

May 10, 2022

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

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051

Scrip Code: 500271**Name of Scrip: MFSL****Sub.: Disclosure under SEBI (LODR) Regulations, 2015 – Outcome of Board meeting on approval of financial results**

Dear Sir/Madam,

Please refer to our letter dated May 3, 2022 on the above subject. In this regard, we would like to inform you that the Board of Directors of the Company at its meeting held today approved the following:

- (i) Audited financial results of the Company (standalone) for the quarter/year ended March 31, 2022;
- (ii) Audited financial results of the Company for the financial year ended March 31, 2022 together with audited consolidated financial results of the Company and its subsidiary for the said period; and
- (iii) Auditors' Reports on aforesaid financial results.

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

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

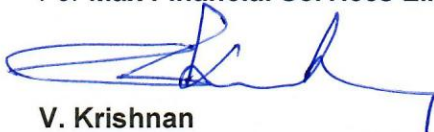
The Board meeting commenced at 1715 hrs and concluded at 1750 hrs today.

You are requested to take the aforesaid on record.

Thanking you,

Yours faithfully,

For Max Financial Services Limited



V. Krishnan
Company Secretary and Compliance Officer



Encl.: As above

MAX FINANCIAL SERVICES LIMITED
CIN: L24223PB1988PLC008031

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

TO THE BOARD OF DIRECTORS OF MAX FINANCIAL SERVICES LIMITED

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2022 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2022 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2022" of **Max Financial Services Limited** ("the Parent") and its subsidiary company (the Parent and its subsidiary company together referred to as "the Group") for the quarter and year ended March 31, 2022, ("the Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Results for the year ended March 31, 2022:

- (i) includes the results of the subsidiary company 'Max Life Insurance Company Limited';
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2022.

(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2022

With respect to the Consolidated Financial Results for the quarter ended March 31, 2022, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2022, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2022

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

The statutory joint auditors of subsidiary company have included an 'emphasis of matter' paragraph in their auditor's report regarding the continuing uncertainties arising from COVID-19 pandemic with respect to the subsidiary company, which is described in note 11 (b) of the financial results.

Our report is not modified in respect of this matter.

Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2022, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2022 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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

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

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



Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2022

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2022 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

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

- Identify and assess the risks of material misstatement of the Annual Consolidated Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.



- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of entity included in the Annual Consolidated Financial Results of which we are the independent auditors. For the entity included in the Annual Consolidated Financial Results, which has been audited by the joint auditors, such joint auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2022

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2022 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

Other Matters

- The Statement includes the results for the Quarter ended March 31, 2022 being the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



Deloitte Haskins & Sells LLP

- In respect of Max Life Insurance Company Limited ('MLIC'), a subsidiary company, determination of the following as at and for the quarter and year ended March 31, 2022 is the responsibility of the subsidiary company's Appointed Actuary.
 - (i) The Actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2022 in respect of the subsidiary company. In the opinion of the Appointed Actuary, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with the IRDAI. The charge of "Net Change in Insurance and Investment Contract Liabilities" includes charge for actuarial valuation of liabilities for life policies in force and charge for the policies in respect of which premium has been discontinued but liability exists as at March 31, 2022. These charges have been actuarially determined, based on the liabilities duly certified by the subsidiary company's Appointed Actuary; and
 - (ii) Other adjustments for the purpose of preparation of the Statement, as confirmed by the Appointed Actuary of subsidiary company are in accordance with Indian Accounting Standard 104 on Insurance Contracts:
 - a. Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;
 - b. Valuation and Classification of Deferred Acquisition Cost and Deferred Origination Fees on Investment Contracts and Valuation of Embedded Derivatives;
 - c. Grossing up and classification of the Reinsurance Assets;
 - d. Liability adequacy test as at the reporting date; and

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

Our report is not modified in respect of these matters.

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



SATPAL SINGH ARORA
(Partner)
(Membership No. 098564)
(UDIN:22098564AISCVR4343)

Place: New Delhi
Date: May 10, 2022

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

		(Rs. in Crores except per share data)				
Particulars		3 months ended 31.03.2022 (Unaudited) (See note 6)	3 months ended 31.12.2021 (Unaudited)	3 months ended 31.03.2021 (Unaudited) (See note 6)	Year ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
1.	Revenue from operations					
	(a) Interest Income	64.17	58.02	56.41	226.52	212.17
	(b) Dividend Income	0.29	0.54	0.91	2.69	2.46
	(c) Rental Income	0.81	0.38	0.24	2.18	0.56
	(d) Net gain on fair value changes	9.54	3.76	10.15	95.95	85.06
	(e) Policyholders' Income from Life Insurance operations (See Note 2)	8,883.85	6,890.34	9,690.84	30,849.16	30,968.03
	(f) Sale of services	0.99	1.00	1.20	4.64	5.63
2.	Total Revenue from operations	8,959.65	6,954.04	9,759.75	31,181.14	31,273.91
3.	Other income	2.66	0.72	0.56	6.44	14.11
4.	Total income (2+3)	8,962.31	6,954.76	9,760.31	31,187.58	31,288.02
5.	Expenses					
	(a) Finance costs	9.25	9.28	0.06	24.74	0.27
	(b) Impairment on financial instruments (including reversals)	0.14	(0.07)	0.15	(1.73)	(55.24)
	(c) Employee benefits expenses (See Note 12)	(9.14)	6.07	25.01	36.77	60.80
	(d) Depreciation, amortisation and impairment	1.20	1.22	1.45	5.00	5.32
	(e) Legal and professional expenses	3.91	3.13	3.75	13.85	18.32
	(f) Policyholders' Expenses of Life Insurance operations (See Note 2)	8,793.06	6,827.38	9,651.21	30,687.55	30,634.31
	(g) Other expenses	10.92	6.34	11.53	32.75	31.34
6.	Total expenses	8,809.34	6,853.35	9,693.16	30,798.93	30,695.12
7.	Profit before tax (4-6)	152.97	101.41	67.15	388.65	592.90
8.	Tax expense (See Note 16)					
	Relating to other than revenue account of Life Insurance policyholders					
	Current tax	8.45	10.87	5.15	62.21	26.02
	Deferred tax charge/ (Credit)	0.52	(0.39)	(8.03)	8.04	7.13
	Relating to revenue account of Life Insurance policyholders					
	Current tax	-	-	-	-	-
	Total tax expense/ (credit)	8.97	10.48	(2.88)	70.25	33.15
9.	Profit for the period/ year (7-8)	144.00	90.93	70.03	318.40	559.75
10.	Other comprehensive income (OCI)					
	Relating to revenue account of life insurance policyholders					
	(i) Items that will not be reclassified to profit or loss in subsequent periods	6.82	(1.81)	0.05	1.38	2.37
	(ii) Items that will be reclassified to profit or loss in subsequent periods (See Note 13)	(1,129.40)	(780.95)	(196.90)	1,216.65	96.26
	Less: Transferred to policyholders' fund in the balance sheet (See Note 13)	1,122.58	782.76	196.85	(1,218.03)	(98.63)
	Relating to Others					
	(i) Items that will not be reclassified to profit or loss in subsequent periods	(0.17)	(0.01)	0.13	0.48	0.02
	Income tax relating to items that will not be reclassified to profit or loss	0.07	-	(0.01)	(0.12)	(0.01)
	(ii) Items that will be reclassified to profit or loss in subsequent periods	(2.34)	(2.27)	(15.18)	(14.36)	(5.13)
	Income tax relating to items that will be reclassified to profit or loss	0.34	0.33	2.21	2.09	0.75
11.	Other comprehensive income/(loss)	(2.10)	(1.95)	(12.85)	(11.91)	(4.37)
12.	Total comprehensive income (9+11)	141.90	88.98	57.18	306.49	555.38
13.	Profit attributable to					
	Owners of the company	117.68	74.86	62.34	253.37	425.39
	Non-controlling interests	26.32	16.07	7.69	65.03	134.36
14.	Other comprehensive income/(loss) attributable to					
	Owners of the company	(1.74)	(1.60)	(11.95)	(9.71)	(5.59)
	Non-controlling interests	(0.36)	(0.35)	(0.90)	(2.20)	1.22
15.	Total comprehensive income attributable to					
	Owners of the company	115.94	73.26	50.39	243.66	419.80
	Non-controlling interests	25.96	15.72	6.79	62.83	135.58
16.	Paid up Equity Share Capital (Face value of Rs. 2 each)	69.02	69.02	69.02	69.02	69.02
17.	Other Equity				3,865.59	3,273.94
18.	Earnings per share (EPS) (Rs.) (not annualised)					
	(a) Basic EPS	3.41	2.55	2.13	7.34	14.51
	(b) Diluted EPS	3.41	2.55	2.13	7.34	14.51
	See accompanying notes to the consolidated financial results					

Date : May 10, 2022
Place : New Delhi



By Order of the Board

Mohit Talwar

Mohit Talwar
Managing Director
DIN : 02394694

CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

(Rs. in Crores)

Particulars	3 months ended 31.03.2022 (Unaudited) (See note 6)	3 months ended 31.12.2021 (Unaudited)	3 months ended 31.03.2021 (Unaudited) (See note 6)	Year ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
1 Segment Revenue					
a) Life Insurance	8,948.93	6,944.62	9,757.46	31,141.98	31,259.84
b) Business Investments	14.67	13.24	243.11	199.70	306.38
Total	8,963.60	6,957.86	10,000.57	31,341.68	31,566.22
Inter segment elimination (net)	3.95	3.82	240.82	160.54	292.31
Revenue from operations (net)	8,959.65	6,954.04	9,759.75	31,181.14	31,273.91
2 Segments Results					
a) Life Insurance	159.63	106.89	79.52	406.56	607.00
b) Business Investments	(0.06)	3.08	103.06	144.86	128.24
Total	159.57	109.97	182.58	551.42	735.24
Inter segment elimination (net)	0.01	-	115.97	144.47	156.20
Sub-total	159.56	109.97	66.61	406.95	579.04
Unallocated	(6.59)	(8.56)	0.54	(18.30)	13.86
Profit before tax	152.97	101.41	67.15	388.65	592.90
Provision for taxation (includes provision for Deferred Tax)	8.97	10.48	(2.88)	70.25	33.15
Profit for the period/ year	144.00	90.93	70.03	318.40	559.75

Particulars	As at 31.03.2022 (Audited)	As at 31.12.2021 (Unaudited)	As at 31.03.2021 (Audited)
3 Segment Assets			
a) Life Insurance	1,16,306.36	1,10,790.04	97,280.24
b) Business Investments	6,777.02	6,775.52	6,676.55
Total Segment Assets	1,23,083.38	1,17,565.56	1,03,956.79
Inter-segment elimination (net)	(5,334.83)	(5,330.62)	(5,891.21)
Total Assets	1,17,748.55	1,12,234.94	98,065.58
4 Segment Liabilities			
a) Life Insurance	1,13,251.28	1,07,877.85	94,394.67
b) Business Investments	27.43	24.93	31.09
Total Segment Liabilities	1,13,278.71	1,07,902.78	94,425.76
Inter-segment elimination (net)	(15.07)	(10.86)	34.78
Total Liabilities	1,13,263.64	1,07,891.92	94,460.54

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 financial results

1. CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022

Particulars	(Rs. in Crores)	
	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
A ASSETS		
1. Financial assets		
(a) Cash and cash equivalents	568.94	507.17
(b) Bank balance other than (a) above	30.62	1.24
(c) Receivables - Trade receivables	-	2.56
(d) Investments	6,020.93	4,063.05
(e) Other financial assets	205.52	47.10
(f) Life Insurance Policyholders' Fund (See Note 3)	1,08,947.88	91,444.06
Total financial assets	1,15,773.89	96,065.18
2. Non-financial Assets		
(a) Current tax assets (net)	10.76	5.96
(b) Deferred tax assets (net)	1.30	8.84
(c) Investment Property	86.87	88.39
(d) Property, plant and equipment	2.83	21.72
(e) Goodwill	525.25	525.25
(f) Right to use assets	1.49	3.40
(g) Other non-financial assets	47.99	46.38
(h) Life Insurance Policyholders' Fund (See Note 3)	1,298.17	1,300.46
Total non-financial assets	1,974.66	2,000.40
Total assets	1,17,748.55	98,065.58
B LIABILITIES AND EQUITY		
I LIABILITIES		
1. Financial liabilities		
(a) Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	0.16	0.08
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	35.81	39.85
(b) Debt Securities (See Note 14)	520.56	-
(c) Lease liability	1.54	3.46
(d) Other financial liabilities	52.90	1.73
(e) Life Insurance Policyholders' Fund (See Note 3)	1,11,806.58	93,490.11
Total financial liabilities	1,12,417.55	93,535.23
2. Non-financial liabilities		
(a) Current tax liabilities (net)	-	1.09
(b) Provisions	12.05	13.16
(c) Deferred tax liabilities (net)	3.82	56.70
(d) Other non-financial liabilities	2.22	2.22
(e) Life Insurance Policyholders' Fund (See Note 3)	828.00	852.14
Total non-financial liabilities	846.09	925.31
Total liabilities	1,13,263.64	94,460.54
II EQUITY		
(a) Equity share capital	69.02	69.02
(b) Other equity	3,865.59	3,273.94
Equity attributable to owners of the Company	3,934.61	3,342.96
Non Controlling Interest	550.30	262.08
Total equity	4,484.91	3,605.04
Total liabilities and equity	1,17,748.55	98,065.58



Notes to the consolidated financial results

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

		(Rs. In Crores)				
Particulars		3 months ended 31.03.2022 (Unaudited) (See note 6)	3 months ended 31.12.2021 (Unaudited)	3 months ended 31.03.2021 (Unaudited) (See note 6)	Year ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
A	Policyholders' Income from life insurance fund					
	Premium Income (Net)	7,849.92	5,505.48	7,021.86	21,939.75	18,695.42
	Interest Income	1,280.85	1,269.34	1,105.62	4,962.19	4,223.07
	Dividend Income	42.06	36.43	46.88	223.65	213.30
	Rental Income	17.14	16.43	10.50	65.91	34.96
	Net gain / (loss) on fair value changes - Policyholders' Investments	(450.82)	(444.69)	1,512.27	3,478.67	9,238.08
	Other income	19.21	1.48	20.84	24.72	27.90
	Sub-Total	8,758.36	6,384.47	9,717.97	30,694.89	32,432.73
	Less/ (Add): Restricted life insurance surplus retained in Policyholders' Fund	(125.49)	(505.87)	27.13	(154.27)	1,464.70
	Total	8,883.85	6,890.34	9,690.84	30,849.16	30,968.03
B	Policyholders' Expense of Life Insurance fund					
	Commission to selling agents	494.90	369.24	473.41	1,402.97	1,227.23
	Employee Benefits and Other Operating Expenses (See Note 12)	869.81	844.11	889.73	3,130.59	2,741.96
	Benefits payout (net)	2,281.66	2,195.63	2,287.12	9,099.30	6,772.51
	Net change in insurance contract liabilities	4,800.01	3,402.76	5,563.86	16,885.69	19,112.15
	Net change in investment contract liabilities	2.59	(9.20)	42.73	111.88	285.05
	Finance cost	12.02	10.20	9.10	42.27	40.72
	Impairment loss (including reversals)	0.07	0.07	0.07	(0.27)	(27.49)
	Depreciation and amortisation expenses	47.78	45.53	39.80	175.22	156.34
	Sub-Total	8,508.84	6,858.34	9,305.82	30,847.65	30,308.47
	Add/ (Less): Restricted life insurance surplus retained in Policyholders' Fund	284.22	(30.96)	345.39	(160.10)	325.84
	Total	8,793.06	6,827.38	9,651.21	30,687.55	30,634.31

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

		(Rs. In Crores)	
Particulars		As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
A	Financial Assets- Life Insurance Policyholders' Fund		
	Cash and cash equivalents	195.09	208.40
	Derivative financial instruments	29.17	67.49
	Trade receivables	677.16	608.03
	Loans	666.07	532.22
	Investments	1,03,773.23	87,702.69
	Other financial assets	3,607.16	2,325.23
	Sub Total - Financial Assets	1,08,947.88	91,444.06
B	Non-Financial Assets- Life Insurance Policyholders' Fund		
	Investment Property	704.66	717.74
	Property, plant and equipment	85.02	80.69
	Capital Work in progress	1.59	0.30
	Intangible Assets	144.06	118.06
	Intangible Assets under development	29.73	22.28
	Right of use asset	206.29	239.77
	Other non-financial assets	126.82	121.62
	Sub Total - Non-Financial Assets	1,298.17	1,300.46
	TOTAL ASSETS	1,10,246.05	92,744.52
A	Financial Liabilities- Life Insurance Policyholders' Fund		
	Contract liabilities of life insurance		
	Insurance Contracts	99,869.06	83,390.31
	Investment Contracts	856.32	876.94
		1,00,725.38	84,267.25
	Ind AS 104 Adjustments (Impacting contract liabilities of life insurance)		
	Measurement adjustments	(478.00)	(613.50)
	Grossing up Reinsurance assets	1,767.29	973.55
		1,289.29	360.05
	Fund for future appropriations	3,236.92	2,981.90
	Restricted life insurance surplus retained in Policyholders' Fund		
	Measurement difference of Ind AS 104 Adjustments	477.84	613.30
	Fair valuation difference of policyholders' Investments		
	Fair Value Through Profit or Loss (FVTPL)	690.98	846.59
	Fair Value Through Other Comprehensive Income (FVOCI)	1,411.39	198.30
	Measurement difference - Other Ind AS Adjustments	(65.95)	(47.55)
	Realised Hedge Fluctuation Reserves	132.05	123.21
	Derivative financial instruments	249.03	54.71
	Trade payables	1,378.72	1,129.36
	Lease liability	245.90	274.93
	Other payables	2,035.03	2,688.06
	Sub Total - Financial Liabilities	1,11,806.58	93,490.11
B	Non-Financial Liabilities- Life Insurance Policyholders' Fund		
	Provisions	37.03	41.27
	Other Non-financial Liabilities	790.97	810.87
	Sub Total - Non Financial Liabilities	828.00	852.14
	: New Delhi	1,12,634.58	94,342.25



Notes to the consolidated financial results

4. CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022

Particulars	(Rs. in Crores)	
	Year ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
A CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	388.65	592.90
Adjustments for:		
Depreciation, amortisation and impairment	180.22	161.66
Interest Expense	43.90	21.57
Interest and Dividend income from investments	(5,415.04)	(4,651.00)
Rent Income	(67.74)	(35.12)
Net loss / (profit) on sale / disposal of property, plant and equipments	0.50	0.21
Net (gain)/loss on fair value changes	(3,574.62)	(9,323.15)
Provision for diminution in value of long term investment	(2.00)	(82.73)
Liabilities/provisions no longer required written back	(1.76)	(0.78)
Provision for doubtful debts and bad-debts written off	1.81	4.01
Provision for rates and taxes	0.02	0.03
Expense on employee stock option scheme	0.19	1.66
Change in policyholder reserves (including funds for future appropriation)	16,997.57	19,397.21
Operating Profit before working capital changes	8,551.70	6,086.46
Changes in working capital:		
Adjustments for (increase)/ decrease in operating assets:		
Trade receivables	(65.05)	212.17
Loans	-	0.01
Other financial assets	(216.81)	(108.14)
Other non financial assets	4.50	16.36
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	227.51	403.75
Other financial liabilities	391.78	39.01
Provisions	(4.89)	(21.24)
Insurance contract liabilities	(302.79)	125.33
Other non financial liabilities	(19.91)	276.17
Cash generated from operations	8,566.04	7,029.87
Net income tax (paid) / refunds	(70.17)	(137.62)
Net cash flow from operating activities (A)	8,495.87	6,892.24
B CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on property, plant and equipment including capital advances	(127.99)	(82.96)
Proceeds from sale of property, plant and equipment	0.94	0.93
Bank balances not considered as Cash and cash equivalents (placed)/ matured	(29.38)	0.41
Purchase of Investment Properties	-	(306.37)
Investments		
- Purchased	(13,40,478.47)	(10,02,298.80)
- Proceeds from sale	13,25,894.81	9,91,310.11
Investments in equity shares of subsidiary company		
- Purchased	-	(235.24)
- Sale	554.81	181.39
Proceeds from loan against policies	(133.85)	(105.77)
Interest, Rent and Dividend Received	5,483.75	4,684.77
Net cash used in investing activities (B)	(8,835.38)	(6,851.53)
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from ESOPs exercised (including share premium)	0.97	0.02
Dividend including dividend distribution tax	(32.07)	(13.78)
Lease payments	(75.01)	(78.39)
Proceeds from issue of NCD by subsidiary company	496.00	-
Transaction cost for issue of NCD by subsidiary company	(1.92)	-
Net cash flow from/(used in) financing activities (C)	387.97	(92.15)
D Net increase / (decrease) in cash and cash equivalents (A+B+C)	48.46	(51.43)
E Cash and cash equivalents as at the beginning of the year	715.57	767.01
Cash and cash equivalents as at the end of the year *	764.03	715.57
* Components of cash and cash equivalents		
Cash on hand	67.52	62.79
Balances with scheduled banks		
- On current accounts	696.51	651.29
- Deposits with original maturity of upto 3 months	-	1.50
Total cash and cash equivalents	764.03	715.57



Notes to the consolidated financial results

- 5 These consolidated financial results of the Company for the quarter and year ended March 31, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 10, 2022. The consolidated financial results for the year ended March 31, 2022 have been audited by the statutory auditors and the consolidated financial results for the quarter ended March 31, 2022 have been reviewed by the statutory auditors of the Company.
- 6 The consolidated financial results for the quarter ended March 31, 2022 and 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, 2022 and March 31, 2021 of the Company respectively which have been subjected to review by the statutory auditors.
- 7 The consolidated financial results have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The consolidated financial results comprise the financial results of Max Financial Services Limited ('the Parent' or 'the Company') and its subsidiary company (collectively referred as the 'Group'). Details of subsidiary company is as under:

Name of Subsidiary	Country of incorporation	Portion of ownership as at March 31, 2022	Portion of ownership as at March 31, 2021
Max Life Insurance Company Limited ('the subsidiary company')	India	81.83%	90.83%

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

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

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

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

- 10 The Board of Directors of the Company in its meeting held on April 27, 2020 approved entering into definitive agreements with Axis Bank for the sale of equity share capital of Max Life, a subsidiary of the Company, to Axis Bank, subject to receipt of shareholders' approval and other requisite regulatory approvals. The shareholders of the Company approved the transaction on June 16, 2020.

On October 30, 2020, the Company, Max Life, Axis Bank and its subsidiaries (together "Axis Entities"), i.e. Axis Capital Limited and Axis Securities Limited ("Axis Bank subsidiaries") entered into agreements for acquisition of upto 19.002% of the equity share capital of Max Life ("Agreements"). Under the Agreements, Axis Bank will acquire upto 9.002% of the equity share capital of Max Life and Axis Bank subsidiaries will acquire upto 3% of the share capital of Max Life. In addition, Axis Entities will have a right to acquire upto 7% of the equity share capital of Max Life, in one or more tranches.

Pursuant to receipt of all the approvals, the Company had transferred 38,376,257 equity shares of Rs. 10 each of Max Life to Axis Capital Limited and 19,188,128 equity shares of Rs. 10 each of Max Life to Axis Securities Limited on March 26, 2021, fully paid up at a price of Rs. 31.51 per share for consideration aggregating to Rs. 181.39 crores. 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 was recorded during the year ended March 31, 2021.

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.

- 11 The Group has considered the impact of COVID-19 on its operations as well as its consolidated financial results:

a) In respect of the Company:

The Company has assessed the impact of COVID-19 on its operations as well as its financial results, including carrying amounts of trade receivables, investments and property, plant and equipment, as at March 31, 2022. 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:

The subsidiary company has assessed the impact of COVID-19 pandemic (COVID-19) on its operations as well as its financial results, including but not limited to the areas of investments, valuation of policy liabilities and solvency, for the year ended March 31, 2022. The impact of COVID-19 in the future may be different from that estimated as at the date of approval of these financial results and the subsidiary company will continue to closely monitor any material changes to future economic condition.

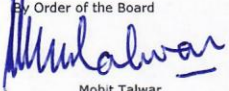


Notes to the consolidated financial results

- 12 Employee benefits expenses for the year ended March 31, 2022 includes one - time special incentive of Rs. 12.25 crores paid to senior leadership team of the Group for their valued contribution in consummation of Max Financial - Axis transaction. Further, employee benefit expenses also includes change in value of Employee Phantom Stock Plans (EPSP) pertaining to the subsidiary company.
- 13 During the quarter ended March 31, 2021, the subsidiary company had changed its business model relating to investments in debt securities held under Non-linked policyholders' fund and has accordingly, reclassified such investments from Amortized cost (AC) measurement model to Fair Value Through Other Comprehensive Income (FVOCI) measurement model. The reclassification is applied prospectively from April 1, 2021 (Reclassification date) and the net gain arising out of such reclassification has been recognized in Other Comprehensive Income (OCI) and transferred to Policyholders' Fund as restricted life insurance surplus during the year ended March 31, 2022.
- 14 The subsidiary company has issued and allotted 4,960 unsecured, subordinated, listed, rated, redeemable, taxable, non-cumulative, non - convertible debentures (NCDs) of Rs. 0.10 crores each on a private placement basis at the interest rate of 7.50% per annum amounting to Rs. 496.00 crores, which are listed on the Wholesale Debt market (WDM) segment of National Stock Exchange on August 02, 2021 and are redeemable at the end of 10 years from the date of allotment with a call option to the subsidiary company to redeem the NCDs post the completion of 5 years from the date of allotment and annually thereafter. The NCDs are rated by CRISIL and ICRA and have been assigned rating of "CRISIL AA+/stable" and "ICRA AA+/stable" respectively.
- 15 The subsidiary company post receiving the requisite approvals from Pension Fund Regulatory and Development Authority ("PFRDA") and Insurance Regulatory and Development Authority of India ("IRDAI"), has incorporated Max Life Pension Fund Management Limited a public limited pension fund company in India as its wholly owned subsidiary company on February 28, 2022. The company has been incorporated under the provisions of the Companies Act, 2013, with initial paid up capital of INR 55 crores to manage pension fund business. Initial paid up capital of INR 55 crores has been infused in the month of April 2022.
- 16 During the current quarter, the Company has elected to the option permitted under section 115BAA of the Income - tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company has recognised provision of Income tax and remeasured its deferred tax asset/liabilities basis the rate prescribed in the said section and taken the full effect to Statement of profit and loss in the current quarter.
- 17 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.
- 18 The figures for the previous periods/ year have been regrouped / reclassified wherever necessary, to make them comparable.

Date : May 10, 2022
Place : New Delhi



By Order of the Board

Mohit Talwar
Managing Director
DIN : 02394694

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

TO THE BOARD OF DIRECTORS OF MAX FINANCIAL SERVICES LIMITED

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2022 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2022, (refer 'Other Matter' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2022" of **Max Financial Services Limited** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Standalone Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2022:

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

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2022

With respect to the Standalone Financial Results for the quarter ended March 31, 2022, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2022, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2022

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2022 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2022 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2022 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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



Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2022

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2022 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

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

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



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

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

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

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2022

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2022 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matter

The Statement includes the results for the Quarter ended March 31, 2022 being the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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

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



SATPAL SINGH ARORA
(Partner)
(Membership No. 098564)
(UDIN: 22098564AISCY5164)

Place: New Delhi
Date: May 10, 2022

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

Particulars		(Rs. in Crores except per share data)				
		3 months ended 31.03.2022	3 months ended 31.12.2021	3 months ended 31.03.2021	Year ended 31.03.2022	Year ended 31.03.2021
		(Unaudited) (Note 5)	(Unaudited)	(Unaudited) (Note 5)	(Audited)	(Audited)
1. Revenue from operations						
(a) Interest income	-	0.01	-	0.01	0.01	
(b) Dividend income	-	-	185.78	144.46	185.78	
(c) Rental income	0.10	0.11	0.10	0.42	0.42	
(d) Gain on fair value changes						
- on derivative financial instruments (See note 7)	-	-	51.24	-	91.47	
- on investments in mutual funds	9.67	8.29	0.99	34.17	8.07	
(e) Sale of services	4.89	4.85	5.00	20.64	20.63	
2. Total revenue from operations	14.66	13.26	243.11	199.70	306.38	
3. Other income	0.67	0.37	0.35	2.36	1.43	
4. Total income (2+3)	15.33	13.63	243.46	202.06	307.81	
5. Expenses						
(a) Finance costs	0.03	0.03	0.06	0.14	0.22	
(b) Impairment loss on investment in subsidiary (See note 9)	-	-	88.16	-	88.16	
(c) Loss on sale of investment in subsidiary (See note 9)	-	-	32.89	-	32.89	
(d) Employee benefits expenses (See note 12)	3.17	2.69	7.73	21.62	21.25	
(e) Depreciation, amortisation and impairment	0.83	0.83	1.08	3.48	3.80	
(f) Legal and professional expenses	3.91	3.13	3.75	13.85	18.32	
(g) Other expenses	6.82	3.51	6.43	15.89	13.70	
6. Total expenses	14.76	10.19	140.10	54.98	178.34	
7. Profit before tax (4-6)	0.57	3.44	103.36	147.08	129.47	
8. Tax expense (See note 13)						
(a) Current tax expense / (credit)	0.77	(1.21)	36.61	31.92	39.09	
(b) Deferred tax charge / (credit)	0.70	2.18	(8.85)	12.54	(8.85)	
9. Total tax expense	1.47	0.97	27.76	44.46	30.24	
10. Profit / (loss) for the period / year (7-9)	(0.90)	2.47	75.60	102.62	99.23	
11. Other comprehensive income / (loss):						
Items that will not be reclassified to profit or loss:						
- Remeasurement of the defined benefit obligations	(0.17)	(0.01)	0.13	0.48	0.02	
Income tax relating to items that will not be reclassified to profit or loss	0.07	-	(0.01)	(0.12)	(0.01)	
12. Total other comprehensive income / (loss)	(0.10)	(0.01)	0.12	0.36	0.01	
13. Total comprehensive income / (loss) (10+12)	(1.00)	2.46	75.72	102.98	99.24	
14. Paid-up equity share capital (Face value of Rs. 2)	69.02	69.02	69.02	69.02	69.02	
15. Other equity				6,680.57	6,576.44	
16. Earnings per share (EPS) (Rs.) (not annualised)						
(a) Basic EPS	(0.03)	0.07	2.52	2.97	3.38	
(b) Diluted EPS	(0.03)	0.07	2.52	2.97	3.38	
See accompanying notes to the standalone financial results						

Date : May 10, 2022
Place : New Delhi



By Order of the Board

Mohit Talwar

Mohit Talwar
Managing Director
DIN : 02394694

Notes to the standalone financial results:

1 STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022

		(Rs. in Crores)	
	Particulars	As at 31.03.2022 (Audited)	As at 31.03.2021 (Audited)
A.	ASSETS		
1.	Financial assets		
	(a) Cash and cash equivalents	0.38	0.22
	(b) Bank balance other than (a) above	30.62	1.24
	(c) Receivables - trade receivables	15.08	19.18
	(d) Investments	6,723.17	6,616.37
	(e) Other financial assets	0.78	0.54
	Total financial assets	6,770.03	6,637.55
2.	Non financial assets		
	(a) Current tax assets (net)	1.95	3.88
	(b) Deferred tax assets (net)	-	8.84
	(c) Property, plant and equipment	2.83	21.72
	(d) Right-of-use assets	1.49	3.40
	(e) Other non-financial assets	0.72	1.16
	Total non-financial assets	6.99	39.00
	Total assets	6,777.02	6,676.55
B.	LIABILITIES AND EQUITY		
I	LIABILITIES		
1.	Financial liabilities		
	(a) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	0.16	0.08
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	8.06	10.17
	(b) Lease liabilities	1.54	3.46
	(c) Other financial liabilities	0.53	1.26
	Total financial liabilities	10.29	14.97
2.	Non financial liabilities		
	(a) Current tax liabilities	-	1.09
	(b) Provisions	12.04	13.16
	(c) Deferred tax liabilities (net)	3.82	-
	(d) Other non-financial liabilities	1.28	1.87
	Total non-financial liabilities	17.14	16.12
	Total liabilities	27.43	31.09
II	EQUITY		
	(a) Equity share capital	69.02	69.02
	(b) Other equity	6,680.57	6,576.44
	Total equity	6,749.59	6,645.46
	Total liabilities and equity	6,777.02	6,676.55

Date : May 10, 2022
Place : New Delhi



By Order of the Board

Mohit Talwar

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Managing Director
DIN : 02394694

Notes to the standalone financial results:

2 STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

		(Rs. in crores)	
	Particulars	Year ended 31.03.2022 (Audited)	Year ended 31.03.2021 (Audited)
A.	Cash flow from operating activities		
	Profit before tax	147.08	129.47
	Adjustments for:		
	Depreciation, amortisation and impairment	3.48	3.80
	Finance costs	0.14	0.22
	Net loss / (profit) on sale / disposal of property, plant and equipment	-	0.11
	Loss on sale of investment in subsidiary	-	32.89
	Impairment loss on investment in subsidiary	-	88.16
	Net loss / (gain) on fair value changes		
	on derivative financial instruments	-	(91.47)
	on investments in mutual funds	(34.17)	(8.07)
	Liabilities/provisions no longer required written back	(1.76)	(0.78)
	Provision for rates and taxes	0.02	0.03
	Expense on employee stock option scheme	0.18	1.66
	Operating profit before working capital changes	114.97	156.02
	Changes in working capital:		
	<u>Adjustments for (increase)/ decrease in operating assets:</u>		
	Trade receivables	4.10	0.07
	Loans	-	0.01
	Other financial assets	(0.25)	0.15
	Other non-financial assets	2.20	1.19
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
	Trade payables	(2.02)	0.28
	Other financial liabilities	(0.73)	(1.62)
	Provisions	(0.66)	1.24
	Other non-financial liabilities	(0.60)	(0.55)
	Cash generated from operations	117.01	156.79
	Net income tax (paid) / refunds	(31.09)	(157.53)
	Net cash flow from / (used in) operating activities (A)	85.92	(0.74)
B.	Cash flow from investing activities		
	Capital expenditure on property, plant and equipment including capital advances	(0.06)	(1.53)
	Proceeds from sale of property, plant and equipment	0.17	0.26
	Bank balances not considered as Cash and cash equivalents (placed) / matured	(29.38)	0.41
	Investments in mutual funds		
	- Purchased	(1,405.99)	(409.37)
	- Proceeds from sale	795.77	466.48
	Investments in equity shares of subsidiary company		
	- Purchased (including derivative liability settlement)	-	(235.24)
	- Proceeds from sale	554.81	181.39
	Net cash flow from / (used in) investing activities (B)	(84.68)	2.40
C.	Cash flow from financing activities		
	Proceeds from ESOPs exercised (including share premium)	0.97	0.02
	Payments of lease liability	(2.05)	(1.75)
	Net cash (used in) financing activities (C)	(1.08)	(1.73)
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	0.16	(0.07)
	Cash and cash equivalents as at the beginning of the year	0.22	0.29
	Cash and cash equivalents as at the end of the period *	0.38	0.22
	* Comprises:		
	Balance with scheduled banks - in current accounts	0.38	0.22
		0.38	0.22

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

144.47

185.79



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 financial results:

- 3 These financial results of the Company for the quarter and year ended March 31, 2022 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 10, 2022. The standalone financial results for the year ended March 31, 2022 have been audited by the statutory auditors and the standalone financial results for the quarter ended March 31, 2022 have been reviewed by the statutory auditors of the Company.
- 4 The standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 5 The standalone financial results for the quarter ended March 31, 2022 and March 31, 2021 are the balancing figures between audited figures in respect of the full financial year and published year to date unaudited figures up to the third quarter of the year ended March 31, 2022 and March 31, 2021 for the Company respectively which have been subjected to limited review by the statutory auditors.
- 6 The Company is an Unregistered Core Investment Company (Unregistered CIC), and is primarily engaged in the business of growing and nurturing business investments and providing management advisory services to group companies in India. The Company views these activities as one business segment, therefore there are no separate reportable segments as per Indian Accounting Standard-108 (Ind AS-108) on Operating Segment.
- 7 Gain/(loss) on fair value changes for the quarter and year ended March 31, 2021 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, 2021, 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 acquired balance 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 were cancelled.

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

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

- 9 The Board of Directors of the Company in its meeting held on April 27, 2020 approved entering into definitive agreements with Axis Bank for the sale of equity share capital of Max Life, a subsidiary of the Company, to Axis Bank, subject to receipt of shareholders' approval and other requisite regulatory approvals. The shareholders of the Company approved the transaction on June 16, 2020.

On October 30, 2020, the Company, Max Life, Axis Bank and its subsidiaries (together "Axis Entities"), i.e. Axis Capital Limited and Axis Securities Limited ("Axis Bank subsidiaries") entered into agreements for acquisition of upto 19.002% of the equity share capital of Max Life ("Agreements"). Under the Agreements, Axis Bank will acquire upto 9.002% of the equity share capital of Max Life and Axis Bank subsidiaries will acquire upto 3% of the share capital of Max Life. In addition, Axis Entities will have a right to acquire upto 7% of the equity share capital of Max Life, in one or more tranches.

Pursuant to receipt of all the approvals, the Company had transferred 38,376,257 equity shares of Rs. 10 each of Max Life to Axis Capital Limited and 19,188,128 equity shares of Rs. 10 each of Max Life to Axis Securities Limited on March 26, 2021, fully paid up at a price of Rs. 31.51 per share for consideration aggregating to Rs. 181.39 crores. The weighted average carrying value of such investments was Rs. 37.22 per share and hence, a loss on sale of investments of Rs. 32.89 Crores was recorded during the year ended March 31, 2021.

On April 6, 2021, the Company 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 Company had accounted for an impairment loss of Rs. 88.16 crores in the value of such investments during the year ended March 31, 2021, being the difference between weighted average carrying value of such investments i.e. Rs. 37.22 per share and the transaction price. The transaction price of Rs. 31.51 and Rs. 32.12 per share, for the aforesaid transfer of shares effected on March 26, 2021 and April 6, 2021 respectively were 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.



Max Financial Services Limited

CIN: L24223PB1988PLC008031

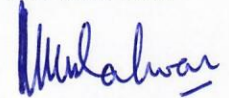
Registered Office: Bhai Mohan Singh Nagar, Rail Majra, Tehsil Balachaur, District Nawanshahr, Punjab - 144533

Website: www.maxfinancialservices.com

Notes to the standalone financial results:

- 10 The Company has assessed the impact of COVID-19 on its operations as well as its standalone financial results, including carrying amounts of trade receivables, investments and property, plant and equipment, as at March 31, 2022. In assessing the carrying value of these assets, the Company has used internal and external sources of information up to the date of approval of these standalone financial results, and based on current estimates, expects the net carrying amount of these assets to be recovered. The Company will continue to closely monitor any material changes to the business and financial results due to COVID-19.
- 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 Employee benefits expenses for the year ended March 31, 2022 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.
- 13 During the current quarter, the Company has elected to the option permitted under section 115BAA of the Income - tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019 dated September 20, 2019. Accordingly, the Company has recognised provision of Income tax and remeasured its deferred tax asset/liabilities basis the rate prescribed in the said section and taken the full effect to Statement of profit and loss in the current quarter.
- 14 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 : May 10, 2022
Place : New Delhi

