



November 9, 2021

Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

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

Scrip Code: 500271

Name of Scrip: MFSL

Sub.: Board meeting for unaudited financial results for the quarter/half year ended September 30, 2021

Dear Sir/Madam,

Please refer to our letter dated October 25, 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 Standalone and Consolidated unaudited financial results of the Company for the quarter/half year ended September 30, 2021 and the Limited Review thereon by the Auditors. The said financial results and the Limited Review Report by the Auditors for the quarter/half year ended September 30, 2021 are attached herewith.

The Board meeting commenced at 1700 hrs. and concluded at 1750 hrs.

You are requested to take the aforesaid on record.

Thanking you,

Yours faithfully,

For **Max Financial Services Limited**

V. Krishnan
Company Secretary and Compliance Officer



Encl.: As above

MAX FINANCIAL SERVICES LIMITED

CIN: L24223PB1988PLC008031

Corporate Office: L20M(21), Max Towers, Plot No. C-001/A/1, Sector-16B, Noida- 201301 | P: + 91 120 4696000 | www.maxfinancialservices.com
Regd. Office: Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab - 144 533, India

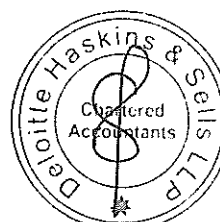
INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED UNAUDITED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF MAX FINANCIAL SERVICES LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results 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 six months ended September 30, 2021 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent'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 Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 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.

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.

4. The Statement includes the results of the subsidiary company Max Life Insurance Company Limited.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the certificate of the appointed actuary referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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.



6. We draw attention to note 11 to the Statement, which describes that the joint auditors of Max Life Insurance Company Limited, subsidiary company, in their auditor's report on the condensed interim financial statements of that subsidiary company for the quarter and six months ended September 30, 2021, have reported a matter regarding the continuing uncertainties arising out of the outbreak of COVID-19 pandemic.

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

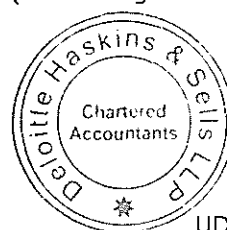
7. In respect of Max Life Insurance Company Limited ("MLIC"), subsidiary company, determination of the following as at and for the quarter and six months ended September 30, 2021 is the responsibility of the subsidiary company's Appointed Actuary.

- (i) The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at September 30, 2021, has been duly certified by the Appointed Actuary and in his opinion, 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 September 30, 2021. These charges have been actuarially determined, based on the liabilities duly certified by the subsidiary's company 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; and
 - d. Liability adequacy test as at the reporting dates.

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 conclusion on the financial information of the said subsidiary company.

Our conclusion on the Statement is not modified in respect of these matters.

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



SATPAL SINGH ARORA
Partner
(Membership No. 098564)
UDIN: 21098564AAAADN8521

Gurugram, November 9, 2021

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

Particulars		3 months ended 30.09.2021 (Unaudited)	3 months ended 30.06.2021 (Unaudited)	3 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2021 (Unaudited)	6 months ended 30.09.2020 (Unaudited)	(Rs. in Crores) Year ended 31.03.2021 (Audited)
1.	Revenue from operations						
	(a) Interest Income	52.43	51.90	52.46	104.33	101.71	212.17
	(b) Dividend Income	1.10	0.76	0.86	1.86	1.01	2.46
	(c) Rental Income	0.52	0.47	0.10	0.99	0.21	0.56
	(d) Net gain on fair value changes	42.60	40.05	22.02	82.65	48.06	85.06
	(e) Policyholders' Income from Life Insurance operations (See Note 2)	9,227.43	5,847.54	6,942.75	15,074.97	12,370.47	30,968.03
	(f) Sale of services	1.32	1.33	1.66	2.65	3.00	5.63
2.	Total Revenue from operations	9,325.40	5,942.05	7,019.85	15,267.45	12,524.46	31,273.91
3.	Other income	1.97	1.09	0.26	3.06	12.97	14.11
4.	Total income (2+3)	9,327.37	5,943.14	7,020.11	15,270.51	12,537.43	31,288.02
5.	Expenses						
	(a) Finance costs	6.10	0.11	0.05	6.21	0.13	0.27
	(b) Impairment on financial instruments (including reversals)	(1.38)	(0.42)	(56.20)	(1.80)	(54.21)	(55.24)
	(c) Employee benefits expenses (See Note 12)	5.46	34.38	13.23	39.84	22.56	60.80
	(d) Depreciation, amortisation and impairment	1.21	1.37	1.19	2.58	2.50	5.32
	(e) Legal and professional expenses	3.35	3.46	5.12	6.81	10.30	18.32
	(f) Policyholders' Expenses of Life Insurance operations (See Note 2)	9,253.54	5,813.57	6,954.51	15,067.11	12,296.83	30,634.31
	(g) Other expenses	9.20	6.30	6.70	15.49	13.11	31.34
6.	Total expenses	9,277.48	5,858.77	6,924.60	15,136.24	12,291.22	30,695.12
7.	Profit before tax (4-6)	49.89	84.37	95.51	134.27	246.21	592.90
8.	Tax expense						
	Relating to other than revenue account of Life Insurance policyholders						
	Current tax	3.35	39.54	3.59	42.89	(29.51)	26.02
	Deferred tax charge/ (Credit)	(1.11)	9.02	10.86	7.91	13.13	7.13
	Relating to revenue account of Life Insurance policyholders						
	Current tax	-	-	-	-	-	-
	Total tax expense	2.24	48.56	14.45	50.80	(16.38)	33.15
9.	Profit for the period/ year (7-8)	47.65	35.81	81.06	83.47	262.59	559.75
10.	Other comprehensive income (OCI)						
	Relating to revenue account of life insurance policyholders						
	(i) Items that will not be reclassified to profit or loss in subsequent periods	(4.22)	0.59	4.38	(3.63)	1.54	2.37
	(ii) Items that will be reclassified to profit or loss in subsequent periods (See Note 13)	736.22	2,390.78	(22.99)	3,127.00	142.29	96.26
	Less: Transferred to policyholders' fund in the balance sheet (See Note 13)	(732.00)	(2,391.37)	18.61	(3,123.37)	(143.83)	(98.63)
	Relating to Others						
	(i) Items that will not be reclassified to profit or loss in subsequent periods	0.65	0.01	0.17	0.66	(0.13)	0.02
	Income tax relating to items that will not be reclassified to profit or loss	(0.19)	-	-	(0.19)	-	(0.01)
	(ii) Items that will be reclassified to profit or loss in subsequent periods	(3.63)	(6.12)	(6.00)	(9.75)	4.85	(5.13)
	Income tax relating to items that will be reclassified to profit or loss	0.53	0.89	0.87	1.42	(0.71)	0.75
11.	Other comprehensive income/(loss)	(2.64)	(5.22)	(4.96)	(7.86)	4.01	(4.37)
12.	Total comprehensive income (9+11)	45.01	30.59	76.10	75.61	266.60	555.38
13.	Profit attributable to						
	Owners of the company	39.63	21.19	56.39	60.83	187.24	425.39
	Non-controlling interests	8.02	14.62	24.67	22.64	75.35	134.36
14.	Other comprehensive income/(loss) attributable to						
	Owners of the company	(2.07)	(4.30)	(3.55)	(6.37)	2.87	(5.59)
	Non-controlling interests	(0.57)	(0.92)	(1.41)	(1.49)	1.14	1.22
15.	Total comprehensive income attributable to						
	Owners of the company	37.57	16.89	52.84	54.46	190.11	419.80
	Non-controlling interests	7.45	13.70	23.26	21.15	76.49	135.58
16.	Paid up Equity Share Capital (Face value of Rs. 2 each)	69.02	69.02	53.91	69.02	53.91	69.02
17.	Other Equity						3,273.94
18.	Earnings per share (EPS) (Rs.) (not annualised for the quarter)						
	(a) Basic EPS	1.15	0.61	2.10	1.76	6.95	14.51
	(b) Diluted EPS	1.15	0.61	2.10	1.76	6.95	14.51
See accompanying notes to the consolidated unaudited financial results							

By Order of the Board



Mohit Talwar
Managing Director
DIN : 02394694

Date : November 09, 2021
Place : Gurugram



CONSOLIDATED UNAUDITED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

Particulars		3 months ended 30.09.2021 (Unaudited)	3 months ended 30.06.2021 (Unaudited)	3 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2021 (Unaudited)	6 months ended 30.09.2020 (Unaudited)	(Rs. in Crores) Year ended 31.03.2021 (Audited)
1	Segment Revenue						
	a) Life Insurance	9,315.25	5,933.18	7,016.57	15,248.43	12,515.67	31,259.84
	b) Business Investments	14.30	157.49	53.68	171.79	43.97	306.38
	Total	9,329.55	6,090.67	7,070.25	15,420.22	12,559.64	31,566.22
	Inter segment elimination (net)	4.15	148.62	50.40	152.77	35.18	292.31
	Revenue from operations (net)	9,325.40	5,942.05	7,019.85	15,267.45	12,524.46	31,273.91
2	Segments Results						
	a) Life Insurance	49.42	90.62	101.70	140.04	243.08	607.00
	b) Business Investments	4.61	137.23	40.19	141.84	17.91	128.24
	Total	54.03	227.85	141.89	281.88	260.99	735.24
	Inter segment elimination (net)	-	144.46	46.58	144.46	27.62	156.20
	Sub-total	54.03	83.39	95.31	137.42	233.37	579.04
	Unallocated	(4.14)	0.98	0.20	(3.15)	12.84	13.86
	Profit before tax	49.89	84.37	95.51	134.27	246.21	592.90
	Provision for taxation (includes provision for Deferred Tax)	2.24	48.56	14.45	50.80	(16.38)	33.15
	Profit for the period/ year	47.65	35.81	81.06	83.47	262.59	559.75

Particulars		As at 30.09.2021 (Unaudited)	As at 30.06.2021 (Unaudited)	As at 31.03.2021 (Audited)	As at 30.09.2020 (Unaudited)
3	Segment Assets				
	a) Life Insurance	1,09,490.54	1,01,586.90	97,280.24	83,113.67
	b) Business Investments	6,780.71	6,791.07	6,676.55	2,386.82
	Total Segment Assets	1,16,271.25	1,08,377.97	1,03,956.79	85,500.49
	Inter-segment elimination (net)	(5,328.71)	(5,340.83)	(5,891.21)	(1,685.89)
	Total Assets	1,10,942.54	1,03,037.14	98,065.58	83,814.60
4	Segment Liabilities				
	a) Life Insurance	1,06,664.90	98,800.37	94,394.67	80,362.54
	b) Business Investments	32.58	47.32	31.09	89.59
	Total Segment Liabilities	1,06,697.48	98,847.69	94,425.76	80,452.13
	Inter-segment elimination (net)	(8.96)	(21.08)	34.78	301.06
	Total Liabilities	1,06,688.52	98,826.61	94,460.54	80,753.19

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.



Notes to the consolidated unaudited financial results

1. CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

		(Rs. in Crores)	
Particulars		As at 30.09.2021 (Unaudited)	As at 31.03.2021 (Audited)
A ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	250.00	507.17	
(b) Bank balance other than (a) above	1.19	1.24	
(c) Receivables - Trade receivables	1.16	2.56	
(d) Loans	0.02	-	
(e) Investments	4,666.48	4,063.05	
(f) Other financial assets	16.05	47.10	
(g) Life Insurance Policyholders' Fund (See Note 3)	1,04,033.81	91,444.06	
Total financial assets	1,08,968.71	96,065.18	
2. Non-financial Assets			
(a) Current tax assets (net)	7.06	5.96	
(b) Deferred tax assets (net)	-	8.84	
(c) Investment Property	87.63	88.39	
(d) Property, plant and equipment	20.93	21.72	
(e) Goodwill	525.25	525.25	
(f) Right to use assets	2.36	3.40	
(g) Other non-financial assets	48.24	46.38	
(h) Life Insurance Policyholders' Fund (See Note 3)	1,282.36	1,300.46	
Total non-financial assets	1,973.83	2,000.40	
Total assets	1,10,942.54	98,065.58	
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	49.84	39.85	
(b) Debt Securities (See Note 14)	496.00	-	
(c) Lease liability	2.43	3.46	
(d) Other financial liabilities	7.86	1.73	
(e) Life Insurance Policyholders' Fund (See Note 3)	1,05,624.94	93,490.11	
Total financial liabilities	1,06,181.07	93,535.23	
2. Non-financial liabilities			
(a) Current tax liabilities (net)	10.38	1.09	
(b) Provisions	11.82	13.16	
(c) Deferred tax liabilities (net)	3.13	56.70	
(d) Other non-financial liabilities	2.01	2.22	
(e) Life Insurance Policyholders' Fund (See Note 3)	480.11	852.14	
Total non-financial liabilities	507.45	925.31	
Total liabilities	1,06,688.52	94,460.54	
II EQUITY			
(a) Equity share capital	69.02	69.02	
(b) Other equity	3,676.37	3,273.94	
Equity attributable to owners of the Company	3,745.39	3,342.96	
Non Controlling Interest	508.63	262.08	
Total equity	4,254.02	3,605.04	
Total liabilities and equity	1,10,942.54	98,065.58	



Notes to the consolidated unaudited financial results

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

Particulars		3 months ended 30.09.2021 (Unaudited)	3 months ended 30.06.2021 (Unaudited)	3 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2021 (Unaudited)	6 months ended 30.09.2020 (Unaudited)	Year ended 31.03.2021 (Audited)
A Policyholders' Income from life insurance fund							
Premium Income (Net)		5,206.22	3,378.13	4,447.30	8,584.35	7,116.27	18,695.42
Interest Income		1,226.57	1,185.43	1,037.52	2,412.00	2,030.91	4,223.07
Dividend Income		65.76	79.40	96.58	145.16	113.89	213.30
Rental Income		16.08	16.26	8.14	32.34	15.42	34.96
Net gain / (loss) on fair value changes - Policyholders' Investments		2,939.11	1,435.07	1,462.02	4,374.18	3,857.05	9,238.08
Other income		7.71	1.82	2.48	4.03	4.68	27.90
Sub-Total		9,455.95	6,096.11	7,054.04	15,552.06	13,138.22	32,432.73
Less/ (Add): Restricted life insurance surplus retained in Policyholders' Fund		228.52	248.57	111.30	477.09	767.75	1,464.70
Total		9,227.43	5,847.54	6,942.75	15,074.97	12,370.47	30,968.03
B Policyholders' Expense of Life Insurance fund							
Commission to selling agents		330.03	208.80	294.07	538.83	450.12	1,227.23
Employee Benefits and Other Operating Expenses (See Note 12)		788.24	628.43	692.87	1,416.67	1,131.10	2,741.96
Benefits payout (net)		2,721.97	1,900.04	1,602.55	4,622.01	2,519.87	6,712.51
Net change in insurance contract liabilities		5,467.34	3,215.58	4,265.91	8,682.92	7,951.19	19,112.15
Net change in investment contract liabilities		74.38	44.11	56.87	118.49	147.56	285.05
Finance cost		10.67	9.38	10.26	20.05	21.05	40.72
Impairment loss (including reversals)		(0.20)	(0.21)	(28.21)	(0.41)	(27.63)	(27.49)
Depreciation and amortisation expenses		42.15	39.76	38.84	81.91	76.84	156.34
Sub-Total		9,434.58	6,045.89	6,933.16	15,480.47	12,270.10	30,308.47
Add/ (Less): Restricted life insurance surplus retained in Policyholders' Fund		(181.04)	(232.32)	21.35	(413.36)	26.73	325.84
Total		9,253.54	5,813.57	6,954.51	15,067.11	12,296.83	30,634.31

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

Particulars		As at 30.09.2021 (Unaudited)	As at 31.03.2021 (Audited)
A Financial Assets- Life Insurance Policyholders' Fund			
Cash and cash equivalents		107.50	208.40
Derivative financial instruments		104.26	67.49
Trade receivables		370.64	608.03
Loans		596.85	532.22
Investments		99,182.15	87,702.69
Other financial assets		3,672.41	2,325.23
Sub Total - Financial Assets		1,04,033.81	91,444.06
B Non-Financial Assets- Life Insurance Policyholders' Fund			
Investment Property		711.18	717.74
Property, plant and equipment		81.72	80.69
Capital Work in progress		0.15	0.30
Intangible Assets		121.04	118.06
Intangible Assets under development		39.21	22.28
Right of use asset		220.24	239.77
Other non-financial assets		108.82	121.62
Sub Total - Non-Financial Assets		1,282.36	1,300.46
TOTAL ASSETS		1,05,316.17	92,744.52
A Financial Liabilities- Life Insurance Policyholders' Fund			
Contract liabilities of life insurance			
Insurance Contracts		91,518.36	83,390.31
Investment Contracts		917.35	876.94
		92,435.71	84,267.25
Ind AS 104 Adjustments (impacting contract liabilities of life insurance)			
Measurement adjustments		(208.54)	(613.50)
Grossing up Reinsurance assets		1,023.00	973.55
		814.46	360.05
Fund for future appropriations		3,131.24	2,981.90
Restricted life insurance surplus retained in Policyholders' Fund			
Measurement difference of Ind AS 104 Adjustments		208.38	613.30
Fair valuation difference of policyholders' Investments			
Fair Value Through Profit or Loss (FVTPL)		1,323.05	846.59
Fair Value Through Other Comprehensive Income (FVOCI)		3,321.87	198.30
Measurement difference - Other Ind AS Adjustments		(55.59)	(47.55)
Realised Hedge Fluctuation Reserves		136.88	123.21
Derivative financial instruments		107.62	54.71
Trade payables		978.31	1,129.36
Lease liability		257.61	274.93
Other payables		2,965.40	2,688.06
Sub Total - Financial Liabilities		1,05,624.94	93,490.11
B Non-Financial Liabilities- Life Insurance Policyholders' Fund			
Provisions		52.36	41.27
Other Non-financial Liabilities		427.75	810.87
Sub Total - Non Financial Liabilities		480.11	852.14
TOTAL LIABILITIES		1,06,105.05	94,342.25



Notes to the consolidated unaudited financial results

4. CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

		(Rs. in Crores)	
Particulars	6 months ended 30.09.2021 (Unaudited)	6 months ended 30.09.2020 (Unaudited)	
A CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax	134.27	246.21	
Adjustments for:			
Depreciation, amortisation and impairment	84.49	79.34	
Interest Expense	46.72	50.73	
Interest and Dividend income from investments	(2,643.71)	(2,229.67)	
Rent Income	(33.12)	(15.42)	
Net loss / (profit) on sale / disposal of property, plant and equipments	-	(0.16)	
Net (gain)/loss on fair value changes	(4,456.84)	(3,905.11)	
Restricted life insurance surplus retained in Policyholders' Fund (income)	477.08	767.74	
Restricted life insurance surplus retained in Policyholders' Fund (expense)	(413.37)	26.70	
Provision for diminution in value of long term investment	(2.20)	(81.83)	
Liabilities/provisions no longer required written back	(0.75)	(0.08)	
Provision for doubtful debts and bad-debts written off	0.78	1.00	
Provision for rates and taxes	0.01	-	
Expense on employee stock option scheme	3.05	5.85	
Change in policyholder reserves (including funds for future appropriation)	8,801.41	8,098.77	
Operating Profit before working capital changes	1,997.84	3,044.07	
Changes in working capital:			
<u>Adjustments for (increase)/ decrease in operating assets:</u>			
Trade receivables	246.45	474.92	
Loans	(0.02)	0.01	
Other financial assets	(508.85)	(66.77)	
Other non financial assets	19.78	2.21	
<u>Adjustments for increase / (decrease) in operating liabilities:</u>			
Trade payables	(226.79)	31.28	
Other financial liabilities	1,430.22	66.64	
Provisions	7.53	2.84	
Insurance contract liabilities	(434.14)	2.55	
Other non financial liabilities	(385.09)	(133.97)	
Cash generated from operations	2,146.94	3,423.79	
Net income tax (paid) / refunds	(36.74)	(95.53)	
Net cash from operating activities (A)	2,110.20	3,328.26	
B CASH FLOW FROM INVESTING ACTIVITIES			
Capital expenditure on property, plant and equipment including capital advances	(54.68)	(44.14)	
Proceeds from sale of property, plant and equipment	0.29	0.39	
Bank balances not considered as Cash and cash equivalents (net)	0.05	-	
Investments			
- Purchased	(5,27,845.37)	(4,30,924.26)	
- Proceeds from sale	5,21,785.82	4,25,025.67	
Investments in equity shares of subsidiary company			
- Proceeds from sale (see note 10)	554.81	-	
Proceeds from loan against policies	(64.63)	(47.79)	
Receivable from Unit Linked fund and advance for property	93.15	(10.43)	
Realised Hedge Fluctuation Reserve & Derivative Profit & Loss	59.39	150.23	
Interest, Rent and Dividend Received	2,576.10	2,224.96	
Net cash used in investing activities (B)	(2,895.07)	(3,625.37)	
C CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from ESOPs exercised (including share premium)	0.97	0.01	
Dividend paid by subsidiary company	(32.07)	-	
Lease payments	(38.10)	(38.53)	
Proceeds from issue of NCDs (see note 14)	496.00	-	
Net cash from/ (used in) financing activities (C)	426.80	(38.52)	
D Net increase / (decrease) in cash and cash equivalents (A+B+C)	(358.07)	(335.63)	
E Cash and cash equivalents as at the beginning of the period	715.57	767.01	
Cash and cash equivalents as at the end of the period *	357.50	431.38	
* Components of Cash and Cash Equivalents			
Cash on hand	36.12	26.44	
Balances with scheduled banks			
-On current accounts	321.38	374.94	
-Deposits with original maturity of upto 3 months	-	30.00	
Total cash and cash equivalents	357.50	431.38	



Notes to the consolidated unaudited financial results

- 5 These consolidated unaudited financial results for the quarter and six months ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today. These results have been reviewed by the statutory auditors of the Company.
- 6 The consolidated unaudited financial results comprise the financial results of Max Financial Services Limited ('the Parent' or 'the Company') and its subsidiary (collectively referred as the 'Group'). The consolidated unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting' prescribed 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 and its subsidiary listed below:

Name of Subsidiary	Country of incorporation	Portion of ownership as at September 30, 2021	Portion of ownership as at June 30, 2021	Portion of ownership as at March 31, 2021	Portion of ownership as at September 30, 2020
Max Life Insurance Company Limited	India	81.83%	81.83%	90.83%	72.52%

- 7 During the quarter ended September 30, 2021, the following movements under Max Employee Stock Option Plan-2003:
- a) the Company had allotted 8,003 equity shares of Rs. 2 each to an employee arising from exercise of options;
- b) the Company has forfeited 41,396 unvested stock options granted to the Chief Financial Officer on account of his resignation.
- 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 had acquired 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 had 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 approved entering into a Put/Call arrangement for acquisition of balance shares held by MSI in Max Life Insurance Company Limited ('Max Life') and matters incidental thereto at a price of Rs. 85 per share ("MSI Put/Call Option"). The shareholders of the Company approved the said MSI Put/Call Option on May 27, 2020.
- The Company had executed definitive agreement with the parties, which is subject to receipt of requisite regulatory approvals. During the quarter ended June 30, 2021, Max Life had filed an application for approval with IRDAI for acquisition of 99,136,573 equity shares (balance shares held by MSI) of Max Life by the Company 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.
- 10 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 equity share capital of Max Life, a subsidiary of the Company, to Axis Bank, subject to receipt of shareholders' approval and other requisite regulatory approvals. The shareholders of the Company approved the transaction on June 16, 2020.
- On October 30, 2020, the Company, Max Life, Axis Bank and its subsidiaries (together "Axis Entities"), i.e. Axis Capital Limited and Axis Securities Limited ("Axis Bank subsidiaries") entered into agreements for acquisition of upto 19.002% of the equity share capital of Max Life ("Agreements"). Under the 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.
- Pursuant to receipt of all the approvals, the Company had 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.
- 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 unaudited financial results

- 11 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 and property, plant and equipment, as at September 30, 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 pandemic (COVID-19) on its operations as well as its financial results, including but not limited to the areas of investments, valuation of policy liabilities and solvency, for the period ended September 30, 2021. The impact of COVID 19 in the future may be different from that estimated as at the date of approval of these financial results and the company will continue to closely monitor any material changes to future economic condition.
- 12 Employee benefits expenses for the quarter ended June 30, 2021 includes one - time special incentive of Rs. 12.25 crores paid to senior leadership team of the Group for their valued contribution in consummation of Max Financial - Axis transaction.
- 13 During the quarter ended March 31, 2021, the subsidiary company had changed its business model relating to investments in debt securities held under Non-linked policyholders' fund and has accordingly, reclassified such investments from Amortized cost (AC) measurement model to Fair Value Through Other Comprehensive Income (FVOCI) measurement model. The reclassification is applied prospectively from April 1, 2021 (Reclassification date) and the net gain arising out of such reclassification has been recognized in Other Comprehensive Income (OCI) and transferred to Policyholders' Fund as restricted life insurance surplus during the six months ended September 30, 2021.
- 14 The subsidiary Company, Max Life Insurance Company Limited has issued and allotted 4,960 unsecured, subordinated, listed, rated, redeemable, taxable, non-cumulative, non - convertible debentures (NCDs) of Rs. 10 lakhs each on a private placement basis at the interest rate of 7.50% per annum amounting to Rs. 496.00 crores, which are listed on the Wholesale Debt market (WDM) segment of National Stock Exchange on August 02, 2021 and are redeemable at the end of 10 years from the date of allotment with a call option to the company to redeem the NCDs post the completion of 5 years from the date of allotment and annually thereafter. The NCDs are rated by CRISIL and ICRA and have been assigned rating of "CRISIL AA+/stable" and "ICRA AA+/stable" respectively.
- 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. The Group will assess the impact of the code when it comes into effect and will record, if any.
- 16 The figures for the previous periods/ year have been regrouped / reclassified wherever necessary, to make them comparable.

Date : November 09, 2021
Place : Gurugram

By Order of the Board


Mohit Talwar
Managing Director
DIN : 02394694

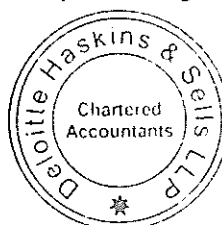


INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE UNAUDITED FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF MAX FINANCIAL SERVICES LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Max Financial Services Limited** ("the Company"), for the quarter and six months ended September 30, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (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 Standards on Auditing specified under section 143(10) of the Companies Act, 2013 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.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard 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.

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



SATPAL SINGH ARORA
Partner
(Membership No. 098564)
UDIN : 21098564AAAADO4622

Gurugram, November 9, 2021

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

Particulars		3 months ended 30.09.2021	3 months ended 30.06.2021	3 months ended 30.09.2020	6 months ended 30.09.2021	6 months ended 30.09.2020	(Rs. in Crores) Year ended 31.03.2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue from operations							
(a) Interest income		-	-	-	-	-	0.01
(b) Dividend income		-	144.46	-	144.46	-	185.78
(c) Rental income		0.10	0.11	0.10	0.21	0.21	0.42
(d) Gain on fair value changes		-	-	-	-	-	-
- on derivative financial instruments (See note 7)		-	-	46.58	-	27.62	91.47
- on investments in mutual funds		8.75	7.46	1.56	16.21	5.63	8.07
(e) Sale of services		5.44	5.46	5.44	10.90	10.50	20.63
2. Total revenue from operations		14.29	157.49	53.68	171.78	43.96	306.38
3. Other income		0.56	0.76	0.23	1.32	0.67	1.43
4. Total income (2+3)		14.85	158.25	53.91	173.10	44.63	307.81
5. Expenses							
(a) Finance costs		0.03	0.05	0.05	0.08	0.10	0.22
(b) Impairment loss on investment in subsidiary (See note 9)		-	-	-	-	-	88.16
(c) Loss on sale of investment in subsidiary (See note 9)		-	-	-	-	-	32.89
(d) Employee benefits expenses (See note 11)		2.69	13.07	5.06	15.76	9.35	21.25
(e) Depreciation, amortisation and impairment		0.83	0.99	0.81	1.82	1.74	3.80
(f) Legal and professional expenses		3.35	3.46	5.12	6.81	10.30	18.32
(g) Other expenses		2.82	2.74	2.51	5.56	4.67	13.70
6. Total expenses		9.72	20.31	13.55	30.03	26.16	178.34
7. Profit before tax (4-6)		5.13	137.94	40.36	143.07	18.47	129.47
8. Tax expense							
(a) Current tax		(1.07)	33.43	2.48	32.36	2.48	39.09
(b) Deferred tax charge / (credit)		2.67	6.99	-	9.66	-	(8.85)
9. Total tax expense		1.60	40.42	2.48	42.02	2.48	30.24
10. Profit for the period / year (7-9)		3.53	97.52	37.88	101.05	15.99	99.23
11. Other comprehensive income / (loss):							
Items that will not be reclassified to profit or loss:							
- Remeasurement of the defined benefit obligations		0.65	0.01	0.17	0.66	(0.13)	0.02
Income tax relating to items that will not be reclassified to profit or loss		(0.19)	-	-	(0.19)	-	(0.01)
12. Total other comprehensive income / (loss)		0.46	0.01	0.17	0.47	(0.13)	0.01
13. Total comprehensive income (10+12)		3.99	97.53	38.05	101.52	15.86	99.24
14. Paid-up equity share capital (Face value of Rs. 2)		69.02	69.02	53.91	69.02	53.91	69.02
15. Other equity		-	-	-	-	-	6,576.44
16. Earnings per share (EPS) (Rs.) (not annualised for the quarter)							
(a) Basic EPS		0.10	2.83	1.40	2.93	0.59	3.38
(b) Diluted EPS		0.10	2.83	1.40	2.93	0.59	3.38
See accompanying notes to the standalone unaudited financial results							

Date : November 9, 2021
Place : Gurugram

By Order of the Board

Mohit Talwar
Managing Director
DIN : 02394694



Notes to the standalone unaudited financial results:

1 STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

		(Rs. in Crores)	
	Particulars	As at 30.09.2021 (Unaudited)	As at 31.03.2021 (Audited)
A.	ASSETS		
1.	Financial assets		
	(a) Cash and cash equivalents	0.32	0.22
	(b) Bank balance other than (a) above	1.19	1.24
	(c) Receivables - trade receivables	10.10	19.18
	(d) Loans	0.02	-
	(e) Investments (See note 9)	6,744.02	6,616.37
	(f) Other financial assets	0.78	0.54
	Total financial assets	6,756.43	6,637.55
2.	Non financial assets		
	(a) Current tax assets (net)	-	3.88
	(b) Deferred tax assets (net)	-	8.84
	(c) Property, plant and equipment	20.93	21.72
	(d) Right-of-use assets	2.36	3.40
	(e) Other non-financial assets	0.99	1.16
	Total non-financial assets	24.28	39.00
	Total assets	6,780.71	6,676.55
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	4.28	10.17
	(b) Lease liabilities	2.43	3.46
	(c) Other financial liabilities	1.10	1.26
	Total financial liabilities	7.81	14.97
2.	Non financial liabilities		
	(a) Current tax liabilities	10.38	1.09
	(b) Provisions	11.82	13.16
	(c) Deferred tax liabilities (net)	1.01	-
	(d) Other non-financial liabilities	1.56	1.87
	Total non-financial liabilities	24.77	16.12
	Total liabilities	32.58	31.09
II	EQUITY		
	(a) Equity share capital	69.02	69.02
	(b) Other equity	6,679.11	6,576.44
	Total equity	6,748.13	6,645.46
	Total liabilities and equity	6,780.71	6,676.55



Notes to the standalone unaudited financial results:

2 STANDALONE CASH FLOW STATEMENT FOR THE SIX MONTHS YEAR ENDED SETEMBER 30, 2021

		(Rs. In crores)	
	Particulars	6 months ended 30.09.2021 (Unaudited)	6 months ended 30.09.2020 (Unaudited)
A.	Cash flow from operating activities		
	Profit before tax	143.07	18.47
	Adjustments for:		
	Depreciation, amortisation and impairment	1.82	1.74
	Finance costs	0.08	0.10
	Net loss / (profit) on sale / disposal of property, plant and equipment	0.01	-
	Net loss / (gain) on fair value changes		
	- on derivative financial instruments	-	(27.62)
	- on investments in mutual funds	(16.21)	(5.63)
	Liabilities/provisions no longer required written back	(0.75)	(0.08)
	Provision for rates and taxes	0.01	-
	Expense on employee stock option scheme	0.18	1.03
	Operating profit/ (loss) before working capital changes	128.21	(11.99)
	Changes in working capital:		
	<u>Adjustments for (increase)/ decrease in operating assets:</u>		
	Trade receivables	9.08	8.59
	Loans	(0.02)	0.01
	Other financial assets	(0.25)	0.18
	Other non-financial assets	0.92	0.17
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
	Trade payables	(5.95)	(2.68)
	Other financial liabilities	(0.16)	(1.30)
	Provisions	(0.69)	1.08
	Other non-financial liabilities	(0.32)	(0.98)
	Cash generated from operations	130.82	(6.92)
	Net income tax (paid) / refunds	(19.19)	(122.63)
	Net cash flow from / (used in) operating activities (A)	111.63	(129.55)
B.	Cash flow from investing activities		
	Capital expenditure on property, plant and equipment including capital advances	(0.04)	(0.23)
	Proceeds from sale of property, plant and equipment	0.04	0.05
	Bank balances not considered as Cash and cash equivalents (net)	0.05	-
	Investments in mutual funds		
	- Purchased	(1,389.91)	(34.34)
	- Proceeds from sale	723.66	182.10
	Investments in equity shares of subsidiary company		
	- Proceeds from sale (See note 9)	554.81	-
	Net cash flow from / (used in) investing activities (B)	(111.39)	147.58
C.	Cash flow from financing activities		
	Proceeds from ESOPs exercised (including share premium)	0.97	0.01
	Payments of lease liability	(1.11)	(0.52)
	Net cash flow from / (used in) financing activities (C)	(0.14)	(0.51)
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	0.10	17.52
	Cash and cash equivalents as at the beginning of the year	0.22	0.29
	Cash and cash equivalents as at the end of the period *	0.32	17.81
	* Comprises:		
	a. Cash on hand	0.01	0.01
	b. Balance with scheduled banks		
	- in current accounts	0.31	17.80
		0.32	17.81

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

144.46

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Notes to the standalone unaudited financial results:

- 3 These standalone unaudited financial results for the quarter and six months ended September 30, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today. These results have been reviewed by the statutory auditors of the Company.
- 4 The standalone unaudited financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 5 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. 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.
- 6 During the quarter ended September 30, 2021, the following movements under Max Employee Stock Option Plan-2003:
a) the Company had allotted 8,003 equity shares of Rs. 2 each to an employee arising from exercise of options;
b) the Company has forfeited 41,396 unvested stock options granted to the Chief Financial Officer on account of his resignation.

- 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 had acquired 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 had been cancelled.

- 8 The Board of Directors of the Company in its meeting held on March 3, 2020, had approved entering into a Put/Call arrangement for acquisition of balance shares held by Mitsui Sumitomo Insurance Company Limited (MSI) in Max Life Insurance Company Limited ('Max Life') and matters incidental thereto at a price of Rs. 85 per share ('MSI Put/Call Option'). The shareholders of the Company approved the said MSI Put/Call Option on May 27, 2020.

The Company had executed definitive agreement with the parties, which is subject to receipt of requisite regulatory approvals. During the quarter ended June 30, 2021, Max Life had filed an application for approval with IRDAI for acquisition of 99,136,573 equity shares (balance shares held by MSI) of Max Life by the Company 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 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 equity share capital of Max Life, a subsidiary of the Company, to Axis Bank, subject to receipt of shareholders' approval and other requisite regulatory approvals. The shareholders of the Company approved the transaction on June 16, 2020.

On October 30, 2020, the Company, Max Life, Axis Bank and its subsidiaries (together "Axis Entities"), i.e. Axis Capital Limited and Axis Securities Limited ("Axis Bank subsidiaries") entered into agreements for acquisition of upto 19.002% of the equity share capital of Max Life ("Agreements"). Under the 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.

Pursuant to receipt of all the approvals, the Company had 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 during the year ended March 31, 2021.

On April 6, 2021, the Company had 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 had accounted for an impairment loss of Rs. 88.16 crores in the value of such investments during the year ended March 31, 2021, 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, for the aforesaid transfer of shares effected on March 26, 2021 and April 6, 2021 were respectively 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.

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 standalone unaudited financial results:

- 10 The Company has assessed the impact of COVID-19 on its operations as well as its standalone unaudited financial results, including carrying amounts of trade receivables, investments and property, plant and equipment, as at September 30, 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 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 results due to COVID-19.
- 11 Employee benefits expenses for the quarter ended June 30, 2021 includes one - time special incentive of Rs. 7.75 crores paid to senior leadership team of the Company for their valued contribution in consummation of Max Financial - Axis transaction.
- 12 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.
- 13 The figures for the previous period/year have been regrouped / reclassified wherever necessary, to make them comparable.

Date : November 9, 2021
Place : Gurugram

By Order of the Board

Mohit Talwar
Managing Director
DIN : 02394694

