



August 10, 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 : **Board meeting for unaudited financial results for the quarter ended June 30, 2021**

Please refer to our letter dated July 26, 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 ended June 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 ended June 2021 alongwith press release are attached herewith.

The Board meeting commenced at 1230 hrs. and concluded at 1330 hrs.

You are requested to take the aforesaid on record.

Thanking you,

Yours faithfully  
For **Max Financial Services Limited**

**V. Krishnan**  
**Company Secretary & 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](http://www.maxfinancialservices.com)  
Regd. Office: 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab - 144 533, India

## 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 ended June 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 : 21098564AACH 6149

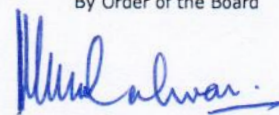
New Delhi, August 10, 2021



**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021**

Particulars		(Rs. in Crores)			
		3 months ended 30.06.2021	3 months ended 31.03.2021	3 months ended 30.06.2020	Year ended 31.03.2021
		(Unaudited)	(Unaudited) (See note 3)	(Unaudited)	(Audited)
1.	Revenue from operations				
	(a) Interest income	-	-	-	0.01
	(b) Dividend income	144.46	185.78	-	185.78
	(c) Rental income	0.11	0.10	0.11	0.42
	(d) Gain on fair value changes				
	- on derivative financial instruments (See Note 6)	-	51.24	-	91.47
	- on investments in mutual funds	7.46	0.99	4.07	8.07
	(e) Sale of services	5.46	5.00	5.06	20.63
2.	Total revenue from operations	157.49	243.11	9.24	306.38
3.	Other income	0.76	0.35	0.44	1.43
4.	Total income (2+3)	158.25	243.46	9.68	307.81
5.	Expenses				
	(a) Finance costs	0.05	0.06	0.05	0.22
	(b) Loss on fair value changes on derivative financial instruments (See Note 6)	-	-	18.96	-
	(c) Impairment loss on investment in subsidiary (See note 8)	-	88.16	-	88.16
	(d) Loss on sale of investment in subsidiary (See note 8)	-	32.89	-	32.89
	(e) Employee benefits expenses (See note 10)	13.07	7.73	4.29	21.25
	(f) Depreciation, amortisation and impairment	0.99	1.08	0.93	3.80
	(g) Legal and professional expenses	3.46	3.75	5.18	18.32
	(h) Other expenses	2.74	6.43	2.16	13.70
6.	Total expenses	20.31	140.10	31.57	178.34
7.	Profit / (loss) before tax (4-6)	137.94	103.36	(21.89)	129.47
8.	Tax expense				
	(a) Current tax	33.43	36.61	-	39.09
	(b) Deferred tax charge / (credit)	6.99	(8.85)	-	(8.85)
9.	Total tax expense	40.42	27.76	-	30.24
10.	Profit / (loss) for the period / year (7-9)	97.52	75.60	(21.89)	99.23
11.	Other comprehensive income / (loss):				
	Items that will not be reclassified to profit or loss:				
	- Remeasurement of the defined benefit obligations	0.01	0.13	(0.30)	0.02
	Income tax relating to items that will not be reclassified to profit or loss	-	(0.01)	-	(0.01)
12.	Total other comprehensive income / (loss)	0.01	0.12	(0.30)	0.01
13.	Total comprehensive income / (loss) (10+12)	97.53	75.72	(22.19)	99.24
14.	Paid-up equity share capital (Face value of Rs. 2)	69.02	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	2.83	2.52	(0.81)	3.38
	(b) Diluted EPS	2.83	2.52	(0.81)	3.38
See accompanying notes to the standalone unaudited financial results					

By Order of the Board



Mohit Talwar  
Managing Director  
DIN : 02394694

Date : August 10, 2021  
Place : New Delhi





**Max Financial Services Limited**

**CIN: L24223PB1988PLC008031**

**Registered Office: Bhai Mohan Singh Nagar, Rail Majra, Tehsil Balachaur, District Nawanshahr, Punjab - 144533**

**Website: www.maxfinancialservices.com**

**Notes to the standalone unaudited financial results:**

- 1 These standalone unaudited financial results for the quarter ended June 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.
- 2 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.
- 3 Figures for the quarter ended March 31, 2021 are the balancing figures between audited figures in respect of the full financial year and published year to date unaudited figures upto the third quarter of the year ended March 31, 2021.
- 4 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.
- 5 During the quarter ended June 30, 2021, the Company had allotted 16,466 equity shares of Rs. 2 each to an employee arising from exercise of Employee Stock Option Plan.
- 6 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 (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 had been cancelled.

- 7 The Board of Directors of the Company in its meeting held on March 3, 2020, had 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.

During the year ended March 31, 2021, pursuant to receipt of all regulatory approvals, the Company 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.

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. During the current quarter, 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.

- 8 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.

Based on correspondence with Reserve Bank of India ('RBI') and Insurance Regulatory and Development Authority of India ('IRDAI'), 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 revised agreements 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 during the quarter and year ended March 31, 2021.





**Max Financial Services Limited**

**CIN: L24223PB1988PLC008031**

**Registered Office: Bhai Mohan Singh Nagar, Rail Majra, Tehsil Balachaur, District Nawanshahr, Punjab - 144533**

**Website: www.maxfinancialservices.com**

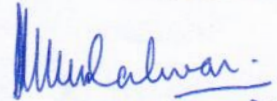
**Notes to the standalone unaudited financial results:**

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 during the quarter and 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 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.

- 9 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 unaudited financial results, including carrying amounts of trade receivables, investments and property, plant and equipment, as at June 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.
- 10 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.
- 11 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.
- 12 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 : August 10, 2021  
Place : New Delhi





## 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 ended June 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 8(b) 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 ended June 30, 2021, have reported a matter regarding the uncertainties arising out of the outbreak of COVID-19 pandemic and the assessment made by the management of the subsidiary company on its business and condensed interim financial statements, including valuation of Investments and valuation of policy liabilities as at and for the quarter ended June 30, 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 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 ended June 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 June 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 June 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: 21098564AAC18231

New Delhi, August 10, 2021



**STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2021**

		(Rs. in Crores)			
	Particulars	3 months ended 30.06.2021 (Unaudited)	3 months ended 31.03.2021 (Unaudited) (See Note 3)	3 months ended 30.06.2020 (Unaudited)	Year ended 31.03.2021 (Audited)
1.	<b>Revenue from operations</b>				
	(a) Interest Income	51.90	56.41	49.25	212.17
	(b) Dividend Income	0.76	0.91	0.15	2.46
	(c) Rental income	0.47	0.24	0.11	0.56
	(d) Net gain on fair value changes	40.05	10.15	26.04	85.06
	(e) Policyholders' Income from Life Insurance operations (See Note 1)	5,847.54	9,690.84	5,427.72	30,968.03
	(f) Sale of services	1.33	1.20	1.34	5.63
2.	<b>Total Revenue from operations</b>	<b>5,942.05</b>	<b>9,759.75</b>	<b>5,504.61</b>	<b>31,273.91</b>
3.	Other income	1.09	0.56	12.71	14.11
4.	<b>Total income (2+3)</b>	<b>5,943.14</b>	<b>9,760.31</b>	<b>5,517.32</b>	<b>31,288.02</b>
5.	<b>Expenses</b>				
	(a) Finance costs	0.11	0.06	0.08	0.27
	(b) Impairment on financial instruments (including reversals)	(0.42)	0.15	1.99	(55.24)
	(c) Employee benefits expenses (See Note 10)	34.38	25.01	9.33	60.80
	(d) Depreciation, amortisation and impairment	1.37	1.45	1.31	5.32
	(e) Legal and professional expenses	3.46	3.75	5.18	18.32
	(f) Policyholders' Expenses of Life Insurance operations (See Note 1)	5,813.57	9,651.21	5,342.32	30,634.31
	(g) Other expenses	6.30	11.53	6.41	31.34
6.	<b>Total expenses</b>	<b>5,858.77</b>	<b>9,693.16</b>	<b>5,366.62</b>	<b>30,695.12</b>
7.	<b>Profit before tax (4-6)</b>	<b>84.37</b>	<b>67.15</b>	<b>150.70</b>	<b>592.90</b>
8.	<b>Tax expense</b>				
	<b>Relating to other than revenue account of Life Insurance policyholders</b>				
	Current tax (See Note 9)	39.54	5.15	(33.10)	26.02
	Deferred tax charge / (credit)	9.02	(8.03)	2.27	7.13
	<b>Relating to revenue account of Life Insurance policyholders</b>				
	Current tax	-	-	-	-
	<b>Total tax expense</b>	<b>48.56</b>	<b>(2.88)</b>	<b>(30.83)</b>	<b>33.15</b>
9.	<b>Profit for the period/ year (7-8)</b>	<b>35.81</b>	<b>70.03</b>	<b>181.53</b>	<b>559.75</b>
10.	<b>Other comprehensive income /(loss) (OCI)</b>				
	<b>Relating to revenue account of life insurance policyholders</b>				
	(i) Items that will not be reclassified to profit or loss in subsequent periods	0.59	0.05	(2.84)	2.37
	(ii) Items that will be reclassified to profit or loss in subsequent periods (See Note 11)	2,390.78	(196.90)	165.28	96.26
	Less: Transferred to policyholders' fund in the balance sheet (See Note 11)	(2,391.37)	196.85	(162.44)	(98.63)
	<b>Relating to Others</b>				
	(i) Items that will not be reclassified to profit or loss in subsequent periods	0.01	0.13	(0.30)	0.02
	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	(6.12)	(15.18)	10.85	(5.13)
	Income tax relating to items that will be reclassified to profit or loss	0.89	2.21	(1.58)	0.75
11.	<b>Other comprehensive income /(loss)</b>	<b>(5.22)</b>	<b>(12.85)</b>	<b>8.97</b>	<b>(4.37)</b>
12.	<b>Total comprehensive income (9+11)</b>	<b>30.59</b>	<b>57.18</b>	<b>190.50</b>	<b>555.38</b>
13.	<b>Profit/(loss) attributable to</b>				
	Owners of the company	21.19	62.34	130.85	425.39
	Non-controlling interests	14.62	7.69	50.68	134.36
14.	<b>Other comprehensive income /(loss) attributable to</b>				
	Owners of the company	(4.30)	(11.95)	6.42	(5.59)
	Non-controlling interests	(0.92)	(0.90)	2.55	1.22
15.	<b>Total comprehensive income/(loss) attributable to</b>				
	Owners of the company	16.89	50.39	137.27	419.80
	Non-controlling interests	13.70	6.79	53.23	135.58
16.	Paid up Equity Share Capital (Face value of Rs. 2 each)	69.02	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	0.61	2.13	4.85	14.51
	(b) Diluted EPS	0.61	2.13	4.85	14.51
	See accompanying notes to the consolidated unaudited financial results				

By Order of the Board



Date : August 10, 2021  
Place : New Delhi

Mohit Talwar  
Managing Director  
DIN : 02394694



**CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER ENDED JUNE 30, 2021**

		(Rs. in Crores)			
Particulars		3 months ended 30.06.2021 (Unaudited)	3 months ended 31.03.2021 (Unaudited) (See Note 3)	3 months ended 30.06.2020 (Unaudited)	Year ended 31.03.2021 (Audited)
<b>1</b>	<b>Segment Revenue</b>				
	a) Life Insurance	5,933.18	9,757.46	5,499.10	31,259.84
	b) Business Investments	157.49	243.11	9.24	306.38
	<b>Total</b>	<b>6,090.67</b>	<b>10,000.57</b>	<b>5,508.34</b>	<b>31,566.22</b>
	Inter segment elimination (net)	148.62	240.82	3.73	292.31
	<b>Revenue from operations (net)</b>	<b>5,942.05</b>	<b>9,759.75</b>	<b>5,504.61</b>	<b>31,273.91</b>
<b>2</b>	<b>Segments Results</b>				
	a) Life Insurance	90.62	79.52	141.38	607.00
	b) Business Investments	137.23	103.06	(22.28)	128.24
	<b>Total</b>	<b>227.85</b>	<b>182.58</b>	<b>119.10</b>	<b>735.24</b>
	Inter segment elimination (net)	144.46	115.97	(18.96)	156.20
	<b>Sub-total</b>	<b>83.39</b>	<b>66.61</b>	<b>138.06</b>	<b>579.04</b>
	Unallocated	0.98	0.54	12.64	13.86
	<b>Profit before tax</b>	<b>84.37</b>	<b>67.15</b>	<b>150.70</b>	<b>592.90</b>
	Provision for taxation (Includes provision for Deferred Tax)	48.56	(2.88)	(30.83)	33.15
	<b>Profit for the period/ year</b>	<b>35.81</b>	<b>70.03</b>	<b>181.53</b>	<b>559.75</b>

Particulars		As at 30.06.2021 (Unaudited)	As at 31.03.2021 (Audited)	As at 30.06.2020 (Unaudited)
<b>3</b>	<b>Segment Assets</b>			
	a) Life Insurance	1,01,586.90	97,346.27	78,212.39
	b) Business Investments	6,791.07	6,676.55	2,400.28
	<b>Total Segment Assets</b>	<b>1,08,377.97</b>	<b>1,04,022.82</b>	<b>80,612.67</b>
	Inter-segment elimination (net)	(5,340.83)	(5,891.21)	(1,697.76)
	<b>Total Assets</b>	<b>1,03,037.14</b>	<b>98,131.61</b>	<b>78,914.91</b>
<b>4</b>	<b>Segment Liabilities</b>			
	a) Life Insurance	98,800.37	94,460.70	75,545.88
	b) Business Investments	47.32	31.09	141.63
	<b>Total Segment Liabilities</b>	<b>98,847.69</b>	<b>94,491.79</b>	<b>75,687.51</b>
	Inter-segment elimination (net)	(21.08)	34.78	200.16
	<b>Total Liabilities</b>	<b>98,826.61</b>	<b>94,526.57</b>	<b>75,887.67</b>

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 : August 10, 2021  
Place : New Delhi

By Order of the Board

Mohit Talwar  
Managing Director  
DIN : 02394694



**Notes to the consolidated unaudited financial results**

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

		(Rs. in Crores)			
Particulars		3 months ended 30.06.2021 (Unaudited)	3 months ended 31.03.2021 (Unaudited) (See Note 3)	3 months ended 30.06.2020 (Unaudited)	Year ended 31.03.2021 (Audited)
<b>A</b>	<b>Policyholders' Income from life insurance fund</b>				
	Premium Income (Net)	3,378.13	7,021.86	2,668.97	18,695.42
	Interest Income	1,185.43	1,105.62	993.39	4,223.07
	Dividend Income	79.40	46.88	17.31	213.30
	Rental Income	16.26	10.50	7.28	34.96
	Net gain / (loss) on fair value changes - Policyholders' Investments	1,435.07	1,512.27	2,395.03	9,238.08
	Other income	1.82	20.84	2.20	27.90
	<b>Sub-Total</b>	<b>6,096.11</b>	<b>9,717.97</b>	<b>6,084.18</b>	<b>32,432.73</b>
	Less/ (Add): Restricted life insurance surplus retained in Policyholders' Fund	248.57	27.13	656.46	1,464.70
	<b>Total</b>	<b>5,847.54</b>	<b>9,690.84</b>	<b>5,427.72</b>	<b>30,968.03</b>
<b>B</b>	<b>Policyholders' Expense of Life Insurance fund</b>				
	Commission to selling agents	208.80	473.41	156.05	1,227.23
	Employee Benefits and Other Operating Expenses (See Note 10)	628.43	889.73	438.23	2,741.96
	Benefits payout (net)	1,900.04	2,287.12	917.32	6,772.51
	Net change in insurance contract liabilities	3,215.58	5,563.86	3,685.28	19,112.15
	Net change in investment contract liabilities	44.11	42.73	90.69	285.05
	Finance cost	9.38	9.10	10.79	40.72
	Impairment loss (including reversals)	(0.21)	0.07	0.58	(27.49)
	Depreciation and amortisation expenses	39.76	39.80	38.00	156.34
	<b>Sub-Total</b>	<b>6,045.89</b>	<b>9,305.82</b>	<b>5,336.94</b>	<b>30,308.47</b>
	Add/ (Less): Restricted life insurance surplus retained in Policyholders' Fund	(232.32)	345.39	5.38	325.84
	<b>Total</b>	<b>5,813.57</b>	<b>9,651.21</b>	<b>5,342.32</b>	<b>30,634.31</b>





**Notes to the consolidated unaudited financial results**

- 2 These consolidated unaudited financial results for the quarter ended June 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.
- 3 The consolidated financial results for the quarter ended March 31, 2021 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 of the Company which have been subjected to review by the statutory auditors.
- 4 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 Company	Country of Incorporation	Portion of ownership as at June 30, 2021	Portion of ownership as at March 31, 2021	Portion of ownership as at June 30, 2020
Max Life Insurance Company Limited	India	81.83%	90.83%	72.52%

- 5 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 (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 had been cancelled and accordingly, the gross obligations under put arrangement stands cancelled.

- 6 The Board of Directors of the Company in its meeting held on March 3, 2020, had 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.

During the year ended March 31, 2021, pursuant to receipt of all regulatory approvals, the Company 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.

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. During the current quarter, 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.

- 7 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.

Based on correspondence with Reserve Bank of India ('RBI') and Insurance Regulatory and Development Authority of India ('IRDAI'), 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 revised agreements 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.

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**

**8 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 and property, plant and equipment, as at June 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 on its operations as well as its financial statements, including valuation of investments, valuation of policy liabilities and solvency, for the quarter ended June 30, 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.

**9 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). 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 filling 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.

**10 Employee benefits expenses for the quarter ended June 30, 2021 includes one - time special incentive of Rs. 12.25 crores crores paid to senior leadership team of the Group for their valued contribution in consummation of Max Financial - Axis transaction.**

**11 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 quarter ended June 30, 2021.**


**12 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.**

**13 The figures for the previous period / year have been regrouped / reclassified wherever necessary, to make them comparable.**

Date : August 10, 2021  
Place : New Delhi



By Order of the Board

  
Mohit Talwar  
Managing Director  
DIN : 02394694



**MAX FINANCIAL SERVICES Q1FY22 CONSOLIDATED REVENUE<sup>^</sup> RISES 27% TO RS 3,420 CR;  
MAX LIFE INDIVIDUAL APE GROWS 32%, VALUE OF NEW BUSINESS GROWS 53% TAKING THE  
EMBEDDED VALUE TO RS 12,290 CR**

**Max Life Results Highlights (Q1FY22):**

- **Individual APE: Rs 875 Cr, Up 32%.**
- **Gross Written Premium: Rs 3,484 Cr, Up 27%.**
- **Embedded Value at Rs 12,290 Cr; Operating RoEV at 13.5%.**
- **Value of New Business at Rs 172 Cr, Up 53%.**
- **Total Assets Under Management (AUM): Rs 93,697 Cr, Up 28%**

*10<sup>th</sup> August 2021, New Delhi*

Max Financial Services Limited (MFSL) today announced its financial results for the first quarter (Q1) of the financial year FY22. In the quarter under review, MFSL reported consolidated revenues (excluding investment income) of Rs 3,420 Cr, a growth of 27% from the year-ago period. The consolidated Profit After Tax declined by 80% to Rs 36 Cr relative to the same quarter last year, which had one-off tax refund, lower operating expenses and lower death claims due to COVID-19 induced lockdown.

During the first quarter of FY22, Max Life delivered a strong performance on new business premiums (on APE basis) as it achieved a 32% jump to Rs 875 Cr from Rs 661 Cr in the year-ago period. Further, the renewal premium income (including group) rose 21% to Rs 2,244 Cr, taking the gross written premium to Rs 3,484 Cr, a spurt of 27% over the first quarter of the previous financial year.

This was despite a ~3-4X more severe impact of the second wave of COVID-19 compared with the first wave. Claim experiences were higher than expected across all lines of businesses with significantly higher variance for Protection and Group businesses.

MFSL's sole operating subsidiary, Max Life, registered a 28% increase in total revenues\* at Rs 4,626 Cr in the period under review. The Individual Sum Assured of New business reported a 13% decline in Q1FY22 due to de-growth in protection business while the market share improved to 16.1%.

Max Life maintained 4th rank in the private industry and increased its market share by 63 bps. In terms of industry performance, Max Life once again posed stellar results as it not only grew at 34% – more than twice the overall industry growth of 16% – but outperformed the industry on a 2-Year CAGR basis, too. Max Life also went past other private players who grew at 26% in the quarter under review.

<sup>^</sup> Excluding investment income

\* Excluding unit linked investment income



The New Business Margin (NBM) for Q1FY22 was 19.7% (at actual costs), an increase of 260 bps from 17.1% in the year-ago period guided by a change in business mix. Further, this aided a 53%-growth in the Value of New Business (VNB) was Rs 172 Cr. The higher growth in VNB was due to higher sales and change in business mix.

Max Life reported an Embedded Value (EV) of Rs. 12,290 Cr – an uptick of 15% from Rs 10, 670 Cr in the year-ago period driven by growth in value of new business and quality of inforce business. The Operating Return on EV (RoEV) in Q1FY22 stood at 13.5%.

In Q1FY22, Max Life's assets under management (AUM) was Rs 93,697 Cr – a rise of 28% over the year-ago period. Max Life's Claim paid ratio at 99.35% at the end of the first quarter under review is among the best in the industry.

The organization gained 6 positions and was ranked 18<sup>th</sup> in the 'Best Companies to Work in India' for 2021. It was the only Indian life insurer to be recognized in the list of 'Top 100 Great Places to Work in Asia'.

**Mr. Mohit Talwar, Managing Director, Max Financial Services, said,** "Strong focus towards customer measures has helped deliver superior performance across health parameters and will continue to remain an important priority due to the impact of the second wave of the COVID-19."

He added: "Our partnership with Axis Bank after the conclusion of the deal in April and the longstanding bancassurance with YES Bank helped partnership channels grow 52% in the first quarter of FY22."

#### **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 14.7% 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.

<sup>^</sup> Excluding investment income

<sup>\*</sup> Excluding unit linked investment income



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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<sup>^</sup> Excluding investment income

<sup>\*</sup> Excluding unit linked investment income