



October 30, 2020

To,

Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex
Bandra (E), Mumbai – 400051
NSE Scrip Symbol: MFSL

Department of Corporate Services,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001.
BSE Scrip Code: 500271

Dear Sir/Madam,

Sub.: Unaudited Financial Results (Standalone & Consolidated) for the quarter and half year ended September 30, 2020 along with Limited Review Report

In terms of Regulation 33 read with Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), we wish to inform you that the Unaudited Financial Results (Standalone and Consolidated) of the Company for the quarter and half year ended September 30, 2020 were approved by the Board of Directors of the Company at its meeting held today at 1.45 p.m. and concluded at 3.55 p.m.

Pursuant to the applicable provisions of the Listing Regulations, we enclose the following:

1. The Unaudited Financial Results (Standalone and Consolidated) for the quarter and half ended September 30, 2020 and
2. Limited Review Reports on the Unaudited Financial Results (Standalone and Consolidated) for the said quarter

Press release issued in this regard is enclosed for the dissemination of public.

You are requested to take note of above.

Thanking you,

For Max Financial Services Limited

V. Krishnan
Company Secretary & Compliance Officer



Encl: As above

MAX FINANCIAL SERVICES LIMITED

CIN: L24223PB1988PLC008031

Ground Floor, DLF Centre, Sansad Marg, New Delhi - 110001 | P: + 91 11 49376000 www.maxfinancialservices.com
Regd. Office: 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab - 144 533, India

Max Financial Services Revenue¹ up 50% to Rs. 7,020 Cr., PAT up 26% to Rs. 81 Cr. in Q2 FY21

Subsidiary Max Life reports Individual Adjusted Sales growth of 4%; attains decade high private market share of 11% and VNB growth of 20%

Max Life Results Highlights (H1 FY21):

- Value of New Business stood at **Rs. 438 Cr.**, grew 20%. New Business Margin expanded by 320 bps to **24.2%**,
- Assets Under Management: **Rs. 77,764 Cr.**; grew 19%
- Embedded Value at **Rs. 11,047 Cr.**, Operating RoEV **17.5%**

30th October 2020, New Delhi

Max Financial Services Ltd. (MFSL) today announced its financial results for the quarter and half year ended September 30th, 2020. In Q2 FY21, MFSL's consolidated revenues¹ were at Rs. 7,020 Cr., growing 50% year-on-year due to higher investment income. Consolidated PAT¹ grew 26% to Rs. 81 Cr. due to reversal of impairment loss on investments.

In Q2 FY21, Max Life reported Shareholders' PAT of Rs. 26 Cr., down 70% over the previous year due to a higher new business strain owing to higher non-par and protection sales, partially offset by higher investment income. This shift also boosted New Business Margins and Value of New Business.

Max Life gained 162 bps to reach a private market share of 11% in H1FY21, which was the highest in last 10 years in H1. Max Life reported a Market-Consistent Embedded Value (MCEV) of Rs. 11,047 Cr., in H1 FY21, with an Operating Return on Embedded Value (RoEV) of 17.5%. The Value of New Business (VNB) written during H1 FY21 was Rs. 438 Cr., growing 20% year-on-year and New Business Margin (NBM) stood at 24.2%, expanded by 320 bps over last year, arising from shift in product mix towards NPAR- Savings and protection products. Individual protection grew by 78% year-on-year and penetration increased to 12% in H1FY21 compared to 7% in H1FY20. Renewal Premium grew 16% to Rs. 4,789 Cr. In this period Max Life's Assets under Management (AUM) stood at Rs. 77,764 Cr., growing 19% year-on-year.

Max Life's Individual APE for Q2FY21 were recorded at Rs. 1,144 Cr., grew 10%, driven by Bancassurance sales growth of 19%. E-commerce channel grew by 68% year-on-year due to protection tailwinds, leading claims paid ratio and a competitive price. In fact, Max Life maintained a leadership position in direct website purchase and web aggregators.

Mr. Mohit Talwar, Vice Chairman, Max Group & Managing Director, Max Financial Services, said, "Despite the prolonged headwinds caused by a global pandemic, Max Life has clocked in an overall growth of 4%, with an impressive surge in its e-commerce sales and those in bancassurance. This further solidifies our focus on bolstering our digital channels while we build up sales in our proprietary and agency channels. The Company also continues to maintain its top position among competitors with an unprecedented 11% private market share – the highest in the last decade."

¹ Consolidated numbers have been reported basis IndAS

² Max Life numbers are reported on IGAAP basis and Revenue excludes Unit linked Investment Income



About Max Financial Services Limited:

Max Financial Services Limited (MFSL) is part of the leading business conglomerate – the Max Group. Focused on Life Insurance, MSFL owns and actively manages a 72.52% stake in Max Life Insurance, India's largest non-bank, private life insurance company. MFSL earned a revenue of Rs. 18,242 crore in FY20. The Company is listed on the NSE and BSE. Besides a 22.3% holding by Aniljit Singh sponsor family, some other shareholders include KKR, Ward ferry, New York Life, Baron, Vanguard, Aberdeen, First Voyager, Jupiter, Blackrock and the Asset Management Companies of Reliance, HDFC, ICICI Prudential, Motilal Oswal, Aditya Birla Sun Life, Mirae, and Kotak. In April 2020, MFSL announced its intent to bring in India's third largest private bank, Axis Bank as a JV partner for its life insurance business Max Life.

About Max Life Insurance Company:

Max Life Insurance Co. Ltd. ("Max Life") is a joint venture between Max Financial Services Ltd. and Mitsui Sumitomo Insurance Co. Ltd. Max Financial Services Ltd. is a part of the Max group, an Indian multi business corporation, while Mitsui Sumitomo Insurance is a member of MS&AD Insurance group.

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.

In April 2020, Max Life announced a strategic deal with India's third largest bank – Axis Bank to become a JV partner in the life insurance company.

During the financial year 2019-20, Max Life achieved gross written premium of Rs. 16,184 Cr. As on March 31, 2020 the Company had Rs. 68,471 Cr. of Assets Under Management (AUM) and a Sum Assured in Force of Rs. 913,660 Cr.

For more information, please visit the company's website at www.maxlifeinsurance.com

For information please contact:

Nitin Thakur

NTHAKUR@MAXINDIA.COM

+91 9873347428

Vaishali Gauba

VGAUBA@MAXINDIA.COM

+91 9873140991



INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED 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, 2020 ("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.

Deloitte Haskins & Sells LLP

6. We draw attention to note 11(b) to the Statement, which describes that the auditors of Max Life Insurance Company Limited, subsidiary company, in their auditor's report on the condensed interim financial statements of that company for the quarter and six months ended September 30, 2020, 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 and six months ended September 30, 2020. 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 and six months ended September 30, 2020 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, 2020, 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, 2020. 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)

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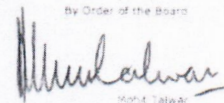
SATPAL SINGH ARORA
Partner
(Membership No. 098564)
UDIN : 20098564AAAACW3322

New Delhi, October 30, 2020

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

Particulars		3 months ended 30.09.2020 (Unaudited)	3 months ended 30.06.2020 (Unaudited)	3 months ended 30.09.2019 (Unaudited)	6 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2019 (Unaudited)	(Rs. in Crores) Year ended 31.03.2020 (Audited)
1.	Revenue from operations						
	(a) Interest Income	57.46	49.25	39.93	101.71	53.12	170.71
	(b) Dividend Income	0.86	0.15	1.14	1.01	1.50	3.04
	(c) Rental Income	0.10	0.11	-	0.21	-	0.42
	(d) Net gain on fair value changes	22.02	26.04	3.66	48.08	25.07	21.13
	(e) Policyholders' Income from Life Insurance operations (See Note 2)	6,942.75	5,427.72	4,639.13	12,170.47	8,322.49	18,039.52
	(f) Sale of services	1.66	1.34	1.99	3.00	2.37	5.13
2.	Total Revenue from operations	7,019.85	5,504.61	4,685.87	12,524.46	8,634.55	18,239.98
3.	Other income	0.26	12.71	0.05	12.97	0.14	1.78
4.	Total income (2+3)	7,020.11	5,517.32	4,685.92	12,537.43	8,634.69	18,241.76
5.	Expenses						
	(a) Finance costs	0.05	0.08	0.08	0.13	0.15	0.28
	(b) Impairment on financial instruments (including reversals)	(36.20)	1.99	4.11	(54.21)	10.99	21.43
	(c) Employee benefits expenses	13.23	9.13	10.55	22.55	20.37	36.95
	(d) Depreciation, amortisation and impairment (See Note 10)	1.19	1.31	0.74	2.50	1.43	11.37
	(e) Legal and professional expenses	5.12	5.18	12.18	19.30	26.28	44.39
	(f) Policyholders' Expenses of Life Insurance operations (See Note 2)	6,954.51	5,342.32	4,578.74	12,296.83	8,426.16	17,596.54
	(g) Other expenses	6.70	6.41	8.51	13.11	19.16	39.32
6.	Total expenses	6,924.60	5,366.62	4,615.11	12,291.22	8,500.52	17,799.28
7.	Profit before tax (4-5)	95.51	150.70	70.81	246.21	134.17	442.48
8.	Tax expense						
	Relating to other than revenue account of Life Insurance policyholders						
	Current tax (See Note 12 and 13)	3.59	(33.10)	7.65	(29.51)	15.97	182.25
	Deferred tax	10.86	2.27	(1.20)	13.13	(0.40)	(12.62)
	Relating to revenue account of Life Insurance policyholders						
	Current tax	-	-	-	-	-	-
	Total tax expense	14.45	(30.83)	6.45	(16.38)	15.57	169.63
9.	Profit after tax (7-8)	81.06	181.53	64.36	262.59	118.60	272.85
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	4.38	(2.54)	(4.53)	1.94	(5.86)	(11.34)
	(ii) Items that will be reclassified to profit or loss in subsequent periods	(22.99)	165.28	87.49	142.20	98.59	1.70
	Less: Transferred to policyholders' fund in the balance sheet	18.61	(162.44)	(52.96)	(143.53)	(92.73)	9.54
	Relating to Others						
	(i) Items that will not be reclassified to profit or loss in subsequent periods	0.17	(0.30)	(0.16)	(0.13)	(0.19)	(0.12)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Items that will be reclassified to profit or loss in subsequent periods	(6.00)	10.85	0.22	4.85	2.79	18.24
	Income tax relating to items that will be reclassified to profit or loss	0.87	(1.58)	(0.04)	(0.71)	(0.41)	(2.23)
11.	Other comprehensive income/(loss)	(4.96)	8.97	0.02	4.91	2.19	12.99
12.	Total comprehensive income (9+11)	76.10	190.50	64.38	266.60	120.79	285.84
13.	Profit attributable to						
	Owners of the company	56.39	130.85	42.16	187.24	75.86	144.99
	Non-controlling interests	24.67	50.68	22.20	79.35	42.74	127.05
14.	Other comprehensive income/(loss) attributable to						
	Owners of the company	(3.55)	6.42	(0.03)	2.87	1.52	9.36
	Non-controlling interests	(1.41)	2.55	0.05	1.14	0.67	3.60
15.	Total comprehensive income attributable to						
	Owners of the company	52.84	137.27	42.13	190.11	77.38	154.35
	Non-controlling interests	23.26	53.23	22.25	78.49	43.41	131.48
16.	Paid up Equity Share Capital (Face value of Rs. 2 each)	83.91	83.91	83.98	83.91	83.88	83.90
17.	Other Equity	-	-	-	-	-	2,092.62
18.	Earnings per share (EPS) (Rs.) (not annualised for the quarter)						
	(a) Basic EPS	2.10	4.85	1.56	6.95	2.82	5.38
	(b) Diluted EPS	2.10	4.85	1.56	6.95	2.82	5.38
	See accompanying notes to the consolidated unaudited financial results						

By Order of the Board



Mohit Talwar
Managing Director
DIN: 02194694

Date: October 30, 2020
Place: New Delhi

CONSOLIDATED UNAUDITED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

Particulars		3 months ended 30.09.2020 (Unaudited)	3 months ended 30.06.2020 (Unaudited)	3 months ended 30.09.2019 (Unaudited)	6 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2019 (Unaudited)	Year ended 31.03.2020 (Audited)
1 Segment Revenue							
a) Life Insurance		7,016.57	5,499.10	4,580.84	12,515.67	8,627.28	18,225.13
b) Business Investments		53.68	9.24	8.82	43.97	204.91	494.94
Total		7,070.25	5,508.34	4,689.66	12,559.64	8,832.19	18,720.07
Inter-segment elimination (net)		50.40	3.73	3.79	35.18	197.64	480.09
Revenue from operations (net)		7,019.85	5,504.61	4,685.87	12,524.46	8,634.55	18,239.98
2 Segments Results							
a) Life Insurance		101.70	141.38	85.17	243.08	167.09	509.57
b) Business Investments		40.19	(22.28)	(27.14)	17.91	144.40	396.44
Total		141.89	119.10	58.03	260.99	311.49	906.01
Inter-segment elimination (net)		46.58	(10.96)	(12.81)	27.62	177.31	465.03
Sub-total		95.31	138.06	70.84	233.37	134.18	440.98
Unallocated		0.20	12.64	(0.03)	12.84	(0.01)	1.50
Profit before tax		95.51	150.70	70.81	246.21	134.17	442.48
Provision for taxation (includes provision for Deferred Tax)		14.45	(30.83)	6.45	(16.38)	15.57	169.63
Profit after tax		81.06	181.53	64.36	229.83	118.60	272.85

Particulars		As at 30.09.2020 (Unaudited)	As at 30.06.2020 (Unaudited)	As at 31.03.2020 (Audited)	As at 30.09.2019 (Unaudited)
3 Segment Assets					
a) Life Insurance		83,113.67	78,212.39	73,694.32	70,536.02
b) Business Investments		2,386.82	2,400.28	2,525.56	2,350.49
Total Segment Assets		85,500.49	80,612.67	76,219.88	72,886.51
Inter-segment elimination (net)		(1,685.89)	(1,697.76)	(1,693.65)	(1,563.07)
Total Assets		83,814.60	78,914.91	74,526.23	71,323.44
4 Segment Liabilities					
a) Life Insurance		80,362.54	75,545.88	71,221.55	67,932.07
b) Business Investments		89.59	141.63	245.24	204.04
Total Segment Liabilities		80,452.13	75,687.51	71,466.79	68,136.11
Inter-segment elimination (net)		301.06	200.16	240.59	328.98
Total Liabilities		80,753.19	75,887.67	71,707.38	68,465.09

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, 2020

		(Rs. in Crores)	
Particulars		As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)
A	ASSETS		
1.	Financial assets		
	(a) Cash and cash equivalents	349.18	447.46
	(b) Bank balance other than (a) above	1.65	1.65
	(c) Receivables - Trade receivables	2.32	3.16
	(d) Loans	-	0.01
	(e) Investments	3,576.34	3,372.39
	(f) Other financial assets	4.53	16.77
	(g) Financial assets of Life Insurance Policyholders' Fund (See Note 3)	76,670.05	67,497.86
	Total financial assets	80,604.07	71,339.30
2.	Non-financial Assets		
	(a) Current tax assets (net)	15.43	10.06
	(b) Deferred tax assets (net)	-	9.94
	(c) Investment Property	89.15	89.91
	(d) Property, plant and equipment	21.52	22.14
	(e) Goodwill	525.25	525.25
	(f) Right to use assets	2.42	3.37
	(g) Other non-financial assets	17.65	21.92
	(h) Non- financial assets of Life Insurance Policyholders' Fund (See Note 3)	2,539.11	2,504.34
	Total non-financial assets	3,210.53	3,186.93
	Total assets	83,814.60	74,526.23
B	LIABILITIES AND EQUITY		
I	LIABILITIES		
1.	Financial liabilities		
	(a) Trade Payables		
	(i) Total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	28.91	22.79
	(b) Lease liability	2.31	2.73
	(c) Other financial liabilities	375.82	351.02
	(d) Financial liabilities of Life Insurance Policyholders' Fund (See Note 3)	2,145.23	1,937.57
	Total financial liabilities	2,552.27	2,314.11
2.	Non-financial liabilities		
	(a) Current tax liabilities (net) (See Note 12)	-	123.78
	(b) Provisions	13.13	11.91
	(c) Deferred tax liabilities (net)	3.89	-
	(d) Other non-financial liabilities	1.44	2.42
	(e) Non- financial liabilities of Life Insurance Policyholders' Fund (See Note 3)	78,182.46	69,255.16
	Total non-financial liabilities	78,200.92	69,393.27
	Total liabilities	80,753.19	71,707.38
II	EQUITY		
	(a) Equity share capital	53.91	53.90
	(b) Other equity	2,258.67	2,092.62
	Equity attributable to owners of the Company	2,312.58	2,146.52
	Non Controlling Interest	748.83	672.33
	Total equity	3,061.41	2,818.85
	Total liabilities and equity	83,814.60	74,526.23

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 30.09.2020 (Unaudited)	3 months ended 30.06.2020 (Unaudited)	3 months ended 30.09.2019 (Unaudited)	6 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2019 (Unaudited)	(Rs. in Crores) Year ended 31.03.2020 (Audited)
A	Policyholders' Income from life Insurance fund						
	Premium Income (Net)	4,447.30	2,666.97	3,714.15	7,116.27	6,300.66	15,426.75
	Interest Income	1,037.52	993.39	941.85	2,030.91	1,810.16	3,751.51
	Dividend Income	96.58	17.31	58.59	113.89	99.53	172.34
	Rental Income	8.14	7.28	4.15	15.42	8.31	26.09
	Net gain / (loss) on fair value changes - Policyholders' Investments	1,462.02	2,395.03	(295.67)	3,852.05	11.52	(2,989.05)
	Other income	2.48	2.20	4.74	4.68	7.68	30.53
	Sub-Total	7,054.04	6,084.18	4,427.81	13,138.22	8,227.86	16,917.72
	Less/ (Add): Restricted life insurance surplus retained in Policyholders' Fund	111.30	455.44	(211.32)	767.75	(284.53)	(71,121.80)
	Total	6,942.75	5,427.72	4,639.13	12,370.47	8,522.49	18,039.52
B	Policyholders' Expense of Life Insurance fund						
	Commission to selling agents	294.07	156.05	251.53	450.12	409.83	1,024.80
	Employee Benefits and Other Operating Expenses	692.87	438.23	566.59	1,131.10	1,071.86	2,312.57
	Benefits payout (net)	1,602.55	917.32	1,488.92	2,319.87	2,072.74	6,341.04
	Net change in insurance contract liabilities	4,265.91	3,685.28	2,084.03	7,951.19	3,563.66	7,730.50
	Net change in investment contract liabilities	56.87	90.69	107.30	147.56	194.43	(84.59)
	Finance cost	10.26	10.79	8.96	21.05	17.94	36.48
	Impairment loss (including reversals)	(28.21)	0.58	(0.10)	(27.63)	1.43	31.11
	Depreciation and amortisation expenses	38.84	38.00	36.53	76.84	71.30	149.85
	Sub-Total	6,933.16	5,336.94	4,545.76	12,270.10	8,403.24	17,564.01
	Add/ (Less): Restricted life insurance surplus retained in Policyholders' Fund	21.35	5.38	32.98	26.73	22.92	32.53
	Total	6,954.51	5,342.32	4,578.74	12,296.83	8,426.16	17,596.54

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

		(Rs. in Crores)	
Particulars		As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)
A	Policyholders' Financial Assets of Life Insurance Operations		
	Cash and cash equivalents	62.20	319.55
	Derivative financial instruments	85.45	33.18
	Trade receivables	353.78	820.11
	Loans	474.24	426.45
	Investments	74,985.28	65,193.21
	Other financial assets	888.10	705.36
	Sub Total - Financial Assets	76,670.05	67,497.86
B	Policyholders' Non Financial Assets of Life Insurance Operations		
	Investment Property	418.69	419.54
	Property, plant and equipment	86.09	89.23
	Capital Work in progress	0.17	0.96
	Intangible Assets	113.19	117.47
	Intangible Assets under development	15.66	11.02
	Right of use asset	267.67	288.67
	Other non-financial assets	1,640.64	1,577.43
	Sub Total - Non-Financial Assets	2,539.11	2,504.34
	TOTAL ASSETS	79,209.16	70,002.20
A	Policyholders' Financial Liabilities of Life Insurance Operations		
	Derivative financial instruments	23.24	38.02
	Trade payables	813.94	786.67
	Lease liability	300.73	316.49
	Other payables	1,007.32	796.39
	Sub Total - Financial Liabilities	2,145.23	1,937.57
B	Policyholders' Non Financial Liabilities of Life Insurance Operations		
	Contract liabilities of life Insurance		
	Insurance Contracts	72,183.32	63,869.33
	Investment Contracts	825.57	775.58
		73,008.89	64,644.91
	Ind AS 104 Adjustments (impacting contract liabilities of life insurance)		
	Measurement adjustments	(310.11)	(297.50)
	Grossing up Reinsurance assets	1,514.61	1,423.48
		1,204.50	1,125.98
	Fund for future appropriations	2,742.42	3,096.23
	Restricted life insurance surplus retained in Policyholders' Fund		
	Measurement difference of Ind AS 104 Adjustments	309.89	297.26
	Fair valuation difference of policyholders' Investments		
	Fair Value Through Profit or Loss (FVTPL)	190.94	(615.82)
	Fair Value Through Other Comprehensive Income (FVOCI)	244.33	102.04
	Measurement difference - Other Ind AS Adjustments	(45.44)	(62.02)
	Realised Hedge Fluctuation Reserves	94.30	68.32
	Provisions	70.33	63.74
	Other Non-financial Liabilities	402.30	534.52
	Sub Total - Non Financial Liabilities	78,182.45	69,255.16
	TOTAL LIABILITIES	80,327.69	71,192.73

Notes to the consolidated unaudited financial results

4 Consolidated cash flow statement:

(Rs. in Crores)

Particulars	6 months ended 30.09.2020	6 months ended 30.09.2019
	(Unaudited)	(Unaudited)
Cash flow from operating activities		
Profit before tax	246.21	134.17
Operating profit/ (loss) before working capital changes	2,387.19	1,983.14
Net cash flow from operating activities (A)	3,685.46	1,220.01
Net cash used in investing activities (B)	(3,982.57)	(1,412.23)
Net cash used in financing activities (C)	(38.52)	(164.29)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(335.63)	(356.51)
Cash and cash equivalents as at the beginning of the year	767.01	688.64
Cash and cash equivalents as at the end of the period	431.38	332.13

5 These consolidated unaudited financial results for the quarter and six months ended September 30, 2020 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, 2020	Portion of ownership as at June 30, 2020	Portion of ownership as at March 31, 2020	Portion of ownership as at September 30, 2019
Max Life Insurance Company Limited	India	72.52%	72.52%	72.52%	71.79%

7 The Company had entered into a put option arrangement relating to equity shares of Max Life Insurance Company Limited ('MLIC') 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 in shareholders' equity.

8 The Board of Directors of the Company in its meeting held on March 3, 2020, had considered and approved the issuance and allotment of up to 75,458,088 equity shares of the Company of the 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 ('MLIC') ('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 MLIC ('MSI Put/Call Option'). In this regard, the Company has executed definitive agreements with the parties, subject to receipt of shareholders' approval and other requisite regulatory approvals.

The shareholders' of the Company approved the said preferential issue on May 27, 2020. The Company has thus far received approval from Competition Commission of India and the stock exchanges and is pursuing approvals from other regulatory authorities namely Department of Economic Affairs ('DEA') and Insurance Regulatory and Development Authority of India ('IRDAI'). Pending receipt of approvals from the DEA and IRDAI, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the financial results.

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

Application to Insurance Regulatory and Development Authority of India ('IRDAI') for approval was submitted on May 20, 2020. Based on correspondence with IRDAI, the Company and Axis Bank agreed to make some changes to the value creation options and factor in some alternate mechanisms, subject to regulatory approvals and as maybe permitted under applicable law. On August 24, 2020 the Company and Axis Bank executed revised agreements where the Bank proposed to acquire 17.002% of the equity share capital of Max Life and submitted fresh proposal with the regulators.

Further, in response to Axis Bank's application for directly acquiring 17.002% of the equity share capital of Max Life, the Reserve Bank of India has advised Axis Bank to be guided by Para 5(b) of Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 dated May 26, 2016 as updated from time to time ('Para 5(b)').

In this regard, pursuant to Para 5 (b), Axis Bank and its subsidiaries (together 'Axis Entities'), i.e. Axis Capital Limited and Axis Securities Limited ('Axis Bank subsidiaries'), have agreed to enter into revised agreements with the Company for acquisition of upto 19.002% of the equity share capital of Max Life ('Revised Agreements'). Under the Revised Agreements, Axis Bank will acquire upto 9.002% of the equity share capital of Max Life and Axis Bank subsidiaries will acquire upto 3% of the share capital of Max Life. In addition, Axis Entities will have a right to acquire upto 7% of the equity share capital of Max Life, in one or more tranches. The Revised Agreements supersedes the previous agreements entered between the parties and the transaction is subject to conditions precedent, including regulatory approvals.

Pending receipt of necessary regulatory approvals, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the financial results.

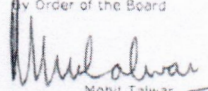
Notes to the consolidated unaudited financial results

- 10 Depreciation, amortisation and impairment for the year ended March 31, 2020 includes impairment loss of Rs. 6.72 crores due to decline in value of the property, plant and equipment held by the Company, as determined based on the valuation reports obtained from external certified valuer.
- 11 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 unaudited financial results, including carrying amounts of trade receivables, investments, property, plant and equipment and other assets, as at September 30, 2020. In assessing the Carrying value of these assets, the Company has used internal and external sources of information up to the date of approval of these unaudited financial results, and based on current estimates, expects the net carrying amount of these assets to be recovered. The Company will continue to closely monitor any material changes to the business and financial statements due to COVID-19.
- b) In respect of the subsidiary Company, Max Life Insurance Company Limited:
The subsidiary Company has assessed the impact of COVID-19 on its operations as well as its financial statements, including valuation of investments, valuation of policy liabilities and solvency, for the quarter and six months ended September 30, 2020. 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.
- 12 In March 2020, the Company had filed application(s) with the income tax authorities under the 'The Direct Tax Vivad se Vishwas Act, 2020' ('the Scheme'), enacted vide the Gazette of India on March 17, 2020 regarding settlement of the ongoing tax litigation pertaining to Telecom stake sale made by its erstwhile subsidiary Max Telecom Ventures Limited (since merged with the Company w.e.f December 1, 2005). The said litigation was being contested both by the Company and the Income Tax Department for multiple years, pending before various Appellate Authorities and previously disclosed as contingent liabilities.

The settlement proposed by the Company under the Scheme has been accepted by the Tax Department for all the years under dispute viz. Assessment Years 1998-99, 1999-2000 and 2006-07. The Company had made a provision of Rs. 123.78 crores for the same disclosed as 'current tax' during the year ended March 31, 2020 and the same was paid in May 2020. During the current quarter, the Company has received final orders of settlement and an intimation to pay Rs. 2.48 crores towards full and final settlement for Assessment Year 2006-07. The same was paid in the month of September, 2020 and has been disclosed as 'current tax'.
- 13 The subsidiary Company had claimed dividend income exemption for the Assessment Years 2015-16, 2016-17 and 2018-19 (Financial year ended March, 31 2015, 2016 and 2018). However, on a conservative basis, the benefit of such exemption claim was not recorded in the books of account. During the quarter ended June 30, 2020, the subsidiary Company had received the Income Tax Refund Order amounting to Rs. 82.08 crores (due to difference in tax positions while filing the returns), wherein the dividend exemption claim was allowed for the above mentioned Assessment Years. The same was accounted during the quarter ended June 30, 2020.

Accordingly, provision for current tax of Rs. 21.63 crores and reversal of provision for tax for earlier periods of Rs. 53.62 crores have netted in current tax line item in the Statement.
- 14 The figures for the previous periods have been regrouped / reclassified wherever necessary, to make them comparable.

Date : October 30, 2020
Place : New Delhi

By Order of the Board

Mohit Talwar
Managing Director
DIN : 02394694

INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE 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, 2020 ("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)
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Date: 2020.10.30 15:55:51
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SATPAL SINGH ARORA
Partner
(Membership No. 098564)
UDIN : 20098564AAAAACV5508

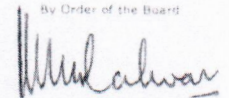
New Delhi, October 30, 2020

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

Particulars	3 months ended 30.09.2020	3 months ended 30.06.2020	3 months ended 30.09.2019	6 months ended 30.09.2020	6 months ended 30.09.2019	(Rs. in Crores) Year ended 31.03.2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue from operations						
(a) Interest income	-	-	0.01	-	0.23	0.47
(b) Dividend income	-	-	-	-	190.08	463.70
(c) Rental income	0.10	0.11	-	0.21	-	0.42
(d) Gain on fair value changes						
- on derivative financial instruments (See Note 5)	46.58	-	-	27.62	-	1.33
- on investments in mutual funds	1.56	4.07	3.07	5.63	4.73	8.89
(e) Sale of services	5.44	5.06	5.74	10.50	9.87	20.13
2. Total revenue from operations	53.68	9.24	8.82	43.96	204.91	494.94
3. Other income	0.23	0.44	0.02	0.67	0.09	0.08
4. Total income (2+3)	53.91	9.68	8.84	44.63	205.00	495.02
5. Expenses						
(a) Finance costs	0.05	0.05	0.04	0.10	0.08	0.20
(b) Loss on fair value changes on derivative financial instruments (See Note 6)	-	18.96	12.81	-	12.77	-
(c) Employee benefits expenses	5.06	4.29	6.70	9.35	14.32	22.86
(d) Depreciation, amortisation and impairment	0.81	0.93	0.74	1.74	1.43	9.89
(e) Legal and professional expenses	5.12	5.18	12.38	10.30	26.26	44.39
(f) Other expenses	2.51	2.16	3.22	4.67	5.73	21.36
6. Total expenses	13.55	31.57	35.99	26.16	60.59	98.70
7. Profit / (loss) before tax (4-6)	40.36	(21.89)	(27.15)	18.47	144.41	396.32
8. Tax expense						
(a) Current tax (See Note 11)	2.48	-	-	2.48	-	171.78
(b) Deferred tax	-	-	-	-	-	-
9. Total tax expense	2.48	-	-	2.48	-	171.78
10. Profit / (loss) after tax (7-9)	37.88	(21.89)	(27.15)	15.99	144.41	224.54
11. Other comprehensive income / (loss):						
Items that will not be reclassified to profit or loss:						
- Remeasurement of the defined benefit obligations	0.17	(0.30)	(0.16)	(0.13)	(0.19)	(0.12)
12. Total other comprehensive income / (loss)	0.17	(0.30)	(0.16)	(0.13)	(0.19)	(0.12)
13. Total comprehensive income / (loss) (10+12)	38.05	(22.19)	(27.31)	15.86	144.22	224.42
14. Paid-up equity share capital (Face value of Rs. 2)	53.91	53.91	53.88	53.91	53.88	53.90
15. Other equity						2,226.42
16. Earnings per share (EPS) (Rs.) (not annualised for the quarter)						
(a) Basic EPS	1.40	(0.81)	(1.01)	0.59	5.36	10.12
(b) Diluted EPS	1.40	(0.81)	(1.01)	0.59	5.36	10.11
See accompanying notes to the standalone unaudited financial results						

Date : October 30, 2020
Place : New Delhi

By Order of the Board



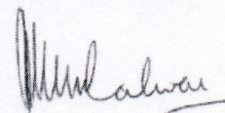
Mohit Talwar
Managing Director
DIN : 02394694

Notes to the standalone unaudited financial results:

1 STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020

		(Rs. in Crores)	
	Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)
A.	ASSETS		
1.	Financial assets		
(a)	Cash and cash equivalents	17.81	0.29
(b)	Bank balance other than (a) above	1.65	1.65
(c)	Receivables - Trade receivables	10.66	19.25
(d)	Loans	-	0.01
(e)	Investments	2,326.27	2,468.40
(f)	Other financial assets	0.51	0.68
	Total financial assets	2,356.90	2,490.28
2.	Non financial assets		
(a)	Current tax assets (net)	4.51	8.13
(b)	Property, plant and equipment	21.52	22.14
(c)	Right-of-Use asset	2.42	3.37
(d)	Other non-financial assets	1.48	1.65
	Total non-financial assets	29.93	35.29
	Total assets	2,386.83	2,525.57
B.	LIABILITIES AND EQUITY		
I	LIABILITIES		
1.	Financial liabilities		
(a)	Derivative financial instruments (See Note 6)	63.85	91.47
(b)	Trade payables	-	-
(i)	total outstanding dues of micro enterprises and small enterprises	-	-
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises	7.30	10.06
(c)	Lease liability	2.31	2.73
(d)	Other financial liabilities	1.58	2.88
	Total financial liabilities	75.04	107.14
2.	Non financial liabilities		
(a)	Current tax liabilities (See Note 11)	-	123.78
(b)	Provisions	13.13	11.91
(c)	Deferred tax liabilities (net)	-	-
(d)	Other non-financial liabilities	1.44	2.42
	Total non-financial liabilities	14.57	138.11
	Total liabilities	89.61	245.25
II	EQUITY		
(a)	Equity share capital	53.91	53.90
(b)	Other equity	2,243.31	2,226.42
	Total equity	2,297.22	2,280.32
	Total liabilities and equity	2,386.83	2,525.57

By Order of the Board



Mohit Talwar
Managing Director
DIN : 02394694

Date : October 30, 2020
Place : New Delhi

Notes to the standalone unaudited financial results:

2 Standalone cash flow statement:

Particulars	6 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2019 (Unaudited)
Cash flow from operating activities		
Profit before tax	18.47	144.41
Operating profit/ (loss) before working capital changes	(12.56)	(33.62)
Net cash flow / (used in) from operating activities (A)	(129.55)	159.14
Net cash flow / (used in) from investing activities (B)	147.58	(143.12)
Net cash used in financing activities (C)	(0.51)	-
Net (decrease)/increase in cash and cash equivalents (A+B+C)	17.52	16.02
Cash and cash equivalents as at the beginning of the year	0.29	0.43
Cash and cash equivalents as at the end of the period	17.81	16.45

3 These standalone unaudited financial results for the quarter and six months ended September 30, 2020 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 a Non-Systemically Important Core Investment Company, and is primarily engaged in growing and nurturing business investment 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.

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 (MLIC), 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.

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

7 The Board of Directors of the Company in its meeting held on March 3, 2020, had considered and approved the issuance and allotment of up to 75,458,088 equity shares of the Company of the 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 ('MLIC') ('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 MLIC ('MSI Put/Call Option'). In this regard, the Company has executed definitive agreements with the parties, subject to receipt of shareholders' approval and other requisite regulatory approvals.

The shareholders' of the Company approved the said preferential issue on May 27, 2020. The Company has thus far received approval from Competition Commission of India and the stock exchanges and is pursuing approvals from other regulatory authorities namely Department of Economic Affairs ('DEA') and Insurance Regulatory and Development Authority of India ('IRDAI'). Pending receipt of approvals from the DEA and IRDAI, 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:

- 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 which included certain value creation options and related rights, subject to receipt of shareholders' approval and other requisite regulatory approval. The shareholders of the Company approved the transaction on June 16, 2020.

Application to Insurance Regulatory and Development Authority of India ('IRDAI') for approval was submitted on May 20, 2020. Based on correspondence with IRDAI, the Company and Axis Bank agreed to make some changes to the value creation options and factor in some alternate mechanisms, subject to regulatory approvals and as maybe permitted under applicable law. On August 24, 2020 the Company and Axis Bank executed revised agreements where the Bank proposed to acquire 17.002% of the equity share capital of Max Life and submitted fresh proposal with the regulators.

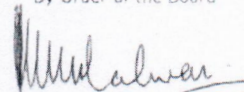
Further, in response to Axis Bank's application for directly acquiring 17.002% of the equity share capital of Max Life, the Reserve Bank of India has advised Axis Bank to be guided by Para 5(b) of Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 dated May 26, 2016 as updated from time to time ("Para 5(b)").

In this regard, pursuant to Para 5 (b), Axis Bank and its subsidiaries (together "Axis Entities"), i.e. Axis Capital Limited and Axis Securities Limited ("Axis Bank subsidiaries"), have agreed to enter into revised agreements with the Company for acquisition of upto 19.002% of the equity share capital of Max Life ("Revised Agreements"). Under the Revised Agreements, Axis Bank will acquire upto 9.002% of the equity share capital of Max Life and Axis Bank subsidiaries will acquire upto 3% of the share capital of Max Life. In addition, Axis Entities will have a right to acquire upto 7% of the equity share capital of Max Life, in one or more tranches. The Revised Agreements supersedes the previous agreements entered between the parties and the transaction is subject to conditions precedent, including regulatory approvals.

Pending receipt of necessary regulatory approvals, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the financial results.

- 9 Depreciation, amortisation and impairment for the year ended March 31, 2020 includes impairment loss of Rs. 6.72 crores due to decline in value of the property held by the Company, as determined based on the valuation reports obtained by the Company from external certified valuer.
- 10 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 unaudited financial results, including carrying amounts of trade receivables, investments, property, plant and equipment and other assets, as at September 30, 2020. 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 results due to COVID-19.
- 11 In March 2020, the Company had filed application(s) with the Income tax authorities under the 'The Direct Tax Vivad se Vishwas Act, 2020' ('the Scheme'), enacted vide the Gazette of India on March 17, 2020 regarding settlement of the ongoing tax litigation pertaining to Telecom stake sale made by its erstwhile subsidiary Max Telecom Ventures Limited (since merged with the Company w.e.f December 1, 2005). The said litigation was being contested both by the Company and the Income Tax Department for multiple years, pending before various Appellate Authorities and previously disclosed as contingent liabilities.
The settlement proposed by the Company under the Scheme has been accepted by the Tax Department for all the years under dispute viz. Assessment Years 1998-99, 1999-2000 and 2006-07. The Company had made a provision of Rs. 123.78 crores for the same disclosed as 'current tax' during the year ended March 31, 2020 and the same was paid in May 2020. During the current quarter, the Company has received final orders of settlement and an intimation to pay Rs. 2.48 crores towards full and final settlement for Assessment Year 2006-07. The same was paid in the month of September, 2020 and has been disclosed as 'current tax'.
- 12 The figures for the previous periods have been regrouped / reclassified wherever necessary, to make them comparable.

By Order of the Board



Mohit Talwar
Managing Director
DIN : 02394694

Date : October 30, 2020
Place : New Delhi