

January 28, 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 – 400051

Scrip Code: 500271

Name of Scrip: MFSL

Sub.: Board meeting for unaudited financial results for the quarter and nine months ended December 31, 2021

Dear Sir/Madam,

Please refer to our letter dated January 17, 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 Standalone and Consolidated unaudited financial results of the Company for the quarter and nine months ended December 31, 2021 and the Limited Review thereon by the Statutory Auditors. The said financial results and the Limited Review Report by the Statutory Auditors for the said period alongwith press release are attached herewith.

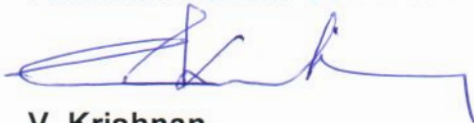
The Board meeting commenced at 1705 hrs. and concluded at 1745 hrs.

You are requested to take the aforesaid on record.

Thanking you,

Yours faithfully,

For **Max Financial Services Limited**



V. Krishnan
Company Secretary and Compliance Officer



Encl.: As above

MAX FINANCIAL SERVICES LIMITED
CIN: L24223PB1988PLC008031

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

TO THE BOARD OF DIRECTORS OF MAX FINANCIAL SERVICES LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Max Financial Services Limited** ("the Parent") and its subsidiary company (the Parent and its subsidiary company together referred to as "the Group"), for the quarter and nine months ended 31 December, 2021 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

4. The Statement includes the results of the subsidiary company Max Life Insurance Company Limited.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the certificate of the appointed actuary referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



**Deloitte
Haskins & Sells LLP**

6. We draw attention to note 9b to the Statement, which describes that the joint auditors of Max Life Insurance Company Limited, subsidiary company, in their auditor's report on the condensed interim financial statements of that subsidiary company for the quarter and nine months ended 31 December, 2021, have reported a matter regarding the continuing uncertainties arising out of the outbreak of COVID-19 pandemic.

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

7. In respect of Max Life Insurance Company Limited ("MLIC"), subsidiary company, determination of the following as at and for the quarter and nine months ended 31 December, 2021 is the responsibility of the subsidiary company's Appointed Actuary.

(i) The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 December, 2021, has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with the IRDAI. The charge of "Net Change in Insurance and Investment Contract Liabilities" includes charge for actuarial valuation of liabilities for life policies in force and charge for the policies in respect of which premium has been discontinued but liability exists as at 31 December, 2021. These charges have been actuarially determined, based on the liabilities duly certified by the subsidiary's company Appointed Actuary; and

(ii) Other adjustments for the purpose of preparation of the Statement, as confirmed by the Appointed Actuary of subsidiary company are in accordance with Indian Accounting Standard 104 on Insurance Contracts:

- a. Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;
- b. Valuation and Classification of Deferred Acquisition Cost and Deferred Origination Fees on Investment Contracts and Valuation of Embedded Derivatives;
- c. Grossing up and classification of the Reinsurance Assets; and
- d. Liability adequacy test as at the reporting dates.

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

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

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



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

SATPAL SINGH ARORA
Partner
(Membership No. 098564)
UDIN: 22098564AAAAAF7685

Gurugram, 28 January, 2022

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

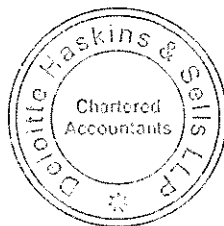
Particulars		(Rs. in Crores)					
		3 months ended 31.12.2021 (Unaudited)	3 months ended 30.09.2021 (Unaudited)	3 months ended 31.12.2020 (Unaudited)	9 months ended 31.12.2021 (Unaudited)	9 months ended 31.12.2020 (Unaudited)	Year ended 31.03.2021 (Audited)
1.	Revenue from operations						
	(a) Interest Income	58.02	52.43	54.05	162.35	155.76	212.17
	(b) Dividend Income	0.54	1.10	0.94	2.40	1.55	2.46
	(c) Rental Income	0.38	0.52	0.11	1.37	0.32	0.56
	(d) Net gain on fair value changes	3.76	42.60	26.85	86.41	74.91	85.06
	(e) Policyholders' Income from Life Insurance operations (See Note 2)	6,890.34	9,227.43	8,906.72	21,965.31	21,277.19	30,968.03
	(f) Sale of services	1.00	1.32	1.43	3.65	4.43	5.63
2.	Total Revenue from operations	6,954.04	9,325.40	8,990.70	22,221.49	21,514.16	31,273.91
3.	Other income	0.72	1.97	0.58	3.78	13.55	14.11
4.	Total Income (2+3)	6,954.76	9,327.37	8,990.28	22,225.27	21,527.71	31,288.02
5.	Expenses						
	(a) Finance costs	9.28	6.10	0.09	15.49	0.22	0.27
	(b) Impairment on financial instruments (including reversals)	(0.07)	(1.38)	(1.18)	(1.87)	(55.39)	(55.24)
	(c) Employee benefits expenses (See Note 11)	6.07	5.46	13.23	45.91	35.79	60.80
	(d) Depreciation, amortisation and impairment	1.22	1.21	1.37	3.60	3.87	5.32
	(e) Legal and professional expenses	3.13	3.35	4.27	9.94	14.57	16.32
	(f) Policyholders' Expenses of Life Insurance operations (See Note 2)	6,827.38	9,253.54	8,686.27	21,894.49	20,983.10	30,634.31
	(g) Other expenses	6.34	9.20	6.69	21.83	19.80	31.34
6.	Total expenses	6,853.35	9,277.48	8,710.74	21,989.59	21,001.96	30,695.12
7.	Profit before tax (4-6)	101.41	49.89	279.54	235.68	525.75	592.90
8.	Tax expense						
	Relating to other than revenue account of Life Insurance policyholders						
	Current tax	10.87	3.35	50.38	53.76	20.07	26.02
	Deferred tax charge/ (Credit)	(0.39)	(1.11)	2.03	7.52	15.16	7.13
	Relating to revenue account of Life Insurance policyholders						
	Current tax	-	-	-	-	-	-
	Total tax expense	10.48	2.24	52.41	61.28	36.03	33.15
9.	Profit for the period/ year (7-8)	90.93	47.65	227.13	174.40	489.72	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	(1.81)	(4.22)	0.78	(5.44)	2.32	2.37
	(ii) Items that will be reclassified to profit or loss in subsequent periods (See Note 12)	(780.95)	726.22	150.87	2,346.05	293.16	96.26
	Less: Transferred to policyholders' fund in the balance sheet (See Note 12)	782.76	(732.00)	(151.65)	(2,340.61)	(295.48)	(98.63)
	Relating to Others						
	(i) Items that will not be reclassified to profit or loss in subsequent periods	(0.01)	0.65	0.02	0.65	(0.11)	0.02
	Income tax relating to items that will not be reclassified to profit or loss	-	(0.19)	-	(0.19)	-	(0.01)
	(ii) Items that will be reclassified to profit or loss in subsequent periods	(2.27)	(3.63)	5.20	(12.02)	10.05	(5.13)
	Income tax relating to items that will be reclassified to profit or loss	0.33	0.53	(0.75)	1.75	(1.46)	0.75
11.	Other comprehensive income/(loss)	(1.95)	(2.64)	4.47	(9.81)	8.48	(4.37)
12.	Total comprehensive income (9+11)	88.98	45.01	231.60	164.59	498.20	555.38
13.	Profit attributable to						
	Owners of the company	74.86	39.63	175.81	135.69	363.05	425.39
	Non-controlling interests	16.07	8.02	51.32	38.71	126.67	134.36
14.	Other comprehensive income/(loss) attributable to						
	Owners of the company	(1.60)	(2.07)	3.49	(7.97)	6.36	(5.59)
	Non-controlling interests	(0.35)	(0.57)	0.98	(1.84)	2.12	1.22
15.	Total comprehensive income attributable to						
	Owners of the company	73.26	37.57	179.30	127.72	369.41	419.80
	Non-controlling interests	15.72	7.45	52.30	36.87	128.79	135.58
16.	Paid up Equity Share Capital (Face value of Rs. 2 each)	69.02	69.02	69.01	69.02	69.01	69.02
17.	Other Equity						3,273.94
18.	Earnings per share (EPS) (Rs.) (not annualised)						
	(a) Basic EPS	2.55	1.15	6.20	4.63	13.15	14.51
	(b) Diluted EPS	2.55	1.15	6.20	4.63	13.15	14.51
	See accompanying notes to the consolidated unaudited financial results						

By Order of the Board

Mohit Talwar

Mohit Talwar
 Managing Director
 DIN : 02394694

Date : January 28, 2022
 Place : Gurugram



CONSOLIDATED UNAUDITED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

(Rs. in Crores)

Particulars	3 months ended 31.12.2021 (Unaudited)	3 months ended 30.09.2021 (Unaudited)	3 months ended 31.12.2020 (Unaudited)	9 months ended 31.12.2021 (Unaudited)	9 months ended 31.12.2020 (Unaudited)	Year ended 31.03.2021 (Audited)
1 Segment Revenue						
a) Life Insurance	6,944.62	9,315.25	8,986.71	22,193.05	21,502.38	31,259.84
b) Business Investments	13.24	14.30	19.30	185.03	63.27	306.38
Total	6,957.86	9,329.55	9,006.01	22,378.08	21,565.65	31,566.22
Inter segment elimination (net)	3.82	4.15	16.31	156.59	51.49	292.31
Revenue from operations (net)	6,954.04	9,325.40	8,989.70	22,221.49	21,514.16	31,273.91
2 Segments Results						
a) Life Insurance	106.89	49.42	284.40	246.93	527.48	607.00
b) Business Investments	3.06	4.61	7.27	144.92	25.18	128.24
Total	109.97	54.03	291.67	391.85	552.66	735.24
Inter segment elimination (net)	-	-	12.61	144.46	40.23	156.20
Sub-total	109.97	54.03	279.06	247.39	512.43	579.04
Unallocated	(8.56)	(4.14)	0.48	(11.71)	13.32	13.86
Profit before tax	101.41	49.89	279.54	235.68	525.75	592.90
Provision for taxation (includes provision for Deferred Tax)	10.48	2.24	52.41	61.28	36.03	33.15
Profit for the period/ year	90.93	47.65	227.13	174.40	489.72	559.75

Particulars	As at 31.12.2021 (Unaudited)	As at 30.09.2021 (Unaudited)	As at 31.03.2021 (Audited)	As at 31.12.2020 (Unaudited)
3 Segment Assets				
a) Life Insurance	1,10,790.04	1,09,490.54	97,280.24	90,644.48
b) Business Investments	6,775.52	6,780.71	6,676.55	6,649.11
Total Segment Assets	1,17,565.56	1,16,271.25	1,03,956.79	97,293.59
Inter-segment elimination (net)	(5,330.62)	(5,328.71)	(5,891.21)	(5,956.91)
Total Assets	1,12,234.94	1,10,942.54	98,065.58	91,336.68
4 Segment Liabilities				
a) Life Insurance	1,07,877.85	1,06,664.90	94,394.67	87,656.81
b) Business Investments	24.93	12.58	11.09	79.56
Total Segment Liabilities	1,07,902.78	1,06,677.48	94,425.76	87,736.37
Inter-segment elimination (net)	(10.86)	(8.96)	34.78	320.41
Total Liabilities	1,07,891.92	1,06,668.52	94,460.54	88,056.78

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

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

Particulars		(Rs. In Crores)					
		3 months ended 31.12.2021 (Unaudited)	3 months ended 30.09.2021 (Unaudited)	3 months ended 31.12.2020 (Unaudited)	9 months ended 31.12.2021 (Unaudited)	9 months ended 31.12.2020 (Unaudited)	Year ended 31.03.2021 (Audited)
A	Policyholders' Income from life insurance fund						
	Premium Income (Net)	5,505.48	5,206.22	4,557.29	14,089.83	11,673.56	18,695.42
	Interest Income	1,269.34	1,226.57	1,086.54	3,681.34	3,117.45	4,223.07
	Dividend Income	36.43	65.76	52.53	181.59	166.42	213.30
	Rental Income	16.43	16.06	9.04	48.77	24.46	34.96
	Net gain / (loss) on fair value changes - Policyholders' Investments	(444.69)	2,939.11	3,868.76	3,929.49	7,725.81	9,238.08
	Other income	1.48	2.21	2.38	5.51	7.06	27.90
	Sub-Total	6,384.47	9,455.95	9,576.54	21,936.53	22,714.76	32,432.73
	Less/ (Add): Restricted life insurance surplus retained in Policyholders' Fund	(505.87)	228.52	669.82	(28.78)	1,437.57	1,464.70
	Total	6,890.34	9,227.43	8,906.72	21,965.31	21,277.19	30,968.03
B	Policyholders' Expense of Life Insurance fund						
	Commission to selling agents	369.24	330.03	303.70	908.07	753.82	1,227.23
	Employee Benefits and Other Operating Expenses (See Note 11)	844.11	788.24	721.13	2,260.78	1,852.23	2,741.96
	Benefits payout (net)	2,195.63	2,721.97	1,965.52	6,817.64	4,485.39	6,772.51
	Net change in insurance contract liabilities	3,402.76	5,467.34	5,597.10	12,085.68	13,548.29	19,112.15
	Net change in investment contract liabilities	(9.20)	74.38	94.76	109.29	242.32	285.05
	Finance cost	10.20	10.67	10.57	30.25	31.62	40.72
	Impairment loss (including reversals)	0.07	(0.20)	0.07	(0.34)	(27.56)	(27.49)
	Depreciation and amortisation expenses	45.53	42.15	39.70	127.44	116.54	156.34
	Sub-Total	6,858.34	9,434.58	8,732.55	22,338.81	21,002.65	30,308.47
	Add/ (Less): Restricted Life Insurance surplus retained in Policyholders' Fund	(30.96)	(181.04)	(46.28)	(444.32)	(19.55)	325.84
	Total	6,827.38	9,253.54	8,686.27	21,894.49	20,983.10	30,634.31



Max Financial Services Limited
CIN: L24223PB1988PLC008031

Registered Office: Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab - 144533
Website: www.maxfinancialservices.com

Notes to the consolidated unaudited financial results

- 3 These consolidated unaudited financial results for the quarter and nine months ended December 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today. These results have been reviewed by the statutory auditors of the Company.
- 4 The 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 December 31, 2021	Portion of ownership as at September 30, 2021	Portion of ownership as at March 31, 2021	Portion of ownership as at December 31, 2020
Max Life Insurance Company Limited	India	81.83%	81.83%	90.83%	93.10%

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

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

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

The Company had executed definitive agreement with the parties, which is subject to receipt of requisite regulatory approvals. During the quarter ended June 30, 2021, Max Life had filed an application for approval with IRDAI for acquisition of 99,136,573 equity shares 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.

- 7 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.

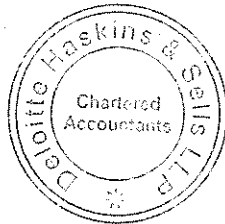
In respect of right of Axis entities to acquire 7% of equity share capital of Max Life, the Company had executed definitive agreement with the parties, which is subject to receipt of requisite regulatory approvals. Pending receipt of requisite approvals, the said transaction cannot be considered concluded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

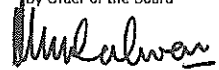


Notes to the consolidated unaudited financial results

- 8 Mr. Mohit Talwar is re-appointed as the Managing Director of the Company for a period of one year effective January 15, 2022.
- 9 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 December 31, 2021. In assessing the Carrying value of these assets, the Company has used internal and external sources of information up to the date of approval of these unaudited financial results, and based on current estimates, expects the net carrying amount of these assets to be recovered. The Company will continue to closely monitor any material changes to the business and financial statements due to COVID-19.
- b) In respect of the subsidiary Company, Max Life Insurance Company Limited:
The subsidiary Company has assessed the impact of COVID-19 pandemic (COVID-19) on its operations as well as its financial results, including but not limited to the areas of investments, valuation of policy liabilities and solvency, for the period ended December 31, 2021. The impact of COVID-19 in the future may be different from that estimated as at the date of approval of these financial results and the subsidiary company will continue to closely monitor any material changes to future economic condition.
- 10 Employee benefits expenses for the nine months ended December 31, 2021 includes one - time special incentive of Rs. 12.25 crores paid to senior leadership team of the Group for their valued contribution in consummation of Max Financial – Axis transaction.
- 11 During the quarter ended March 31, 2021, the subsidiary company had changed its business model relating to investments in debt securities held under Non-linked policyholders' fund and has accordingly, reclassified such investments from Amortized cost (AC) measurement model to Fair Value Through Other Comprehensive Income (FVOCI) measurement model. The reclassification is applied prospectively from April 1, 2021 (Reclassification date) and the net gain arising out of such reclassification has been recognized in Other Comprehensive Income (OCI) and transferred to Policyholders' Fund as restricted life insurance surplus during the nine months ended December 31, 2021.
- 12 The subsidiary Company, Max Life Insurance Company Limited has issued and allotted 4,960 unsecured, subordinated, listed, rated, redeemable, taxable, non-cumulative, non - convertible debentures (NCDs) of Rs. 10 lakhs each on a private placement basis at the interest rate of 7.50% per annum amounting to Rs. 496.00 crores, which are listed on the Wholesale Debt market (WDM) segment of National Stock Exchange on August 02, 2021 and are redeemable at the end of 10 years from the date of allotment with a call option to the company to redeem the NCDs post the completion of 5 years from the date of allotment and annually thereafter. The NCDs are rated by CRISIL and ICRA and have been assigned rating of "CRISIL AA+/stable" and "ICRA AA+/stable" respectively.
- 13 The subsidiary company, Max life Insurance Company Limited is in the process of incorporating a public limited pension fund company ("Proposed PF") in India as its wholly owned subsidiary company, under the provisions of the Companies Act, 2013, with initial investment of INR 55 crores to manage pension fund business which has been approved by the Board of Directors of the subsidiary company. Further, the subsidiary company has received requisite approvals from Pension Fund Regulatory and Development Authority ("PFRDA") and Insurance Regulatory and Development Authority of India ("IRDAI").
- 14 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.
- 15 The figures for the previous periods/ year have been regrouped / reclassified wherever necessary, to make them comparable.

Date : January 28, 2022
Place : Gurugram



By Order of the Board

Mohit Talwar
Managing Director
DIN : 02394694



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

TO THE BOARD OF DIRECTORS OF MAX FINANCIAL SERVICES LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Max Financial Services Limited** ("the Company"), for the quarter and nine months ended 31 December, 2021 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



SATPAL SINGH ARORA

Partner

(Membership No. 098564)

UDIN: 22098564AAAAAE8943

Gurugram, 28 January, 2022

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021

Particulars		(Rs. In Crores)					
		3 months ended 31.12.2021	3 months ended 30.09.2021	3 months ended 31.12.2020	9 months ended 31.12.2021	9 months ended 31.12.2020	Year ended 31.03.2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1.	Revenue from operations						
	(a) Interest income	0.01	-	0.01	0.01	0.01	0.01
	(b) Dividend income	-	-	-	144.46	-	185.78
	(c) Rental income	0.11	0.10	0.11	0.32	0.32	0.42
	(d) Gain on fair value changes	-	-	12.61	-	-	91.47
	- on derivative financial instruments (See note 4)	-	-	-	-	40.23	8.07
	- on investments in mutual funds	8.29	8.75	1.45	24.50	7.08	8.07
	(e) Sale of services	4.85	5.44	5.13	15.75	15.63	20.63
	Total revenue from operations	13.26	14.29	19.31	185.04	63.27	306.38
2.	Other income	0.37	0.56	0.41	1.69	1.08	1.43
4.	Total income (2+3)	13.63	14.85	19.72	186.73	64.35	307.81
5.	Expenses						
	(a) Finance costs	0.03	0.03	0.05	0.11	0.16	0.22
	(b) Impairment loss on investment in subsidiary (See note 6)	-	-	-	-	-	88.16
	(c) Loss on sale of investment in subsidiary (See note 6)	-	-	-	-	-	32.89
	(d) Employee benefits expenses	2.69	2.69	4.17	18.45	13.52	21.25
	(e) Depreciation, amortisation and Impairment	0.83	0.83	0.98	2.65	2.72	3.80
	(f) Legal and professional expenses	3.13	3.35	4.27	9.94	14.57	18.32
	(g) Other expenses	3.51	2.82	2.60	9.07	7.27	13.70
6.	Total expenses	10.19	9.72	12.08	40.22	38.24	178.34
7.	Profit before tax (4-6)	3.44	5.13	7.64	146.51	26.11	129.47
8.	Tax expense						
	(a) Current tax expense / (credit)	(1.21)	(1.07)	-	31.15	2.48	39.09
	(b) Deferred tax charge / (credit)	2.18	2.67	-	11.84	-	(8.85)
9.	Total tax expense	0.97	1.60	-	42.99	2.48	30.24
10.	Profit for the period / year (7-9)	2.47	3.53	7.64	103.52	23.63	99.23
11.	Other comprehensive income / (loss):						
	Items that will not be reclassified to profit or loss:						
	- Remeasurement of the defined benefit obligations	(0.01)	0.65	0.02	0.65	(0.11)	0.02
	Income tax relating to items that will not be reclassified to profit or loss	-	(0.19)	-	(0.19)	-	(0.01)
12.	Total other comprehensive income / (loss)	(0.01)	0.46	0.02	0.46	(0.11)	0.01
13.	Total comprehensive income (10+12)	2.46	3.99	7.66	103.98	23.52	99.24
14.	Paid-up equity share capital (Face value of Rs. 2)	69.02	69.02	69.01	69.02	69.01	69.02
15.	Other equity						6,576.44
16.	Earnings per share (EPS) (Rs.) (not annualised)						
	(a) Basic EPS	0.07	0.10	0.27	3.00	0.86	3.38
	(b) Diluted EPS	0.07	0.10	0.27	3.00	0.86	3.38
	See accompanying notes to the standalone unaudited financial results						

Date : January 28, 2022
Place : Gurugram



By Order of the Board

Mohit Talwar

Mohit Talwar
Managing Director
DIN : 02394694

(Signature)



Notes to the standalone unaudited financial results:

- 1 These standalone unaudited financial results for the quarter and nine months ended December 31, 2021 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today. These results have been reviewed by the statutory auditors of the Company.
- 2 The standalone unaudited financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 3 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.
- 4 Gain/(loss) on fair value changes on derivative financial instruments represents gain/(loss) arising out of the Option arrangements relating to equity shares of Max Life Insurance Company Limited (Max Life), executed during the year ended March 31, 2016, amongst the Company, Axis Bank Limited and Mitsui Sumitomo Insurance Company Limited (MSI) and accounted for Fair Value Through Profit or Loss account (FVTPL) in standalone financial results of the Company as per Ind AS 109.
On March 15, 2021, the Company had acquired 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 been cancelled.
- 5 The Board of Directors of the Company in its meeting held on March 3, 2020, had approved entering into a Put/Call arrangement for acquisition of balance shares held by Mitsui Sumitomo Insurance Company Limited (MSI) in Max Life Insurance Company Limited ('Max Life') and matters incidental thereto at a price of Rs. 85 per share ("MSI Put/Call Option"). The shareholders of the Company approved the said MSI Put/Call Option on May 27, 2020.

The Company had executed definitive agreement with the parties, which is subject to receipt of requisite regulatory approvals. During the quarter ended June 30, 2021, Max Life had filed an application for approval with IRDAI for acquisition of 99,136,573 equity shares 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.

- 6 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 had transferred 172,731,531 equity shares of Rs. 10 each of Max Life to Axis Bank, fully paid up at a price of Rs. 32.12 per share for consideration aggregating to Rs. 554.81 crores. Consequently, the Company had accounted for an impairment loss of Rs. 88.16 crores in the value of such investments during the year ended March 31, 2021, being the difference between weighted average carrying value of such investments i.e. Rs. 37.22 per share and the transaction price. The transaction price of Rs. 31.51 and Rs. 32.12 per share, for the aforesaid transfer of shares effected on March 26, 2021 and April 6, 2021 were respectively computed based on the valuation of Max Life conducted as per Rule 11 UA read with Rule 11 UAA of the Income-tax Rules, 1962 (herein referred to as 'Transaction Price'). The methodology of computation of transaction price was approved by 99.90% shareholders through postal ballot and also stated in the definitive agreements entered with Axis Entities.

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




Notes to the standalone unaudited financial results:

- 7 Mr. Mohit Talwar is re-appointed as the Managing Director of the Company for a period of one year effective January 15, 2022.
- 8 The Company has assessed the impact of COVID-19 on its operations as well as its standalone unaudited financial results, including carrying amounts of trade receivables, investments and property, plant and equipment, as at December 31, 2021. In assessing the carrying value of these assets, the Company has used internal and external sources of information up to the date of approval of these standalone 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.
- 9 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.
- 10 Employee benefits expenses for the nine months ended December 31, 2021 includes one - time special incentive of Rs. 7.75 crores paid to senior leadership team of the Company for their valued contribution in consummation of Max Financial - Axis transaction.
- 11 The figures for the previous period/year have been regrouped / reclassified wherever necessary, to make them comparable.

Date : January 28, 2022
Place : Gurugram



By Order of the Board


Mohit Talwar
Managing Director
DIN : 02394694



**MAX FINANCIAL SERVICES 9MFY22 CONSOLIDATED REVENUE[^] RISES 21% TO RS 14,160 CR;
MAX LIFE NEW BUSINESS SALES GROW 23%; VALUE OF NEW BUSINESS SURGES 20% IN
9MFY22 Y-O-Y**

Max Life Results Highlights (9MFY22):

- **Total Assets Under Management (AUM): Rs 102,471 Cr, Up 21%**
- **Gross Written Premium: Rs 14,415 Cr, Up 21%**
- **Embedded Value at Rs 13,412 Cr; Operating RoEV at 19.2%****
- **Value of New Business at Rs 942 Cr, Up 20%**

28th January 2022, New Delhi

Max Financial Services Limited (MFSL) today announced its financial results for the quarter (Q3) and nine months of the financial year FY22 (9MFY22). During 9MFY22, MFSL reported consolidated revenues[^] of Rs 14,160 Cr, a growth of 21% from the corresponding year-ago period. The consolidated Profit Before Tax (PBT) in 9 MFY22 stood at Rs 236 Cr, lower as against previous year primarily due to COVID related provision in 9MFY22 and one off items in same period last year.

MFSL's sole operating subsidiary, Max Life, continued its growth journey by maintaining a 5-year CAGR of 18% on Individual New Business compared with 13% 5-year CAGR of the top 3 listed life insurers. It has also consistently been a part of the top quartile of life insurers in India. Further, Max Life New Business sales (on APE* basis) grew 23% on a year-on-year basis to Rs 3,751 Cr in 9MFY22 and 30% to Rs 1,594 Cr in Q3FY22, majorly driven by strong growth across channels.

Further, the renewal premium income (including group) rose 19% to Rs 9,128 Cr from Rs 7,669 Cr in the year-ago period. This propelled a 21% increase in gross written premium to Rs 14,415 Cr in 9MFY22 from Rs 11,192 Cr in FY21.

This strong performance was despite a more severe impact of the second wave of COVID-19 compared with the first wave. Claim experiences were higher than expected across all lines of businesses with significantly higher variance for Protection and Group businesses. Max Life maintained its 4th rank in the private industry.

In terms of industry performance, on 2-year CAGR, Max Life surged 16% compared with the 11% growth in the overall private industry.

Max Life has maintained a sharp focus on balanced product mix, which has aided a 20% growth in the Value of New Business (VNB) to Rs 942 Cr in 9MFY22 from Rs 788 Cr in the year-ago period. VNB grew at a CAGR of 27% over last five years.

[^] Excluding investment income

* Annual Premium Equivalent (APE) is calculated as 100% of regular premium + 10% of single premium.

** Before Covid impact

The higher growth in VNB figures was due to higher sales and change in business mix, thus highlighting the strong growth momentum of Max Life. The New Business Margin (NBM) for 9MFY22 was 25.1% and in line with the FY21 margins.

Max Life reported an Embedded Value (EV) of Rs. 13,412 Cr in 9MFY22 – an uptick of 19% from Rs 11,723 Cr in the year-ago period driven by growth in value of new business and quality of in-force business. The Operating Return on EV (RoEV) in 9MFY22 stood at 19.2%, a spurt of 120 basis points**. The Assets Under Management (AUM) in the first nine months of FY22 advanced 21% to Rs 1.02 trillion from Rs 84,724 Cr in the year-ago period.

Max Life conducted the 'India Retirement Index Study' (IRIS) in partnership with Karvy Insights. India's Retirement Index stood at 44 in terms of health and financial preparedness and is a key retirement concern amongst Indians. It also released its ESG Report 2021 during the quarter under review, which focuses on the company's transition to become one of the most sustainable workplaces that provide a conducive environment for the growth of its employees.

Lastly, following the appointment of Max Life as a 'Sponsor' of the Pension Fund, the formation of the subsidiary is underway, and it has sought IRDAI's permission to set up a new company 'PFM' in line with the regulatory requirements.

Mr. Mohit Talwar, Managing Director, Max Financial Services, said, "Our robust performance in 9MFY22 and Q3FY22 was driven by our growth in proprietary channels, spurt in Banca channels and continued leadership in protection sales in e-commerce. Our constant endeavors towards customers through innovative products such as the Smart Wealth Income plan in Q3 FY22 worked well for us despite the immense pressure on the overall sector due to the COVID-19 provisioning."

He added: "Further, the launch of our ESG Report highlights the vision and mission of the company to become one of the most sustainable workplaces in the time, and we are looking forward to it."

About Max Financial Services Limited:

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

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

The company is listed on the NSE and BSE. Besides a 14.7% holding by Analjit Singh and sponsor family, some of the other group shareholders include MSI, Ward ferry, New York Life, Baron, Vanguard, Jupiter, Blackrock, and the Asset Management Companies of Nippon, HDFC, ICICI Prudential, Motilal Oswal, Aditya Birla Sun Life, Mirae, DSP and Kotak.

^ Excluding investment income

* Annual Premium Equivalent (APE) is calculated as 100% of regular premium + 10% of single premium.

** Before Covid impact

About Max Life Insurance Company:

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

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

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

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

Press Contacts:

Gaurab Dasgupta

gaurab@maxindia.com

+91 98739 31733

Jasrita Dhir

jasrita.dhir@antaraseniorcare.com

+91 9811888051

^ Excluding investment income

* Annual Premium Equivalent (APE) is calculated as 100% of regular premium + 10% of single premium.

** Before Covid impact