis Bank Limited and its subsidiaries, pursuant to approval of the shareholders and other regulatory authorities, and resultant loss on sale of investment in subsidiary amounting to Rs. 32.89 crores and impairment loss on investment in subsidiary amounting to Rs. 88.16 crores recorded during the quarter and year ended March 31, 2021.

Our report on the Statement is not modified in respect of this matter.

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2021 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2021 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.



Deloitte Haskins & Sells LLP

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2021

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2021 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

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

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.



Deloitte Haskins & Sells LLP

Materiality is the magnitude of misstatements in the Annual Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Standalone Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Standalone Financial Results.

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

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

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2021

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2021 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 ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matter

The Statement includes the results for the Quarter ended March 31, 2021 being the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our report on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



SATPAL SINGH ARORA
(Partner)
(Membership No. 098564)
(UDIN: 21098564AAAABH4734)

Place: New Delhi
Date: June 8, 2021

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

Particulars		(Rs. in Crores)				
		3 months ended 31.03.2021	3 months ended 31.12.2020	3 months ended 31.03.2020	Year ended 31.03.2021	Year ended 31.03.2020
		(Unaudited) (See note 5)	(Unaudited)	(Unaudited) (See note 5)	(Audited)	(Audited)
1. Revenue from operations						
(a) Interest income		-	0.01	-	0.01	0.47
(b) Dividend income		185.78	-	222.65	185.78	463.70
(c) Rental income		0.10	0.11	0.10	0.42	0.42
(d) Gain on fair value changes						
- on derivative financial instruments (See Note 7)		51.24	12.61	-	91.47	1.33
- on investments in mutual funds		0.99	1.45	1.98	8.07	8.89
(e) Sale of services		5.00	5.13	5.07	20.63	20.13
2. Total revenue from operations		243.11	19.31	229.80	306.38	494.94
3. Other income		0.35	0.41	-	1.43	0.08
4. Total income (2+3)		243.46	19.72	229.80	307.81	495.02
5. Expenses						
(a) Finance costs		0.06	0.06	0.06	0.22	0.20
(b) Loss on fair value changes on derivative financial instruments (See Note 7)		-	-	7.18	-	-
(c) Impairment loss on investment in subsidiary (See note 9)		88.16	-	-	88.16	-
(d) Loss on sale of investment in subsidiary (See note 9)		32.89	-	-	32.89	-
(e) Employee benefits expenses		7.73	4.17	3.10	21.25	22.86
(f) Depreciation, amortisation and impairment (See note 10)		1.08	0.98	7.56	3.80	9.89
(g) Legal and professional expenses		3.75	4.27	8.77	18.32	44.39
(h) Other expenses		6.43	2.60	12.82	13.70	21.36
6. Total expenses		140.10	12.08	39.49	178.34	98.70
7. Profit before tax (4-6)		103.36	7.64	190.31	129.47	396.32
8. Tax expense						
(a) Current tax (See Note 12 and 13)		36.61	-	123.78	39.09	123.78
(b) Deferred tax		(8.85)	-	-	(8.85)	-
9. Total tax expense		27.76	-	123.78	30.24	123.78
10. Profit after tax (7-9)		75.60	7.64	66.53	99.23	272.54
11. Other comprehensive income / (loss):						
Items that will not be reclassified to profit or loss:						
- Remeasurement of the defined benefit obligations		0.13	0.02	0.12	0.02	(0.12)
Income tax relating to items that will not be reclassified to profit or loss		(0.01)	-	-	(0.01)	-
12. Total other comprehensive income / (loss)		0.12	0.02	0.12	0.01	(0.12)
13. Total comprehensive income (10+12)		75.72	7.66	66.65	99.24	272.42
14. Paid-up equity share capital (Face value of Rs. 2)		69.02	69.01	53.90	69.02	53.90
15. Other equity					6,576.44	2,226.42
16. Earnings per share (EPS) (Rs.) (not annualised for the quarter)						
(a) Basic EPS		2.52	0.27	2.47	3.38	10.12
(b) Diluted EPS		2.53	0.27	2.47	3.39	10.11
See accompanying notes to the standalone financial results						

Date : June 8, 2021
Place : Gurugram

By Order of the Board

Mohit Tattar

Mohit Tattar
Managing Director
DIN : 02394694



Notes to the standalone financial results:

1 STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021

		(Rs. in Crores)	
	Particulars	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
A.	ASSETS		
1.	Financial assets		
	(a) Cash and cash equivalents	0.22	0.29
	(b) Bank balance other than (a) above	1.24	1.65
	(c) Receivables - Trade receivables	19.18	19.25
	(d) Loans	-	0.01
	(e) Investments (See note 8 and 9)	6,616.37	2,468.40
	(f) Other financial assets	0.54	0.68
	Total financial assets	6,637.55	2,490.28
2.	Non financial assets		
	(a) Current tax assets (net)	3.88	8.13
	(b) Deferred tax assets (net)	8.84	-
	(c) Property, plant and equipment	21.72	22.14
	(d) Right-of-use assets	3.40	3.37
	(e) Other non-financial assets	1.16	1.65
	Total non-financial assets	39.00	35.29
	Total assets	6,676.55	2,525.57
B.	LIABILITIES AND EQUITY		
I	LIABILITIES		
1.	Financial liabilities		
	(a) Derivative financial instruments (See Note 7)	-	91.47
	(b) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	0.08	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	10.17	10.06
	(c) Lease liabilities	3.46	2.73
	(d) Other financial liabilities	1.26	2.88
	Total financial liabilities	14.97	107.14
2.	Non financial liabilities		
	(a) Current tax liabilities (See Note 12 and 13)	1.09	123.78
	(b) Provisions	13.16	11.91
	(c) Other non-financial liabilities	1.87	2.42
	Total non-financial liabilities	16.12	138.11
	Total liabilities	31.09	245.25
II	EQUITY		
	(a) Equity share capital	69.02	53.90
	(b) Other equity (See note 8)	6,576.44	2,226.42
	Total equity	6,645.46	2,280.32
	Total liabilities and equity	6,676.55	2,525.57



Notes to the standalone financial results:

2 STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

		(Rs. in crores)	
	Particulars	Year ended 31.03.2021 (Audited)	Year ended 31.03.2020 (Audited)
A.	Cash flow from operating activities		
	Profit before tax	129.47	396.32
	Adjustments for:		
	Depreciation, amortisation and impairment	3.80	9.89
	Finance costs	0.22	0.20
	Net loss / (profit) on sale / disposal of property, plant and equipment	0.11	(0.02)
	Net loss / (gain) on fair value changes		
	- on derivative financial instruments	(91.47)	(1.33)
	- on investments in mutual funds	(8.07)	(8.89)
	Liabilities/provisions no longer required written back	(0.78)	-
	Loss on sale of investment in subsidiary (See note 9)	32.89	-
	Impairment loss on investment in subsidiary (See note 9)	88.16	-
	Allowance for doubtful input tax credit receivable	-	0.60
	Provision for rates and taxes	0.03	8.03
	Expense on employee stock option scheme	1.66	4.43
	Changes in working capital:		
	<u>Adjustments for (increase)/ decrease in operating assets:</u>		
	Trade receivables	0.07	2.55
	Loans	0.01	0.06
	Other financial assets	0.15	0.46
	Other non-financial assets	1.19	(0.61)
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
	Trade payables	0.28	(4.15)
	Other financial liabilities	(1.62)	(8.17)
	Provisions	1.24	(0.19)
	Other non-financial liabilities	(0.55)	(3.81)
	Cash generated from operations	156.79	395.37
	Net income tax (paid) / refunds (See note 12 and 13)	(157.53)	(2.07)
	Net cash flow from / (used in) operating activities (A)	(0.74)	393.30
B.	Cash flow from investing activities		
	Capital expenditure on property, plant and equipment including capital advances	(1.53)	(0.11)
	Proceeds from sale of property, plant and equipment	0.26	0.06
	Bank balances not considered as Cash and cash equivalents (net)	0.41	1.02
	Investments in mutual funds		
	- Purchased	(409.37)	(539.98)
	- Proceeds from sale	466.48	334.34
	Investments in equity shares of subsidiary company		
	- Purchased (including derivative liability settlement)	(235.24)	(189.89)
	- Proceeds from sale (See note 9)	181.39	-
	Net cash flow from / (used in) investing activities (B)	2.40	(394.56)
C.	Cash flow from financing activities		
	Proceeds from ESOPs exercised (including share premium)	0.02	3.45
	Payments of lease liability	(1.75)	(2.33)
	Net cash flow from / (used in) financing activities (C)	(1.73)	1.12
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	(0.07)	(0.14)
	Cash and cash equivalents as at the beginning of the year	0.29	0.43
	Cash and cash equivalents as at the end of the year *	0.22	0.29
	* Comprises:		
	a. Cash on hand	-	0.01
	b. Balance with scheduled banks		
	- in current accounts	0.22	0.28
		0.22	0.29

Note: Net cash flow from / (used in) operating activities include interest and dividend received

185.79

464.17



Notes to the standalone financial results:

- 3 These standalone financial results of the Company have been reviewed by the Audit Committee in its meeting held on June 7, 2021 and approved by the Board of Directors of the Company at its meeting held today. The standalone financial results for the year ended March 31, 2021 have been audited by the statutory auditors and the standalone financial results for the quarter ended March 31, 2021 have been reviewed by the statutory auditors of the Company.
- 4 The standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 5 The standalone financial results for the quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and published year to date unaudited figures up to the third quarter of the year ended March 31, 2021 and March 31, 2020 for the Company respectively which have been subjected to limited review by the statutory auditors.
- 6 The Company is an Unregistered Core Investment Company (Unregistered CIC), and is primarily engaged in the business of growing and nurturing business investments and providing management advisory services to group companies in India. Accordingly, the Company views these activities as one business segment, therefore there are no separate reportable segments as per Indian Accounting Standard-108 (Ind AS-108) on Operating Segment.
- 7 Gain/(loss) on fair value changes on derivative financial instruments represents gain/(loss) arising out of the Option arrangements relating to equity shares of Max Life Insurance Company Limited (Max Life), executed during the year ended March 31, 2016, amongst the Company, Axis Bank Limited and Mitsui Sumitomo Insurance Company Limited (MSI) and accounted for Fair Value Through Profit or Loss account (FVTPL) in standalone financial results of the Company as per Ind AS 109.

On March 15, 2021, the Company has acquired 0.74% equity shares (previous year : 0.74% equity shares) of Max Life from Axis Bank Limited at a price of Rs. 166 per share (being fair value of Max Life determined on the date of transaction). Pursuant to such purchase and termination Letter to the Option Agreement entered among Axis Bank Limited, MSI, Max Life and the Company, balance equity share options of Max Life have been cancelled.

Necessary adjustments are made against the option value in the books of account and balance is restated at the end of each period.

- 8 The Board of Directors of the Company in its meeting held on March 3, 2020, had considered and approved the issuance and allotment of up to 75,458,088 equity shares of the Company of face value of Rs. 2 each, fully paid up, on a preferential basis to Mitsui Sumitomo Insurance Company Limited (MSI) for consideration other than cash, i.e. through swap of 394,775,831 equity shares of Rs. 10 each of Max Life Insurance Company Limited ('Max Life') ('MSI Swap'), based on the valuation report obtained by the Company in accordance with applicable laws. In addition, the Company through a call/put option has to acquire the remaining shareholding held by MSI at Rs. 85 for every equity share of Rs. 10 each held by MSI in Max Life ('MSI Put/Call Option'). The shareholders of the Company approved the said MSI Swap and MSI Put/Call Option on May 27, 2020.

The Company had received approvals from all requisite regulatory authorities for MSI Swap as of November 27, 2020, namely Competition Commission of India, the stock exchanges, Department of Economic Affairs ('DEA') and Insurance Regulatory and Development Authority of India ('IRDAI'). Pursuant to receipt of all the approvals, the Company has allotted 75,458,088 equity shares of face value of Rs. 2 each, fully paid up at a price of Rs. 565.11 per share on a preferential basis to MSI for consideration other than cash, i.e. through swap of 394,775,831 equity shares of Rs. 10 each of Max Life at a price of Rs. 108.02 on December 8, 2020. Post the MSI Swap transaction, MSI holds 21.87% equity shares of the Company and the Company's investment in equity shares of Max Life has increased from 72.52% to 93.10%. Further, Mr. Hideaki Nomura and Mr. Mitsuru Yasuda, nominees of MSI, were appointed as non-executive non-independent additional directors of the Company.

In respect of MSI Put/Call Option, the Company had executed definitive agreement with the parties, which is subject to receipt of requisite regulatory approvals. Subsequent to the year end, the Company has filed an application for approval with IRDAI for acquisition of 99,136,573 equity shares of Max Life held by MSI constituting 5.17% equity stake in Max Life under MSI Put/Call option. Pending receipt of requisite approvals, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the financial results.

- 9 On February 20, 2020, the Company and Axis Bank Limited ('Axis Bank') executed Confidentiality and Exclusivity Agreement to explore a long-term strategic partnership. The Board of Directors of the Company in its meeting held on April 27, 2020 approved entering into definitive agreements with Axis Bank for the sale of 29% of the equity share capital of Max Life Insurance Company Limited ('Max Life'), a material subsidiary of the Company, to Axis Bank, subject to receipt of shareholders' approval and other requisite regulatory approval. The shareholders of the Company approved the transaction on June 16, 2020.

Application for approval of Insurance Regulatory and Development Authority of India ('IRDAI') was submitted on May 20, 2020. Based on correspondence with RBI and IRDAI, the Company, Max Life, and Axis Bank made certain changes to the agreements, subject to regulatory approvals and as maybe permitted under applicable laws. On August 24, 2020, the Company, Max Life, and Axis Bank executed revised agreements whereby the Bank proposed to acquire 17.002% of the equity share capital of Max Life and submitted fresh proposal with the regulators. Further, in response to Axis Bank's application for directly acquiring 17.002% of the equity share capital of Max Life, the Reserve Bank of India has advised Axis Bank to be guided by Para 5(b) of Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 dated May 26, 2016 as updated from time to time ('Para 5(b)'). Pursuant to Para 5(b), Axis Bank and its subsidiaries (together 'Axis Entities'), i.e. Axis Capital Limited and Axis Securities Limited ('Axis Bank subsidiaries'), on October 30, 2020 entered into revised agreements with the Company for acquisition of upto 19.002% of the equity share capital of Max Life ('Revised Agreements'). Under the Revised Agreements, Axis Bank will acquire upto 9.002% of the equity share capital of Max Life and Axis Bank subsidiaries will acquire upto 3% of the share capital of Max Life. In addition, Axis Entities will have a right to acquire upto 7% of the equity share capital of Max Life, in one or more tranches. The Revised Agreements supersedes the previous agreements entered between the parties.

In this regard, Max Life has received approval from IRDAI vide its letter dated February 24, 2021 granting approval for transfer of 12.002% equity shares of Max Life held by the Company to Axis Entities, as promoters. Pursuant to receipt of all the approvals, the Company has transferred 38,376,257 equity shares of Rs. 10 each of Max Life to Axis Capital Limited and 19,188,128 equity shares of Rs. 10 each of Max Life to Axis Securities Limited on March 26, 2021, fully paid up at a price of Rs. 31.51 per share for consideration aggregating to Rs. 181.39 crores. The weighted average carrying value of such investments was Rs. 37.22 per share and hence, a loss on sale of investments of Rs. 32.89 Crores has been recorded in the current year.



Notes to the standalone financial results:

On April 6, 2021, the Company has transferred 172,731,531 equity shares of Rs. 10 each of Max Life to Axis Bank, fully paid up at a price of Rs. 32.12 per share for consideration aggregating to Rs. 554.81 crores. Consequently, the Company has accounted for an impairment loss of Rs. 88.16 crores in the value of such investments in the current year, being the difference between weighted average carrying value of such investments i.e. Rs. 37.22 per share and the transaction price.

The transaction price of Rs. 31.51 and Rs. 32.12 per share is computed based on the valuation of Max Life conducted as per Rule 11 UA read with Rule 11 UAA of the Income-tax Rules, 1962 (herein referred to as 'Transaction Price'). The methodology of computation of transaction price was approved by 99.90% shareholders through postal ballot and also stated in the definitive agreements entered with Axis Entities.

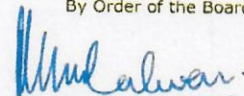
Post the Axis Bank stake sale transaction, Axis Entities hold 13% equity shares of Max Life and the Company's investment in equity shares of Max Life has decreased from 90.83% to 81.83%.

In respect of right of Axis entities to acquire 7% of equity share capital of Max Life, the Company had executed definitive agreement with the parties, which is subject to receipt of requisite regulatory approvals. Pending receipt of requisite approvals, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the financial results.

- 10 Depreciation, amortisation and impairment for the quarter and year ended March 31, 2020 includes impairment loss of Rs. 6.72 crores due to decline in value of the property held by the Company, as determined based on the valuation report obtained by the Company from external certified valuer.
- 11 Estimation of uncertainties relating to COVID-19 global health pandemic:
The Company has assessed the impact of COVID-19 on its operations as well as its standalone financial results, including carrying amounts of trade receivables, investments, property, plant and equipment and other assets, as at March 31, 2021. In assessing the Carrying value of these assets, the Company has used internal and external sources of information up to the date of approval of these standalone financial results, and based on current estimates, expects the net carrying amount of these assets to be recovered. The Company will continue to closely monitor any material changes to the business and financial results due to COVID-19.
- 12 In March 2020, the Company had filed application(s) with the income tax authorities under the 'The Direct Tax Vivad se Vishwas Act, 2020' ('the Scheme'), enacted vide the Gazette of India on March 17, 2020 regarding settlement of the ongoing tax litigation pertaining to Telecom stake sale made by its erstwhile subsidiary Max Telecom Ventures Limited (since merged with the Company w.e.f December 1, 2005). The said litigation was being contested both by the Company and the Income Tax Department for multiple years and pending before various Appellate Authorities, which were previously disclosed as contingent liabilities.

The settlement proposed by the Company under the Scheme has been accepted by the Tax Department for all the years under dispute viz. Assessment Years 1998-99, 1999-2000 and 2006-07. The Company had made a provision of Rs. 123.78 crores for the same disclosed as 'current tax' during the year ended March 31, 2020 and the same was paid in May 2020. During the year ended March 31, 2021, the Company has received final orders of settlement and an intimation to pay Rs. 2.48 crores towards full and final settlement for Assessment Year 2006-07. The same was paid in the month of September, 2020 and has been disclosed as 'current tax'.
- 13 During the current quarter, the Company has received dividend aggregating to Rs. 185.78 crores from its subsidiary, Max Life Insurance Company Limited. Finance Act, 2020, made amendment in Section 10(34) in the Income Tax Act, 1961, due to which dividend income is not exempt for the Company. Pursuant to such amendment, dividend received by the Company is taxable and accordingly, the Company has recorded provision for current tax of Rs. 36.61 crores (net of deferred tax adjustment) in the current quarter.
- 14 The Code on Social Security, 2020 ("Code") relating to employee benefits during employment and post-employment benefits received Presidential assent in September, 2020. The Code has been published in Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.
- 15 During the current quarter, the Board has appointed Mr. K. Narasimha Murthy as an Independent Director of the Company effective March 30, 2021.
- 16 The figures for the previous period/year have been regrouped / reclassified wherever necessary, to make them comparable.

By Order of the Board



Mohit Talwar
Managing Director
DIN : 02394694

Date : June 8, 2021
Place : Gurugram



INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL CONSOLIDATED FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF
MAX FINANCIAL SERVICES LIMITED**

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2021 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2021 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2021" of **Max Financial Services Limited** ("the Parent") and its subsidiary company (the Parent and its subsidiary company together referred to as "the Group") for the quarter and year ended March 31, 2021, ("the Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Results for the year ended March 31, 2021:

- (i) includes the results of the subsidiary company 'Max Life Insurance Company Limited';
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2021.

(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2021

With respect to the Consolidated Financial Results for the quarter ended March 31, 2021, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2021, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



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Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2021

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2021 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters

"Estimation of uncertainties relating to COVID-19 global health pandemic" of Max Life Insurance Company Limited, subsidiary company – Reported by auditors of subsidiary company

We draw attention to note 12(b) to the Statement, which describes that the auditors of Max Life Insurance Company Limited, subsidiary company, in their auditor's report on the financial statements of that company for the year ended March 31, 2021, have reported under the above heading a matter regarding outbreak of COVID-19 pandemic and the assessment made by the management of the subsidiary company on its business and financial statements, including valuation of investments and valuation of policy liabilities as at and for the year ended March 31, 2021. This assessment and the outcome of the pandemic is as made by the management of the subsidiary company and is highly dependent on the circumstances as they evolve in the subsequent periods.

Our report is not modified in respect of this matter.

Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2021, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2021 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of this Consolidated Financial Results by the Directors of the Parent, as aforesaid.



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

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

Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2021

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2021 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

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

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of entity included in the Annual Consolidated Financial Results of which we are the independent auditors. For the entity included in the Annual Consolidated Financial Results, which has been audited by the joint auditors, such joint auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Annual Consolidated Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Consolidated Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Consolidated Financial Results.

We communicate with those charged with governance of the Parent and such other entity included in the Consolidated Financial Results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

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

(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2021

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2021 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 ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SA specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The Statement includes the results of the entities as listed under paragraph (a)(i) of Opinion and Conclusion section above.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



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Other Matters

- The Statement includes the results for the Quarter ended March 31, 2021 being the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

Our report on the Statement is not modified in respect of this matter.

- In respect of Max Life Insurance Company Limited ("MLIC"), a subsidiary company, determination of the following as at and for the quarter and year ended March 31, 2021 is the responsibility of the subsidiary company's Appointed Actuary.
 - (i) The Actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2021 in respect of the subsidiary company. In the opinion of the Appointed Actuary, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with the IRDAI. The charge of "Net Change in Insurance and Investment Contract Liabilities" includes charge for actuarial valuation of liabilities for life policies in force and charge for the policies in respect of which premium has been discontinued but liability exists as at March 31, 2021. These charges have been actuarially determined, based on the liabilities duly certified by the subsidiary company's Appointed Actuary; and
 - (ii) Other adjustments for the purpose of preparation of the Statement, as confirmed by the Appointed Actuary of subsidiary company are in accordance with Indian Accounting Standard 104 on Insurance Contracts:
 - a. Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;
 - b. Valuation and Classification of Deferred Acquisition Cost and Deferred Origination Fees on Investment Contracts and Valuation of Embedded Derivatives;
 - c. Grossing up and classification of the Reinsurance Assets;
 - d. Liability adequacy test as at the reporting dates; and



**Deloitte
Haskins & Sells LLP**

The joint auditors of Max Life Insurance Company Limited ('MLIC'), subsidiary company have relied on the certificate of the Appointed Actuary in respect of above matters in forming their opinion on the financial information of the said subsidiary company.

Our report is not modified in respect of these matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



A handwritten signature in black ink, appearing to read "Satpal Singh Arora".

SATPAL SINGH ARORA
(Partner)
(Membership No. 098564)
(UDIN:21098564AAAABI3370)

Place: New Delhi
Date: June 8, 2021

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

		(Rs. in Crores)				
Particulars		3 months ended 31.03.2021 (Unaudited) (See Note 6)	3 months ended 31.12.2020 (Unaudited)	3 months ended 31.03.2020 (See Note 6)	Year ended 31.03.2021 (Audited)	Year ended 31.03.2020 (Audited)
1.	Revenue from operations					
	(a) Interest Income	56.41	54.05	44.85	212.17	170.71
	(b) Dividend Income	0.91	0.54	0.77	2.46	3.07
	(c) Rental income	0.24	0.11	0.10	0.56	0.42
	(d) Net gain on fair value changes	10.15	26.85	-	85.06	21.13
	(e) Policyholders' Income from Life Insurance operations (See Note 2)	9,690.84	8,906.72	4,217.02	30,968.03	18,039.52
	(f) Sale of services	1.20	1.43	1.32	5.63	5.13
2.	Total Revenue from operations	9,759.75	8,989.70	4,264.06	31,273.91	18,239.98
3.	Other income	0.56	0.58	1.58	14.11	1.78
4.	Total income (2+3)	9,760.31	8,990.28	4,265.64	31,288.02	18,241.76
5.	Expenses					
	(a) Finance costs	0.06	0.09	0.07	0.27	0.25
	(b) Net loss on fair value changes	-	-	24.31	-	-
	(c) Impairment on financial instruments (including reversals)	0.15	(1.18)	58.33	(55.24)	71.43
	(d) Employee benefits expenses	25.01	13.23	0.08	60.80	35.95
	(e) Depreciation, amortisation and impairment (See note 11)	1.45	1.37	7.94	5.32	11.37
	(f) Legal and professional expenses	3.75	4.27	8.77	18.32	44.39
	(g) Policyholders' Expenses of Life Insurance operations (See Note 2)	9,651.21	8,686.27	4,017.63	30,634.31	17,596.54
	(h) Other expenses	11.53	6.69	17.45	31.34	39.32
6.	Total expenses	9,693.16	8,710.74	4,134.58	30,695.12	17,799.28
7.	Profit before tax (4-6)	67.15	279.54	131.06	592.90	442.48
8.	Tax expense					
	Relating to other than revenue account of Life Insurance policyholders					
	Current tax (See Note 13 and 14)	5.15	50.38	137.28	26.02	182.25
	Deferred tax	(8.03)	2.03	(12.89)	7.13	(12.62)
	Relating to revenue account of Life Insurance policyholders					
	Current tax	-	-	-	-	-
	Total tax expense	(2.88)	52.41	124.39	33.15	169.63
9.	Profit after tax (7-8)	70.03	227.13	6.67	559.75	272.85
10.	Other comprehensive income / (loss) (OCI)					
	Relating to revenue account of life insurance policyholders					
	(i) Items that will not be reclassified to profit or loss in subsequent periods	0.05	0.78	(2.55)	2.37	(11.34)
	(ii) Items that will be reclassified to profit or loss in subsequent periods	(196.90)	150.87	(1.19)	96.26	1.70
	Less: Transferred to policyholders' fund in the balance sheet	196.85	(151.65)	3.74	(98.63)	9.64
	Relating to Others					
	(i) Items that will not be reclassified to profit or loss in subsequent periods	0.13	0.02	0.12	0.02	(0.12)
	Income tax relating to items that will not be reclassified to profit or loss	(0.01)	-	-	(0.01)	-
	(ii) Items that will be reclassified to profit or loss in subsequent periods	(15.18)	5.20	9.70	(5.13)	15.34
	Income tax relating to items that will be reclassified to profit or loss	2.21	(0.75)	(1.41)	0.75	(2.23)
11.	Other comprehensive income / (loss)	(12.85)	4.47	8.41	(4.37)	12.99
12.	Total comprehensive income (9+11)	57.18	231.60	15.08	555.38	285.84
13.	Profit/(loss) attributable to					
	Owners of the company	62.34	175.81	(36.09)	425.39	144.99
	Non-controlling interests	7.69	51.32	42.76	134.36	127.86
14.	Other comprehensive income / (loss) attributable to					
	Owners of the company	(11.95)	3.49	6.13	(5.59)	9.39
	Non-controlling interests	(0.90)	0.98	2.28	1.22	3.60
15.	Total comprehensive income/(loss) attributable to					
	Owners of the company	50.39	179.30	(29.96)	419.80	154.38
	Non-controlling interests	6.79	52.30	45.04	135.58	131.46
16.	Paid up Equity Share Capital (Face value of Rs. 2 each)	69.02	69.01	53.90	69.02	53.90
17.	Other Equity	-	-	-	3,273.94	2,092.62
18.	Earnings per share (EPS) (Rs.) (not annualised for the quarter)					
	(a) Basic EPS	2.13	6.20	(1.34)	14.51	5.38
	(b) Diluted EPS	2.13	6.20	(1.34)	14.51	5.38
See accompanying notes to the consolidated financial results						

By Order of the Board

Mohit Tawar

Mohit Tawar
Managing Director
DIN : 02394694

Date : June 8, 2021
Place : Gurugram



CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED MARCH 31, 2021

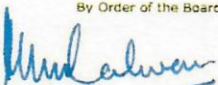
		(Rs. in Crores)			
Particulars	3 months ended 31.03.2021 (Unaudited) (See Note 6)	3 months ended 31.12.2020 (Unaudited)	3 months ended 31.03.2020 (See Note 6)	Year ended 31.03.2021 (Audited)	Year ended 31.03.2020 (Audited)
1 Segment Revenue					
a) Life Insurance	9,757.46	8,986.71	4,260.68	31,259.84	18,225.13
b) Business Investments	243.11	19.31	229.80	306.38	494.94
Total	10,000.57	9,006.02	4,490.48	31,566.22	18,720.07
Inter segment elimination (net)	240.82	16.32	226.42	292.31	480.09
Revenue from operations (net)	9,759.75	8,989.70	4,264.06	31,273.91	18,239.98
2 Segments Results					
a) Life Insurance	79.52	284.40	154.63	607.00	509.57
b) Business Investments	103.06	7.27	190.40	128.24	396.44
Total	182.58	291.67	345.03	735.24	906.01
Inter segment elimination (net)	115.97	12.61	215.48	156.20	465.03
Sub-total	66.61	279.06	129.55	579.04	440.98
Unallocated	0.54	0.48	1.51	13.86	1.50
Profit before tax	67.15	279.54	131.06	592.90	442.48
Provision for taxation (includes provision for Deferred Tax)	(2.88)	52.41	124.39	33.15	169.63
Profit after tax	70.03	227.13	6.67	559.75	272.85

Particulars	As at 31.03.2021 (Audited)	As at 31.12.2020 (Unaudited)	As at 31.03.2020 (Audited)
3 Segment Assets			
a) Life Insurance	97,346.27	90,644.48	73,694.32
b) Business Investments	6,676.55	6,649.11	2,525.57
Total Segment Assets	1,04,022.82	97,293.59	76,219.89
Inter-segment elimination (net)	(5,891.21)	(5,956.91)	(1,693.66)
Total Assets	98,131.61	91,336.68	74,526.23
4 Segment Liabilities			
a) Life Insurance	94,460.70	87,656.81	71,221.55
b) Business Investments	31.09	79.56	245.25
Total Segment Liabilities	94,491.79	87,736.37	71,466.80
Inter-segment elimination (net)	34.78	320.41	240.58
Total Liabilities	94,526.57	88,056.78	71,707.38

The Operating Segments have been identified on the basis of business activities from which the Group earns revenues and incurs expenses and whose operating results are reviewed by the Chief Operating Decision Maker (CODM) of the Group to make decisions about the resources to be allocated and assess performance and for which discrete financial information is available.

Date : June 8, 2021
Place : Gurugram

By Order of the Board


Mohit Talwar
Managing Director
DIN : 02394694



Notes to the consolidated financial results

1. CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2021

		(Rs. in Crores)	
Particulars	As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)	
A ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	507.17	447.46	
(b) Bank balance other than (a) above	1.24	1.65	
(c) Receivables - Trade receivables	2.56	3.16	
(d) Loans	-	0.01	
(e) Investments	4,063.05	3,372.39	
(f) Other financial assets	47.10	16.77	
(g) Life Insurance Policyholders' Fund (See Note 3)	90,536.54	67,497.86	
Total financial assets	95,157.66	71,339.30	
2. Non-financial Assets			
(a) Current tax assets (net)	5.96	10.06	
(b) Deferred tax assets (net)	8.84	9.94	
(c) Investment Property	88.39	89.91	
(d) Property, plant and equipment	21.72	22.14	
(e) Goodwill	525.25	525.25	
(f) Right-of-use assets	3.40	3.37	
(g) Other non-financial assets	46.38	63.85	
(h) Life Insurance Policyholders' Fund (See Note 3)	2,274.01	2,462.41	
Total non-financial assets	2,973.95	3,186.93	
Total assets	98,131.61	74,526.23	
B LIABILITIES AND EQUITY			
I LIABILITIES			
1. Financial liabilities			
(a) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	0.08	-	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	39.85	22.79	
(b) Lease liabilities	3.46	2.73	
(c) Other financial liabilities	1.73	351.02	
(d) Life Insurance Policyholders' Fund (See Note 3)	93,556.14	70,594.47	
Total financial liabilities	93,601.26	70,971.01	
2. Non-financial liabilities			
(a) Current tax liabilities (net) (See Notes 13 and 14)	1.09	123.78	
(b) Provisions	13.16	11.91	
(c) Deferred tax liabilities (net)	56.70	-	
(d) Other non-financial liabilities	2.22	2.42	
(e) Life Insurance Policyholders' Fund (See Note 3)	852.14	598.26	
Total non-financial liabilities	925.31	736.37	
Total liabilities	94,526.57	71,707.38	
II EQUITY			
(a) Equity share capital	69.02	53.90	
(b) Other equity	3,273.94	2,092.62	
Equity attributable to owners of the Company	3,342.96	2,146.52	
Non-controlling interests	262.08	672.33	
Total equity	3,605.04	2,818.85	
Total liabilities and equity	98,131.61	74,526.23	



Notes to the consolidated financial results

2. Following are the Policyholders' Income and Expenses from Life Insurance Operations included in above results :

Particulars		3 months ended 31.03.2021 (Unaudited) (See Note 6)	3 months ended 31.12.2020 (Unaudited)	3 months ended 31.03.2020 (See Note 6)	Year ended 31.03.2021 (Audited)	(Rs. in Crores) Year ended 31.03.2020 (Audited)
A	Policyholders' Income from life insurance fund					
	Premium Income (Net)	7,021.86	4,557.29	5,804.22	18,695.42	15,926.75
	Interest Income	1,105.62	1,086.54	977.56	4,223.07	3,751.01
	Dividend Income	46.88	52.53	46.04	213.30	172.34
	Rental Income	10.50	9.04	9.11	34.96	26.09
	Net gain / (loss) on fair value changes - Policyholders' Investments	1,512.27	3,868.76	(3,680.70)	9,238.08	(2,989.00)
	Other income	20.84	2.38	19.97	27.90	30.53
	Sub-Total	9,717.97	9,576.54	3,176.20	32,432.73	16,917.72
	Less/ (Add): Restricted life insurance surplus retained in Policyholders' Fund	27.13	669.82	(1,040.02)	1,464.70	(1,121.80)
	Total	9,690.84	8,906.72	4,217.02	30,968.03	18,039.52
B	Policyholders' Expense of Life Insurance fund					
	Commission to selling agents	473.41	303.70	365.21	1,227.23	1,024.50
	Employee Benefits and Other Operating Expenses	889.73	721.13	664.25	2,741.96	2,332.52
	Benefits payout (net)	2,267.12	1,965.52	1,615.00	6,772.51	6,341.04
	Net change in insurance contract liabilities	5,563.86	5,597.10	1,433.03	19,112.15	7,730.80
	Net change in investment contract liabilities	42.73	94.76	(137.07)	285.05	(84.59)
	Finance cost	9.10	10.57	11.15	40.72	38.48
	Impairment loss (including reversals)	0.07	0.07	29.65	(27.49)	31.11
	Depreciation and amortisation expenses	39.80	39.70	38.09	156.34	149.85
	Sub-Total	9,305.82	8,732.55	4,019.31	30,308.47	17,564.01
	Add/ (Less): Restricted life insurance surplus retained in Policyholders' Fund	345.39	(46.28)	(1.68)	325.84	32.53
	Total	9,651.21	8,686.27	4,017.63	30,634.31	17,596.54

3. Following are the Policyholder's Assets and Liabilities from Life Insurance Operations included in the above results :

Particulars		As at 31.03.2021 (Audited)	As at 31.03.2020 (Audited)
A	Financial Assets - Life Insurance Policyholders' fund		
	Cash and cash equivalents	208.40	319.55
	Derivative financial instruments	67.49	33.18
	Trade receivables	608.03	820.11
	Loans	532.22	426.45
	Investments	87,702.69	65,193.21
	Other financial assets	1,417.71	705.36
	Sub Total - Financial Assets	90,536.54	67,497.86
B	Non-Financial Assets - Life Insurance Policyholders' fund		
	Investment Property	717.74	419.54
	Property, plant and equipment	80.69	89.25
	Capital Work in progress	0.30	0.96
	Intangible Assets	118.06	117.47
	Intangible Assets under development	22.28	11.02
	Right-of-use assets	239.77	288.67
	Other non-financial assets	1,095.17	1,535.50
	Sub Total - Non-Financial Assets	2,274.01	2,462.41
	TOTAL ASSETS	92,810.55	69,960.27
A	Financial Liabilities - Life Insurance Policyholders' fund		
	Contract liabilities of life insurance		
	Insurance Contracts	83,390.31	63,869.33
	Investment Contracts	876.94	775.58
		84,267.25	64,644.91
	Ind AS 104 Adjustments (impacting contract liabilities of life insurance)		
	Measurement adjustments	(613.50)	(297.50)
	Grossing up Reinsurance assets	973.55	1,423.48
		360.05	1,125.98
	Fund for future appropriations	2,981.90	3,096.23
	Restricted life insurance surplus retained in Policyholders' Fund		
	Measurement difference of Ind AS 104 Adjustments	613.30	297.26
	Fair valuation difference of policyholders' Investments		
	Fair Value Through Profit or Loss (FVTPL)	846.59	(615.82)
	Fair Value Through Other Comprehensive Income (FVOCI)	198.30	102.04
	Measurement difference - Other Ind AS Adjustments	(47.55)	(62.02)
	Realised Hedge Fluctuation Reserves	123.21	68.32
	Derivative financial instruments	54.71	38.02
	Trade payables	1,195.39	786.67
	Lease liabilities	274.93	316.49
	Other financial liabilities	2,688.06	796.39
	Sub Total - Financial Liabilities	93,556.14	70,594.47
B	Non-Financial Liabilities - Life Insurance Policyholders' fund		
	Provisions	41.27	63.74
	Other Non-financial Liabilities	810.87	534.52
	Sub Total - Non Financial Liabilities	852.14	598.26
	TOTAL LIABILITIES	94,408.28	71,192.73



Notes to the consolidated financial results

4. CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2021

		(Rs. in Crores)	
	Particulars	Year ended	Year ended
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	592.90	442.48
	Adjustments for:		
	Depreciation, amortisation and impairment	161.66	161.22
	Interest Expense	22.42	25.91
	Interest and Dividend income from investments	(4,642.35)	(4,084.00)
	Rent Income	(35.09)	(26.09)
	Net loss / (profit) on sale / disposal of property, plant and equipments	0.21	(4.54)
	Net (gain)/loss on fair value changes	(9,322.11)	2,969.25
	Restricted life insurance surplus retained in Policyholders' Fund (income)	1,464.74	(1,121.80)
	Restricted life insurance surplus retained in Policyholders' Fund (expense)	325.87	32.52
	Provision for diminution in value of long term investment	(82.73)	102.54
	Liabilities/provisions no longer required written back	(0.78)	-
	Allowance for doubtful input tax credit receivable	-	0.60
	Provision for doubtful debts and bad-debts written off	4.02	1.94
	Provision for rates and taxes	0.03	8.03
	Expense on employee stock option scheme	3.07	26.02
	Change in policyholder reserves (including funds for future appropriation)	19,397.22	7,646.22
	Operating Profit before working capital changes	7,889.08	6,180.30
	Changes in working capital:		
	<u>Adjustments for (increase)/ decrease in operating assets:</u>		
	(Increase)/decrease in inventories		
	Trade receivables	212.17	(188.70)
	Loans	0.01	0.06
	Other financial assets	(196.36)	31.59
	Other non financial assets	465.01	(920.50)
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
	Trade payables	419.04	(157.07)
	Other financial liabilities	40.65	(113.08)
	Provisions	(22.65)	(10.26)
	Insurance contract liabilities	(324.62)	698.04
	Other non financial liabilities	276.43	(4.83)
	Cash generated from operations	8,758.76	5,515.55
	Net income tax (paid) / refunds	(137.62)	(63.90)
	Net cash flow from operating activities (A)	8,621.14	5,451.65
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Capital expenditure on property, plant and equipment including capital advances	(82.94)	(122.96)
	Proceeds from sale of property, plant and equipment	0.92	0.48
	Capital Advances towards Investment Property	-	67.10
	Bank balances not considered as Cash and cash equivalents (net)	0.41	1.02
	Investments		
	- Purchased	(9,97,073.32)	(7,06,660.57)
	- Proceeds from sale	9,84,216.82	6,97,940.30
	Investments in equity shares of subsidiary company		
	- Purchased	(235.24)	(189.89)
	- Sale	181.39	-
	Proceeds from loan against policies	(105.78)	(99.94)
	Receivable from Unit Linked fund and advance for property	(14.75)	28.33
	Realised Hedge Fluctuation Reserve & Derivative Profit & Loss	52.86	43.56
	Interest, Rent and Dividend Received	4,479.08	4,001.86
	Net cash used in investing activities (B)	(8,580.55)	(4,990.71)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from ESOPs exercised (including share premium)	0.02	3.45
	Dividend including dividend distribution tax	(13.78)	(311.23)
	Lease payments	(78.27)	(74.79)
	Net cash used in financing activities (C)	(92.03)	(382.57)
D	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(51.44)	78.37
E	Cash and cash equivalents as at the beginning of the year	767.01	688.64
	Cash and cash equivalents as at the end of the year *	715.57	767.01
	* Components of cash and cash equivalents		
	Cash on hand	62.79	43.35
	Balances with scheduled banks		
	- On current accounts	651.28	376.17
	- Deposits with original maturity of upto 3 months	1.50	347.49
	Total cash and cash equivalents	715.57	767.01

Note: Net cash flow from operating activities include interest received

0.58

0.47



Notes to the consolidated financial results

- 5 These consolidated financial results have been reviewed by the Audit Committee in its meeting held on June 7, 2021 and approved by the Board of Directors of the Company at its meeting held today. The consolidated financial results for the year ended March 31, 2021 have been audited by the statutory auditors and the consolidated financial results for the quarter ended March 31, 2021 have been reviewed by the statutory auditors of the Company.
- 6 The consolidated financial results for the quarter ended March 31, 2021 and March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the year ended March 31, 2021 and March 31, 2020 of the Company respectively which have been subjected to review by the statutory auditors.
- 7 The consolidated financial results have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The consolidated financial results comprise the financial results of Max Financial Services Limited ('the Parent' or 'the Company') and its subsidiary company (collectively referred as the 'Group'). Details of subsidiary company is as under:

Name of Subsidiary Company	Country of incorporation	Portion of ownership as at March 31, 2021	Portion of ownership as at December 31, 2020	Portion of ownership as at March 31, 2020
Max Life Insurance Company Limited	India	90.83%	93.10%	72.52%

- 8 The Company had entered into a option arrangement relating to equity shares of Max Life Insurance Company Limited ('Max Life') executed during the year ended March 31, 2016, amongst the Company, Axis Bank Limited and Mitsui Sumitomo Insurance Company Limited. As per the arrangement, the Company has to settle such liability by payment of cash upon exercise of option. As required under Ind AS, put option granted to non-controlling interest is initially recognised in the consolidated financial statements by the Group as a financial liability at the fair value of the amount that may become payable upon exercise of option and is adjusted against the shareholders' equity. In the absence of any mandatorily applicable accounting guidance, the Company has elected an accounting policy to recognise changes on subsequent measurement of the liability / termination in shareholders' equity.

On March 15, 2021, the Company has acquired 0.74% equity shares (previous year : 0.74% equity shares) of Max Life from Axis Bank Limited at a price of Rs. 166 per share (being fair value of Max Life determined on the date of transaction). Pursuant to such purchase and termination Letter to the Option Agreement entered among Axis Bank Limited, MSI, Max Life and the Company, balance equity share options of Max Life have been cancelled and accordingly, the gross obligations under put arrangement stands cancelled.

- 9 The Board of Directors of the Company in its meeting held on March 3, 2020, had considered and approved the issuance and allotment of up to 75,458,088 equity shares of the Company of face value of Rs. 2 each, fully paid up, on a preferential basis to Mitsui Sumitomo Insurance Company Limited (MSI) for consideration other than cash, i.e. through swap of 394,775,831 equity shares of Rs. 10 each of Max Life Insurance Company Limited ('Max Life') ('MSI Swap'), based on the valuation report obtained by the Company in accordance with applicable laws. In addition, the Company through a call/put option has to acquire the remaining shareholding held by MSI at Rs. 85 for every equity share of Rs. 10 each held by MSI in Max Life ('MSI Put/Call Option'). The shareholders of the Company approved the said MSI Swap and MSI Put/Call Option on May 27, 2020.

The Company had received approvals from all requisite regulatory authorities for MSI Swap as of November 27, 2020, namely Competition Commission of India, the stock exchanges, Department of Economic Affairs ('DEA') and Insurance Regulatory and Development Authority of India ('IRDAI'). Pursuant to receipt of all the approvals, the Company has allotted 75,458,088 equity shares of face value of Rs. 2 each, fully paid up at a price of Rs. 565.11 per share on a preferential basis to MSI for consideration other than cash, i.e. through swap of 394,775,831 equity shares of Rs. 10 each of Max Life at a price of Rs. 108.02 per share on December 8, 2020. Post the MSI Swap transaction, MSI holds 21.87% equity shares of the Company and the Company's investment in equity shares of Max Life has increased from 72.52% to 93.10%. Further, Mr. Hideaki Nomura and Mr. Mitsuru Yasuda, nominees of MSI, were appointed as non-executive non-independent additional directors of the Company.

In respect of MSI Put/Call Option, the Company had executed definitive agreement with the parties, which is subject to receipt of requisite regulatory approvals. Subsequent to the year end, the Company has filed an application for approval with IRDAI for acquisition of 99,136,573 equity shares constituting 5.17% equity share capital of Max Life held by MSI under MSI Put/Call option. Pending receipt of requisite approvals, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the consolidated financial results.

- 10 On February 20, 2020, the Company and Axis Bank Limited ('Axis Bank') executed Confidentiality and Exclusivity Agreement to explore a long-term strategic partnership. The Board of Directors of the Company in its meeting held on April 27, 2020 approved entering into definitive agreements with Axis Bank for the sale of 29% of the equity share capital of Max Life Insurance Company Limited ('Max Life'), a material subsidiary of the Company, to Axis Bank, subject to receipt of shareholders' approval and other requisite regulatory approval. The shareholders of the Company approved the transaction on June 16, 2020.

Application for approval of Insurance Regulatory and Development Authority of India ('IRDAI') was submitted on May 20, 2020. Based on correspondence with RBI and IRDAI, the Company, Max Life, and Axis Bank made certain changes to the agreements, subject to regulatory approvals and as maybe permitted under applicable laws. On August 24, 2020, the Company, Max Life, and Axis Bank executed revised agreements whereby the Bank proposed to acquire 17.002% of the equity share capital of Max Life and submitted fresh proposal with the regulators. Further, in response to Axis Bank's application for directly acquiring 17.002% of the equity share capital of Max Life, the Reserve Bank of India has advised Axis Bank to be guided by Para 5(b) of Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 dated May 26, 2016 as updated from time to time ('Para 5(b)'). Pursuant to Para 5(b), Axis Bank and its subsidiaries (together 'Axis Entities'), i.e. Axis Capital Limited and Axis Securities Limited ('Axis Bank subsidiaries'), on October 30, 2020 entered into revised agreements with the Company for acquisition of upto 19.002% of the equity share capital of Max Life ('Revised Agreements'). Under the Revised Agreements, Axis Bank will acquire upto 9.002% of the equity share capital of Max Life and Axis Bank subsidiaries will acquire upto 3% of the share capital of Max Life. In addition, Axis Entities will have a right to acquire upto 7% of the equity share capital of Max Life, in one or more tranches. The Revised Agreements supersedes the previous agreements entered between the parties.

In this regard, Max Life has received approval from IRDAI vide its letter dated February 24, 2021 granting approval for transfer of 12.002% equity shares of Max Life held by the Company to Axis Entities, as promoters. Pursuant to receipt of all the approvals, the Company has transferred 38,376,257 equity shares of Rs. 10 each of Max Life to Axis Capital Limited and 19,188,128 equity shares of Rs. 10 each of Max Life to Axis Securities Limited on March 26, 2021, fully paid up at a price of Rs. 31.51 per share for consideration aggregating to Rs. 181.39 crores.

On April 6, 2021, the Company has transferred 172,731,531 equity shares of Rs. 10 each of Max Life to Axis Bank, fully paid up at a price of Rs. 32.12 per share for consideration aggregating to Rs. 554.81 crores. The difference in consideration received and the amount by which non-controlling interests are adjusted is recognised in equity reserves of the Group.

The transaction price of Rs. 31.51 and Rs. 32.12 per share is computed based on the valuation of Max Life conducted as per Rule 11 UA read with Rule 11 UAA of the Income-tax Rules, 1962 (herein referred to as 'Transaction Price'). The methodology of computation of transaction price was approved by 99.90% shareholders through postal ballot and also stated in the definitive agreements entered with Axis Entities.

Post the Axis Bank stake sale transaction, Axis Entities hold 13% equity shares of Max Life and the Company's investment in equity shares of Max Life has decreased from 90.83% to 81.83%.

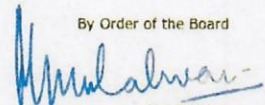
In respect of right of Axis entities to acquire 7% of equity share capital of Max Life, the Company had executed definitive agreement with the parties, which is subject to receipt of requisite regulatory approvals. Pending receipt of requisite approvals, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the financial results.



Notes to the consolidated financial results

- 11 Depreciation, amortisation and impairment for the year ended March 31, 2020 includes impairment loss of Rs. 6.72 crores due to decline in value of the property, plant and equipment held by the Company, as determined based on the valuation report obtained from external certified valuer.
- 12 Estimation of uncertainties relating to COVID-19 global health pandemic:
- The Group has considered the impact of COVID-19 on its operations as well as its consolidated financial results:
- a) In respect of the Company:
- The Company has assessed the impact of COVID-19 on its operations as well as its financial results, including carrying amounts of trade receivables, investments, property, plant and equipment and other assets, as at March 31, 2021. In assessing the Carrying value of these assets, the Company has used internal and external sources of information up to the date of approval of these unaudited financial results, and based on current estimates, expects the net carrying amount of these assets to be recovered. The Company will continue to closely monitor any material changes to the business and financial statements due to COVID-19.
- b) In respect of the subsidiary Company, Max Life Insurance Company Limited:
- The subsidiary Company has assessed the impact of COVID-19 on its operations as well as its financial statements, including valuation of investments, valuation of policy liabilities and solvency, for the quarter and year ended March 31, 2021. To the best of information available, the subsidiary Company has maintained sufficient amount in policyholders reserve on account of COVID related contingencies over and above the policy level liabilities calculated based on prescribed IRDAI Regulations. The subsidiary Company will continue to closely monitor any material changes to the business and financial statements due to COVID-19. The auditors of the subsidiary company have reported this matter in their auditor's report.
- 13 In March 2020, the Company had filed application(s) with the income tax authorities under the 'The Direct Tax Vivad se Vishwas Act, 2020' ('the Scheme'), enacted vide the Gazette of India on March 17, 2020 regarding settlement of the ongoing tax litigation pertaining to Telecom stake sale made by its erstwhile subsidiary Max Telecom Ventures Limited (since merged with the Company w.e.f December 1, 2005). The said litigation was being contested both by the Company and the Income Tax Department for multiple years and pending before various Appellate Authorities, which were previously disclosed as contingent liabilities.
- The settlement proposed by the Company under the Scheme has been accepted by the Tax Department for all the years under dispute viz. Assessment Years 1998-99, 1999-2000 and 2006-07. The Company had made a provision of Rs. 123.78 crores for the same disclosed as 'current tax' during the year ended March 31, 2020 and the same was paid in May 2020. During the current quarter, the Company has received final orders of settlement and an intimation to pay Rs. 2.48 crores towards full and final settlement for Assessment Year 2006-07. During the year ended March, 2021, the Company has paid the additional amount and disclosed as 'current tax'.
- 14 During the current quarter, the Company has received dividend aggregating to Rs. 185.78 crores from its subsidiary, Max Life Insurance Company Limited. Finance Act, 2020, made amendment in Section 10(34) in the Income Tax Act, 1961, due to which dividend income is not exempt for the Company. Pursuant to such amendment, the Company has provided for current tax of Rs. 36.61 crores (net of deferred tax adjustment).
- Further, the subsidiary company had claimed dividend income exemption for the Assessment Years 2015-16, 2016-17 and 2018-19 (Financial year ended March, 31 2015, 2016 and 2018). However, on a conservative basis, the benefit of such exemption claim was not recorded in the books of account. During the quarter ended June 30, 2020, the subsidiary Company had received the Income Tax Refund Order amounting to Rs. 82.08 crores (due to difference in tax positions while filing the returns), wherein the dividend exemption claim was allowed for the above mentioned Assessment Years.
- Accordingly, for the year ended March 31, 2021, provision for current tax of Rs. 79.64 crores and reversal of provision for tax for earlier periods of Rs. 53.62 crores have netted in current tax line item in these consolidated financial results.
- 15 The Code on Social Security, 2020 ('Code') related to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules have not yet been issued. The Group is in process of evaluating the financial impact, if any.
- 16 During the current quarter, the Board has appointed Mr. K. Narasimha Murthy as an Independent Director of the Company effective March 30, 2021.
- 17 The figures for the previous year have been regrouped / reclassified wherever necessary, to make them comparable.

Date : June 8, 2021
Place : Gurugram

By Order of the Board

Mohit Talwar
Managing Director
DIN : 02394694



MAX FINANCIAL SERVICES CONSOLIDATED PAT RISES 105%; MAX LIFE INDIVIDUAL APE GROWS 19%, VALUE OF NEW BUSINESS AT RS 1,249 CR, GREW 39% TAKING THE EMBEDDED VALUE TO RS 11,834 CR

Max Life Results Highlights (FY21):

- **Individual APE: Rs 4,907 Cr, Up 19%**
- **Gross Written Premium: Rs 19,018 Cr, Grew 18%**
- **Embedded Value at Rs 11,834 Cr; Operating RoEV at 18.59%, including non-operating variances RoEV at 22.4%, impacted by Covid-19 provisions.**
- **Value of New Business at Rs 1,249 Cr, grew 39%, almost doubled in 3 years.**
- **Total Assets Under Management (AUM): Rs 90,407 Cr, Grew 32%**

8th June 2021, New Delhi

Max Financial Services Limited (MFSL) today announced financial results for the year 2020-21 (FY21). In FY21, MFSL reported consolidated revenues of Rs 31,288 Cr, 72% higher compared to the previous year due to gain on debt and equity portfolio. Excluding investment gains, its revenues grew by 17%. During the period under review, the company reported consolidated Profit after Tax of Rs 560 Cr, a jump of 105% compared to the previous year.

The steep surge in the Profit After Tax was largely due to higher investment income, reversal of provision for impairment on financial assets, lower tax expense and a partial offset by new business strain due to shift in product mix towards non-par business.

During the financial year, total new business premium (individual and group) of Max Life increased 22% to Rs 6,826 Cr. In terms of individual APE (Adjusted Premium Equivalent), it recorded a 19% growth to Rs 4,907 Cr. Further, the renewal premium income (including group) grew 15% to Rs 12,192 Cr, taking gross written premium to Rs 19,018 Cr, an increase of 18% over the previous financial year.

MFSL's sole operating subsidiary, Max Life, registered a post-tax shareholders' profit of Rs 523 Cr in FY21 as compared to Rs 539 Cr in the previous financial year, a marginal decline of ~6%. The operating expenses (policyholders) to gross premium ratio marginally improved from 14.5% in FY20 to 14.2% in FY21 due to effective cost management efforts and higher business growth.

Max Life reported an Embedded Value (EV) of Rs. 11,834 Cr, after allowing for the shareholder dividends led by 39% growth in value of new business. The Operating Return on EV (RoEV) over FY2021 stood at 18.5%; including non-operating variances, the RoEV came to 22.4%, despite the impact of Covid-19 related provisions.

The New Business Margin (NBM) for FY2021 was 25.2% (at actual costs), an increase of 360 bps and the Value of New Business (VNB) was Rs. 1,249 Cr (at actual costs), an annual growth of 39%.

The higher growth in VNB was primarily on account of the relatively higher sales compared to last year, in addition to the higher margins driven by an increase in the non-par and protection products sales.

Max Life's assets under management (AUM) was Rs 90,407 Cr as on March 31, 2021 – a rise of 32% over the previous year. Max Life's Claim paid ratio at 99.35% at the end of FY21 is among the best in the industry.

Q4 FY2021 Performance

During the fourth quarter Q4FY21, MFSL registered consolidated revenues of Rs 9,760 Cr, up 129% from Rs 4,266 Cr in Q4FY20. Excluding investment gains, its revenues grew 21%. In the same period, the company's Profit After Tax surged 949% to Rs 70 Cr from Rs 6.7 Cr in the year-ago period.

Max Life recorded a gross premium of Rs 7,106 Cr in Q4FY21, an increase of 21% from Rs 5,873 Cr in Q4FY20. Individual APE grew 35% in the quarter under review to Rs 1,893 Cr from Rs 1,398 Cr in the year-ago period.

Mr. Mohit Talwar, Managing Director, Max Financial Services, said, "The results are extremely encouraging, considering the challenging environment because of the pandemic. It's one of our best performance in a decade."

He added: "The conclusion of the deal where Axis Bank Limited, India's third-largest private sector bank, became the co-promoter in Max Life with 12.99% stake will permanently address the uncertainty around Max Life's distribution, and also strengthen its position."

About Max Financial Services Limited:

Max Financial Services Limited (MFSL) is part of India's leading business conglomerate – the Max Group. Focused on Life Insurance, MSFL owns and actively manages an 81.83% majority stake in Max Life Insurance, India's largest non-bank, private life insurance company.

MFSL recorded consolidate revenues of Rs 31,288 Cr during FY21 and a Profit After Tax of Rs 560 Cr.

The company is listed on the NSE and BSE. Besides a 17% holding by Analjit Singh and sponsor family, some of the other group shareholders include MSI, Ward ferry, New York Life, Baron, Vanguard, Jupiter, Blackrock, and the Asset Management Companies of Nippon, HDFC, ICICI Prudential, Motilal Oswal, Aditya Birla Sun Life, Mirae, DSP and Kotak.

About Max Life Insurance Company:

Max Life is the sole operating subsidiary of Max Financial Services Limited. Max Life - a part of the \$4-Bn Max Group Max group, an Indian multi business corporation – is India's largest non-bank private life insurer and the fourth largest private life insurance company.



On April 6, 2021, Axis Bank Limited, India's third-largest private sector bank, together with its subsidiaries Axis Capital Limited and Axis Securities Limited (collectively referred to as "Axis Entities") became the co-promoters of Max Life. This was after completion of the acquisition of 12.99% stake collectively by the Axis Entities in Max Life.

Under the deal, the Axis Entities have a right to acquire an additional stake of up to 7% in Max Life, in one or more tranches, subject to regulatory approvals.

Max Life offers comprehensive protection and long-term savings solutions, through its multichannel distribution including agency and third distribution partners. Max Life has built its operations over almost two decades through need-based sales process, a customer-centric approach to engagement and service delivery and trained human capital. It has 358 branch units across India as of March 31, 2021.

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