

July 29, 2024

BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 021

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

Scrip Code: 500271

Scrip Code: MFSL

**Sub: Notice of the 36<sup>th</sup> Annual General Meeting and Annual Report for the FY 2023-24**

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our letter dated July 26, 2024 informing about the 36<sup>th</sup> Annual General Meeting (“AGM”) of the Company scheduled to be held on Friday, August 23, 2024 at 1000 hrs. (IST) through Video Conference (“VC”)/Other Audio Visual Means (“OAVM”) in compliance with circulars issued by the Ministry of Corporate Affairs and SEBI in this regard, we wish to inform the following:

1. The Annual Report for the financial year 2023-24 and the notice of AGM are being sent through electronic mode to all the members of the Company whose email addresses are registered with the Company/Depository Participant(s). These documents are also available on the Company’s website at [www.maxfinancialservices.com](http://www.maxfinancialservices.com).
2. Pursuant to the requirement of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 17, 2024 to Friday, August 23, 2024 (both days inclusive).
3. The Company is providing the facility to vote by electronic means (remote e-voting as well as e-voting at the AGM) on all the resolutions set out in the AGM notice to the members, who are holding shares on the cut-off date i.e. Friday, August 16, 2024. The remote e-voting will commence from Monday, August 19, 2024 at 0900 hrs. and shall end on Thursday, August 22, 2024, at 1700 hrs.
4. The Annual Report for the financial year 2023-24 and the Notice of AGM are enclosed herewith.

You are requested to take note of the above.

Thanking you,

Yours faithfully,  
For **Max Financial Services Limited**

**Piyush Soni**  
Company Secretary and Compliance Officer

Encl : as above

**Connect &  
Collaborate  
for Excellence**

**ANNUAL  
REPORT  
2023-24**

### Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



To know more about the Company log on to  
**[www.maxfinancialservices.com](http://www.maxfinancialservices.com)**



Scan the QR code for additional information about the Company

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The background features a large orange circle on the left side, partially overlapping a white area. A light orange triangle is positioned in the lower right quadrant. The text 'CORPORATE REVIEW' is centered in the white area.

# **CORPORATE REVIEW**

# OUR ENTERPRISE



Max Financial Services Limited (MFSL) is part of India’s leading business conglomerate – the Max Group. Focused on Life Insurance, MFSL actively manages Max Life Insurance Company Limited, India’s largest non-bank, private life insurance company. Max Life Insurance is a Joint Venture between Max Financial Services Limited and Axis Bank Limited. It offers comprehensive protection and long-term savings life insurance solutions, through its multi-channel distribution including agency and third-

party distribution partners. The Company is listed on the NSE and BSE. Some of the past joint venture partners of MFSL include Radiant Life Care Private Limited, Bupa Finance Plc., Life Healthcare (South Africa), New York Life, Hutchison Telecommunications, Motorola, Schering AG, Avent Inc., Gist-brocades (GB), The Upjohn Company, Comsat International Ventures and Atotech BV. These partnerships have consistently grown, developed, and matured into strong relationships.



Max Life Insurance is the material subsidiary of Max Financial Services Limited. Max Life Insurance – a part of the \$5 billion Max group, an Indian multi business corporation – is India’s largest non-bank private life insurer and the fifth largest private life insurance company. In FY 2024, Max Life Insurance reported an Embedded Value (EV) of 19,494 crore. The Operating Return on EV (RoEV) stood at 20.2%. The New Business Margin (NBM) for FY2024 was 26.5% (at actual costs), and the Value of New Business (VNB) at ₹1,973 crore (at actual costs), with an annual growth of 1% & a 2 year CAGR of ~14%. On September 27, 2023, Max Financial Services Ltd. (MFSL) Shareholders approved the Max Life Insurance Company Limited (MLIC) proposal to raise further capital by way of a preferential issue of equity shares to Axis Bank, for an aggregate investment of up to ₹1,612 crore in MLIC, at fair market value determined basis DCF methodology. Pursuant to receipt of all regulatory approvals, Axis Bank had subscribed to 14,25,79,161 equity shares of MLIC on April 17, 2024. On completion of the said Capital Infusion, Axis Entities collectively hold 19.02% of the equity share capital of MLIC and MFSL’s shareholding in MLIC stood reduced to 80.98% of the equity share capital of MLIC effective April 17, 2024. In addition, the Axis Entities



would have the right to purchase 0.98% of the equity share capital of MLIC from MFSL within the time frame which was earlier agreed between the parties. Max Life Insurance has 304 branch units across India as of March 31, 2024.

# OUR ENTERPRISE



New Max India Limited (MIL) was formed in June 2020 after Max India – the erstwhile arm of the \$5 billion Max Group – merged its healthcare assets into Max Healthcare and demerged its senior care and other allied businesses in June 2020 into a new wholly owned subsidiary called Advaita Allied Health Services Limited which was later

renamed as Max India Limited. Max India is now the holding company of Max Group’s Senior Care business, i.e. Antara Senior Living Limited (independent residences for seniors) and Assisted Care Services Limited (Care Homes, Care at Home, MedCare and AGEasy).



Antara Senior Living and Antara Assisted Care Services are wholly owned subsidiaries of Max India. The two main lines of businesses are Residence for Seniors and Assisted Care Services, which cater to all senior care needs.

Antara’s first residential community in Dehradun comprises nearly 200 apartments spread across 14 acres of land. In 2020, it launched a new senior living facility in Noida’s Sector-150. With 340 apartments in its first phase of development, which are all sold out as on date, it will cater to the social, recreational, educational, wellness, and health-related needs of seniors. It is expected to be ready for possession by early 2025.

Antara’s Assisted Care Services include ‘Care Homes’, ‘Care at Home’ and ‘MedCare’ products and AGEasy by Antara. This line of business caters to seniors above the age of 55, who need more immersive interventions in their daily lives due to medical or age-related issues. Starting with its first facility in Gurugram, the Care Homes provide long-term care to seniors who require constant medical and nursing supervision, and short-term care services for the recuperation of seniors. Its Care at Home services in NCR, Bangalore and Chennai, provide well-equipped,

trained professionals offering care to seniors inside their home’s comfort. The MedCare product services vertical is a pan-India one-stop platform for the daily medical equipment needs of seniors. AGEasy by Antara is a new-age holistic D2C platform that will help seniors manage common chronic conditions. It is designed to empower seniors to age with ease and joy through customized health and wellness solutions that are based on expert-assisted advice.





# OUR ENTERPRISE



Max Estates Limited is the Real Estate arm of Max Group.

Max Group is a leading Indian business house with interests over time in Telecommunication, Life Insurance, Health Insurance, Healthcare, Packaging Films, Real Estate and Senior Living. The Group was founded in 1982 by its founder and chairman, Mr. Analjit Singh, a leading visionary, entrepreneur, and philanthropist. Over a period of 40 years the Max Group has nurtured and scaled several businesses and has been recognized with several accolades for its commitment to care, its governance, and for exceptional value creation while enabling a better society. Today, Max Group's portfolio houses Max Life, which is the fourth largest life insurance company in India; Max Estates, a real estate development company with focus on premium residential and commercial office spaces in Delhi NCR; and, Antara Senior Care, India's only integrated senior care ecosystem, with ventures across senior living residences, care homes, care at home and medical products for seniors. While Max Estates is directly listed on the stock exchange, Max Life and Antara Senior Care are part of listed hold cos namely Max Financial Services and Max India Limited, respectively. Max Group currently has a total customer base of ~5 million, around 400 offices spread across India and an employee strength of more than 20,000.

Established in 2016, Max Estates with a vision to bring real well-being to the real estate sector, has curated a diversified portfolio (12 mn. sq. ft.) of grade-A+ sustainable residential and commercial offerings, across various asset classes and key strategic locations across Delhi-NCR. We aspire to grow this portfolio by adding at least 3 mn. sq. ft. every year, by building developments rooted on our well-being focused operating philosophy – LiveWell.WorkWell

Our current developments are Max Towers, in Sector 16B, Noida, our flagship development redefining the future of work; Max House, in New Delhi, blending tradition with modernity; Max Square, on Noida-Greater Noida Expressway in Sector 129, combining nature and work, and Estate 128, our first LiveWell experience (residential development), in Sector 128, Noida. We continually aim to deliver on our purpose to enhance quality of life through the spaces we create, via our upcoming commercial developments in Sector 65, Golf Course Extension, Gurugram and Sector 129, Noida-Greater Noida Expressway, as well as our first LiveWell experience in Gurugram - Estate 360, in Sector 36A, Dwarka Expressway.



# OUR ENTERPRISE



Max Asset Services Limited (MAS), a wholly owned subsidiary of MEL, focuses on providing Real Estate as a service in the form of facility management, community development and managed offices. It aims to bring life into buildings by implementing the Max Estates' WorkWell philosophy through amenities and 'Pulse', which focuses on curating engaging events for office tenants.



Max I. Limited is MEL's wholly owned subsidiary, which facilitates intellectual and financial capital to promising and proven early-stage organizations with focus on real estate synergistic to the real estate business of the Max Group. Its investment model is a hybrid of accelerators and venture funding, providing both mentoring and growth capital for the organizations it invests in.



Launched in 2008, Max India Foundation (MIF) represents the Max Group's social responsibility efforts. It is focused on the creation of opportunities by empowering children through education and sustainable livelihood skills. MIF's most recent initiative is Social Emotional Ethical (SEE) Learning – a K-to-12 education program to provide high quality, easy-to-use curricular and a comprehensive framework for educators and students for their holistic development. In the past, the Foundation's work focused on healthcare for the underprivileged and benefitted more than 3.4 million people in over 800 locations since its inception.

# OUR PATH



## Our Vision

To be the most admired company for protecting and enhancing the financial future of its customers.

## Our Mission



Be the most preferred category choice for customers, shareholders and employees



Do what is right for our customers, and treat them fairly



Be the go-to standard for partnerships and alliances with all distributors and partners



Maintain cutting-edge standards of governance



Lead the market in quality and reputation

# OUR VALUES



## Sevabhav

We encourage a culture of service and helpfulness so that our actions positively impact society. Our commitment to *Seva* defines and differentiates us.



## Credibility

We give you our word. And we stand by it. No matter what. A 'No' uttered with the deepest conviction is better than a 'Yes' merely uttered to please, or worse, to avoid trouble. Our words are matched by our actions and behaviour.



## Excellence

We gather the experts and the expertise to deliver the best solutions for life's many moments of truth. We never settle for good enough.

# BOARD OF DIRECTORS



**Mr. Analjit Singh**  
**Founder & Chairman, Max Group**

Mr. Analjit Singh is the Founder & Chairman of The Max Group, a \$5 billion Indian multi-business enterprise, with interests in life insurance (Max Life), real estate (Max Estates), senior living (Antara). The Max Group is renowned for successful joint ventures with some pre-eminent firms including Axis Bank, Mitsui Sumitomo & Toppan, Japan; New York Life Insurance Company; Bupa Plc, Life Healthcare, SA; DSM, Netherlands, Hutchison Whampoa; Motorola, Lockheed Martin, and others.

Amongst privately held family businesses, Mr. Analjit Singh is the founder of Leeu Collection, a group of leisure boutique hotels in Franschhoek, South Africa; The Lake District, UK; and soon to be opened in Florence, Italy. The Leeu Collection also includes a significant presence in the wine and viticulture sector through Mullineux Leeu Family Wines in SA, a four-time winner of 'Platters Winery of the year' over the past 9 years. In addition, the private arm has a substantial investment in Alajmo SpA, Italy and Riga Foods, India.

Mr. Analjit Singh was awarded the Padma Bhushan, India's third highest civilian honour, by the President of India in 2011. An alumnus of The Doon School and Shri Ram College of Commerce, University of Delhi, Mr. Analjit Singh holds an MBA from the Graduate School of Management, Boston University. He has been conferred with an honorary doctorate by Amity University. He also serves as the Honorary Consul General of the Republic of San Marino in India.

Mr. Analjit Singh is the Chairman of the listed companies of Max Group, viz., Max Financial Services Limited, Max India Limited and Max Estates Limited and earlier, the Founder Chairman of Max Life Insurance Company Limited; Max Healthcare; Hutchison Max Telecom; Max Bupa and so on. He also served as a Director on the Board of Sofina NV/SA, Belgium till March 2022 and was the Non-Executive Chairman of Vodafone India till August 2018.

Mr. Analjit Singh was a member of the Founder Executive Board of the Indian School of Business (ISB), India's top ranked B-School and has served as Chairman of the Board of Governors of The Indian Institute of Technology, The Doon School, and Welham Girls' School. In addition, he served on the Prime Minister's Indo US CEO and Indo UK CEO Council for over a decade.

He has been felicitated by Senator Hillary Clinton, former US Secretary of State, on behalf of the Indian American Centre for Political Awareness for his outstanding achievement in presenting the international community with an understanding of a modern and vibrant India and for creating several successful joint ventures with leading American companies and promoting business ties with the USA.

He has been honoured with the Ernst and Young Entrepreneur of the Year Award (Service Category) and the Golden Peacock Award for Leadership and Service Excellence. In 2014 he was awarded with Spain's second highest civilian honour, the Knight Commander of the Order of Queen Isabella, and the Distinguished Alumni Award from Boston University.



**Mr. Aman Mehta**  
Independent Director

Mr. Aman Mehta, after a distinguished 35-year global career with HSBC, retired as CEO of HSBC Asia Pacific in January 2004. Upon retirement, he resettled permanently in India. In his post-retirement phase, Mr. Mehta has been actively contributing as an Independent, Non-Executive Director on the boards of several public companies and institutions both within India and internationally. His extensive experience in the financial sector and leadership roles has made him a valuable asset to these organizations.



**Mr. D.K. Mittal**  
Independent Director

Mr. Dinesh Kumar Mittal is a former Indian Administrative Service (IAS) officer of 1977 batch (UP cadre) and has served the government of India in various capacities. Mr. Mittal was Secretary, Department of Financial Services, where he was responsible for overseeing banking, Insurance and Pension policies of India. During his

tenure, he worked very closely with the RBI and was on the Board of the RBI, LIC, State Bank of India, IIFCL and IIFCL (UK). Previously as Secretary, Ministry of Corporate Affairs, he has worked closely with ICAI, ICSI and ICWAI. As an Additional Secretary, Department of Commerce, Mr. Mittal was the chief negotiator of India for WTO negotiation. He also supervised all multilateral Preferential Tariff negotiations, development and operation of SEZs in India and FDI and Overseas Investment from India. As Joint Secretary, Ministry of Commerce, he had oversight of International Trade and Special Economic Zones. He formulated SEZ policy in March 2000 for the first time in India. He was with IL&FS on secondment from the Govt. of India and worked in the area of project development and financing of infra projects. Mr. Mittal has hands on experience in Infrastructure, International Trade, Urban Development, Renewable Energy, Agriculture Development and Micro-Credit, Corporate Governance, Banking, Insurance, Pension and Finance. Mr. Mittal also serves as a director on the board of various companies including Max Estates Limited, Indus Towers Limited, Niva Bupa Health Insurance Company Limited and New Delhi Television Limited, amongst others. He holds a master's degree in physics with specialization in Electronics from University of Allahabad, India.



**Mr. Jai Arya**  
Independent Director

Singapore based Mr. Jai Arya is a distinguished professional with a wealth of experience in the financial sector and academia. He serves as the Senior Adviser to the Dean of the NUS Business School, Asia's leading business school. He is also an independent director on the boards of The Official Monetary and Financial Institutions Forum (OMFIF)- a UK based research consultancy, Max Life Insurance Company Limited, and Max Financial Services Ltd.

Mr. Arya has also held roles as a Senior Adviser for Asian banking to a global consultancy firm and consulted on projects for the Asian Development Bank. His extensive career in banking includes 27 years with Bank of New York Mellon and 10 years with Bank of America, working in multiple countries. At BNY Mellon, he served as an Executive Vice President and global head of business with sovereign institutions, as well as being a member of the bank's Global Operating Committee and Asia Executive Committee. His earlier responsibilities included overseeing Asia client relationships and managing Asian country offices.

Mr. Arya holds an MBA from the Faculty of Management Studies, Delhi University, and a BA (Honours) in Economics from St. Stephen's College, Delhi University.



**Sir Richard Stagg**  
Independent Director

Sir Richard Stagg holds several prominent positions including Chairman of the JP Morgan Asian Growth and Income Investment Trust, Warden of Winchester College, and Trustee of the School of Oriental and African Studies (SOAS) in London. He served as Chairman of Rothschild India from 2015 to 2022.

Prior to his role at Rothschild, Sir Richard had a distinguished career in the UK Foreign Service from 1977 to 2015. His notable postings included serving as the British High Commissioner in Delhi and the British Ambassador in Kabul. From 2003 to 2007, he was the Chief Operating Officer of the Foreign Office, overseeing the global network of Embassies and Consulates. Additionally, from 2007 to 2017, he was the Chairman of FCO Services, a public sector unit providing secure services to the UK and foreign governments.

Sir Richard holds a Master of Arts in History from Oxford University.



**Ms. Gauri Padmanabhan**  
Independent Director

Ms. Gauri Padmanabhan is a leadership consultant with over three decades of diversified experience in the services sector. She presently works with a few listed & private companies as a Leadership Advisor and is also an Independent Director on listed company Boards. Till December 2022, Gauri was a Global Partner, leading the CEO & Board and Consumer Markets Practices while also overseeing the Education & Life Sciences Practices, for Heidrick & Struggles. A long tenured Partner at Heidrick & Struggles, Gauri joined the firm in 2000 and over 22 years played a key role in building a significant footprint for the business in India. Working closely at the top with c-suite client teams in India, the region & globally, she partnered them to solve their strategic talent needs, bringing to her clients a deep understanding of the challenges that organisations face today, especially within consumer centric & service industries. Her clients included large global and Indian corporations whom she partnered with during start-up / India entry, growth, and business transformation phases. Throughout her career, CEO succession and Next Generation leadership - with an eye on business and technology trends - has been a focus area. Supporting her clients in driving their digital & diversity agendas has been of special interest and a passion. Gauri currently works with a select group of leaders on advisory and coaching projects. Prior to joining Heidrick & Struggles, Gauri had a leadership role in a major multinational with overall responsibility for customer facing services & operations. Her career also includes general management, consulting and teaching stints.





**Mr. Hideaki Nomura**  
**Non-Executive Director**

Mr. Hideaki Nomura is a Director on the board of the Company and held the position of a Director of the Max Life Insurance Company Limited with effect from June 27, 2012, until December 8, 2020. He is also a Deputy Chairman and Director of BOCOM MSIG Life in China, a Commissioner of MSIG Life Insurance Indonesia, a Special Advisor of Asian Life Insurance Business Department of Mitsui Sumitomo Insurance Co., Ltd in Japan and a Special Advisor of International Business Planning Department of MS&AD Insurance Group Holdings, Inc. He has 38 years of experience in financial industries including insurance, banking, and investment banking.

In his tenure with Mitsui Sumitomo Insurance, Ltd. (“MSI”) for 26 years, he steered and supervised the international life insurance business as a shareholder. He also took a strategic role in helping the company expand into international insurance businesses by analyzing, structuring, and valuating M&A transactions, such as BOCOM Life in China, Sinarmas Life in Indonesia, Hong Leong Assurance in Malaysia, Hong Leong Takaful in Malaysia, Ceylinco Insurance in Sri Lanka, Mingtai Insurance in Taiwan, etc. He was also in charge of establishing new businesses, such as an Annuity Joint Venture with Citigroup (currently Mitsui Sumitomo Primary Life), a defined contribution business and a mutual fund business.

Prior to joining MSI, he spent 12 years in Nippon Credit Bank (currently Aozora Bank) and its investment banking subsidiary in London, where his roles were bond trading, fixed income market analysis, financial derivatives sales, credit analysis and providing loans to corporations.

He holds an MBA from the Graduate School of International Corporate Strategy, Hitotsubashi University, Tokyo, completed his exchange program from Anderson Business School at the University of California, Los Angeles and has a BA in Economics from Keio University, Tokyo.

He is a Chartered Member of the Securities Analysts Association of Japan and a Certified Financial Planner granted by the Japan Association for Financial Planners.



**Mr. Mitsuru Yasuda**  
Non-Executive Director

Mr. Mitsuru Yasuda is a General Manager of Asian Life Insurance Business Dept. of Mitsui Sumitomo Insurance Co. Ltd. ("MSI"). He is also a Director of Hong Leong Assurance and Hong Leong MSIG Takaful, both of which are MSI's Malaysian Investees. He holds a Japanese CPA license and has more than 25 years of experience in the life insurance business, M&A advisory business and audit business.

He joined MSI in 2015 and took on a supervisory role in MSIG Life Insurance Indonesia, MSI's Indonesian subsidiary, until he was appointed as a Director of Max Life Insurance Co. Ltd. on July 24, 2020. His responsibility in MSIG Life included sales channel & product portfolio management, budget & profit management, risk management and so forth.

Prior to joining MSI, Mr. Yasuda spent 12 years with Deloitte in its M&A services function in both Tokyo and New York. During his tenure, he provided accounting and tax advices as well as valuation supports to his clients, including both life and non-life insurance companies. He also spent 4 years with E&Y Tokyo in its audit function before joining Deloitte.



**Mr. K Narasimha Murthy**  
Independent Director

Mr. K Narasimha Murthy having a brilliant Academic record, getting ranks in both CA & ICWA courses, entered the profession of Cost & Management Accountancy in 1983. Presently, he is on the Boards of Raymond Ltd., NELCO (A TATA Enterprise), Axis Finance Ltd., Max Life Pension Fund Management Ltd., Max Healthcare Institute Ltd., Raymond Lifestyle Limited, and Max Financial Services Ltd. Earlier he was associated as a Director on the Boards of National Stock Exchange of India Limited (NSE), Max Life Insurance Company Limited, Oil and Natural Gas Corporation Ltd., (ONGC), IDBI Bank Ltd., LIC Housing Finance Ltd., UTI Bank Ltd., (presently AXIS Bank), Member Board of Supervision NABARD, Unit Trust of India (UTI), Infiniti Retail Limited (TATA Croma), IFCI Ltd., STCI Finance Ltd., (Formerly Securities Trading Corporation of India Ltd.), Max Bupa Health Insurance Ltd., Max Speciality Films Ltd., AP State Finance Corporation, APIDC Ltd., etc., He was also associated as a Member / Chairman of more than 50 High-Level Government Committees both at State & Central Level. He is associated with the development of Cost & Management Information Systems for more than 175 Companies covering more than 50 Industries.

He is also a Member on the Management Accounting Committee of the Institute of Cost & Management Accountants of India.



**Mr. Sahil Vachani**  
Non-Executive Director

Mr Sahil Vachani is the Vice Chairman and the Managing Director of Max Estates Limited. As the driving force behind Max Estates, Sahil aims to revolutionize the Indian real estate landscape by bringing in Max Group's values of Sevabhav, Excellence and Credibility to the sector.

Since its inception in 2016, Max Estates Ltd. has offered exceptional experiences for residential and commercial use, with utmost attention to detail, design and lifestyle under Sahil's leadership. With a future forward vision to enhance quality of life through the spaces created by the organisation, Sahil has introduced the concept of WorkWell and LiveWell in India, which caters to the holistic well-being of the users of Max Estates' premises. This operating philosophy is centred on 9 tenets of holistic wellbeing across physical, emotional, social, and environmental aspects, and serves as a guiding force for the organisation. Under his guidance, the organisation has also successfully partnered with New York Life for strategic collaborations and investment. Sahil has also guided the organisation to foster partnerships with Real Estate Technology players to re-define 'customer experience' and 'operational efficiency', a first in the commercial real estate space.

Sahil's direction has led Max Estates Ltd. to be recognised as the developer of the year by ET Now, in 2020, and has helped the developments achieve several awards across sustainability, ESG, architecture, as well as highly credible ratings from both LEED and IGBC as a recognition of their excellent sustainability efforts. His empathetic governance has been dedicated to continuous commitment to employee wellbeing and safety with a deep respect for human rights, competitive wages, and non-discrimination in hiring. Sahil was also honoured with a feature in BW Disrupt's 40 under 40 publication for his excellent work in the industry. He is also part of YPO - Delhi Chapter.

Under Sahil's guidance, Max Estates has achieved tremendous success, with reputed brands from various sectors choosing Max Estates' commercial developments in a move to quality workspaces, and Max Estates' first residential development witnessing successful pre-launch sales, a true testament to the consumers' belief in Sahil's vision and management.



# STRATEGIC REVIEW

# LETTER TO SHAREHOLDERS



The Indian life insurance sector continues to thrive, driven by economic growth, increasing consumer awareness, and favourable regulatory reforms. Private insurers, in particular, have emerged as key drivers of growth, leveraging digital adoption and strategic partnerships to expand their market presence.

**Analjit Singh**  
Founder & Chairman

Dear Shareholders,

Greetings!

The past year was marked by a complex economic landscape, characterized by distinct trends across advanced, emerging, and developing economies, despite the lingering effects of geopolitical tensions and pandemic-induced disruption. This dynamic backdrop has demanded a strategic approach to navigate the interplay of economic forces and industry developments. India demonstrated strength and resilience, growing in this challenging environment.

The Indian economy exhibited sustained momentum in 2023, boasting a growth rate of 7.8%, and robust private consumption, government-led capex initiatives, and increased credit flow fuelled this growth trajectory. As inflation moderated and GDP growth remained robust, the Reserve Bank of India maintained a prudent stance on monetary policy, ensuring stability and confidence in financial markets. Looking ahead, too, India's growth trajectory appears promising, with the IMF projecting a growth rate of 6.8% for FY25. The government's focus on infrastructure development, coupled with prudent fiscal policies, sets the stage for continued economic expansion. Further, with GDP growth staying robust and inflation easing, the Reserve Bank of India (RBI) maintained its prolonged pause on the policy rate cycle. Retail inflation eased to 5.09% in February 2024, based on the consumer price index (CPI) data. However, the central bank maintained its "withdrawal of accommodation" stance, as retail inflation has yet to reach its 4% target.

The government's continued focus on enhancing social infrastructure through initiatives like the Ujjwala Yojana, PM-Jan Aarogya Yojana, and PM-Jal Jeevan Mission prioritizes universal access to basic amenities, fostering empowerment among previously underserved segments of the population. The service sector's robust growth, driven by digitalization initiatives and the resilience of the agricultural sector further contribute to India's economic resilience.

The Indian life insurance sector continues to thrive, driven by economic growth, increasing consumer awareness, and favourable regulatory reforms. Private insurers, in particular, have emerged as key drivers of growth,

leveraging digital adoption and strategic partnerships to expand their market presence. Initiatives like "Insurance for All by 2047," have made the insurance landscape conducive to fostering inclusivity and enhancing insurance penetration across diverse segments of society.

Looking ahead, India's growth trajectory is expected to continue. According to the IMF, India's economic outlook remains promising, with a projected growth rate of 6.8% for FY25. This growth is fuelled by a combination of private consumption and public investment, particularly in infrastructure development such as airports, roads, and railways. Further, recent signs of an up tick in private investment are encouraging and bode well for the future.

Turning more specifically to your Company, I am delighted to inform you that during this financial year, Max Financial Services Limited (MFSL) shareholders on September 27, 2023, approved the Max Life Insurance Company Limited (Max Life) proposal to raise further capital by way of a preferential issue of equity shares to Axis Bank, for an aggregate investment of up to ₹1,612

**The government's focus on infrastructure development, coupled with prudent fiscal policies, sets the stage for continued economic expansion. Further, with GDP growth staying robust and inflation easing, the Reserve Bank of India (RBI) maintained its prolonged pause on the policy rate cycle.**

\*<https://www.capitalgroup.com/institutional/insights/articles/will-india-breakout-emerging-market.html>

crore in Max Life, at fair market value determined basis DCF methodology. Pursuant to receipt of all regulatory approvals, Axis Bank subscribed to 14,25,79,161 equity shares of Max Life on April 17, 2024. Post which, Axis Entities collectively hold 19.02% of the equity share capital of Max Life and MFSL's shareholding in Max Life reduced to 80.98% of the equity share capital of Max Life effective April 17, 2024. In addition, the Axis Entities would have the right to purchase 0.98% of the equity share capital of Max Life from the MFSL within the time frame which was earlier agreed between the parties. This strategic alliance enhances distribution capabilities, solidifying Max Life's position in the market.

In terms of business performance, MFSL reported consolidated revenues of ₹46,618 crore in FY24, driven by higher investment income, marking a 48% growth. Excluding Investment Income, consolidated revenues grew 16%. The Company reported a consolidated Profit after Tax of ₹393 crore.

During FY24, Max Life total new business premium (individual and group) grew by 23% to ₹11,023 crore and Individual Adjusted First Year Premium grew by 16% to ₹6,961 crore leading to private market share gain by 61 bps to 9.4%. Number of new retail policies grew by 20%. Further, the renewal premium rose 13% to ₹18,506 crore, taking the gross written premium to ₹29,529 crore, an increase of 17% over the previous financial year. Max Life achieved New Business Margin (NBM) of 26.5% in FY24. Value of New Business (VNB) of ₹1,973 crore, grew 1% in FY24. Max Life reported an Embedded Value of ₹19,494 crore, with Operating Return on Embedded Value (RoEV) at 20.2%. Max Life's assets under management (AUM) crossed ₹1.5 lakh crore to ₹1,50,836 Crore as on March 31, 2024, up 23% over the previous year. Max Life's solvency margin at the end of FY24 stood at 172% and post the infusion of ₹1,612 crore capital by Axis Bank into Max life, solvency margin stands at 206%.

Max Life continued to focus on building a strong and diverse workforce to position itself well for a sustainable growth in an evolving market. The agent recruitment efforts saw a significant 54% increase, while employee engagement scores and the gender ratio also improved demonstrably. In January this year, the company was recognised and certified by

**MFSL's shareholding in Max Life reduced to 80.98% of the equity share capital of Max Life effective April 17, 2024. In addition, the Axis Entities would have the right to purchase 0.98% of the equity share capital of Max Life from the MFSL within the timeframe which was earlier agreed between the parties. This strategic alliance enhances distribution capabilities, solidifying Max Life's position in the market.**

Great Places to Work® for its various initiatives that prioritize employee experience and well-being.

Max Life's commitment to prompt settlement of death claims was evident, with over 19,000 death claims worth ₹1254.39 crore settled during FY24, reflecting its dedication to customer-centricity and long-term customer retention strategies. Max Life also achieved its highest-ever Claims Settlement Ratio of 99.65% in FY24. Over the last five years, Max Life's claims paid ratio has risen consistently, from 99.22% in FY20 to 99.65% in FY24, making it the Company's new '*India Ke Bharose Ka Number*'.

Overall, Max Life's strategic collaborations, robust business performance, and focus on employee development and customer satisfaction position them for continued growth and success in the evolving insurance landscape.

India's insurance sector is on a rapid growth trajectory, projected to become the world's sixth largest by 2032. Max Life, with Axis Bank as its co-promoter since FY 2022, is on a new growth trajectory. Leveraging the strengths of the third-largest private

bank in India, Max Life's strategy is focused on sustainable and profitable growth, margin-boosting product innovation, customer-centricity, digitization, and human capital development.

Both MFSL and Max Life are committed to ensuring financial security by transitioning business processes to digital platforms, aligning with the industry's shift towards digital adoption driven by consumer preference for online engagement. Our management will carefully assess the market landscape, analysing opportunities to redefine our growth ambitions for sustained and profitable expansion.

We extend our sincere gratitude to each one of you for your steadfast belief in our company and its vision. Our appreciation extends to all members of

the Max Life Group, our esteemed business partners, investors, and government agencies. We value the active collaboration and support we receive from each of you.

And finally, our gratitude to Axis Bank, our JV and Bancassurance partners; Mitsui Sumitomo, New York Life and other investors who have supported us through and through. Together, we will continue to unlock the full potential of life insurance for a more secure future for all.

Very best wishes,  
God Bless.

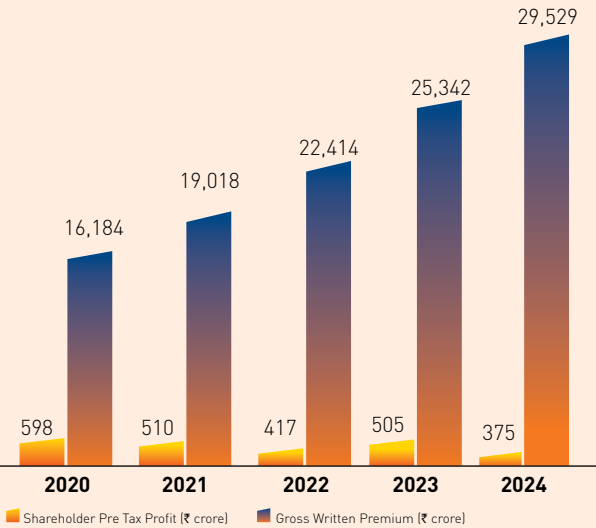
**Analjit Singh**





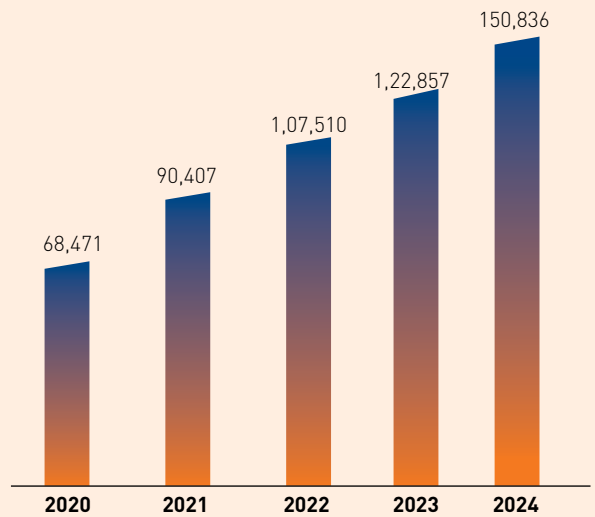
# BUSINESS REVIEW

## SHAREHOLDER PRE TAX PROFIT AND GROSS WRITTEN PREMIUM



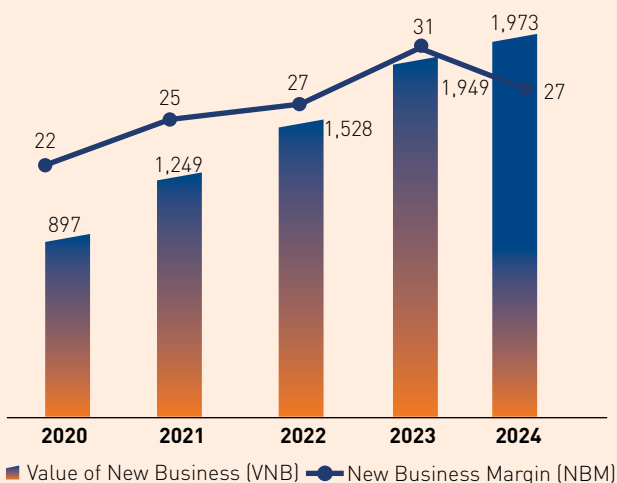
**Strong premium growth FY 2024: 29529 crore**  
**Shareholder Profits Before Tax in FY 2024: 375 crore**

## ASSETS UNDER MANAGEMENT (₹ crore)



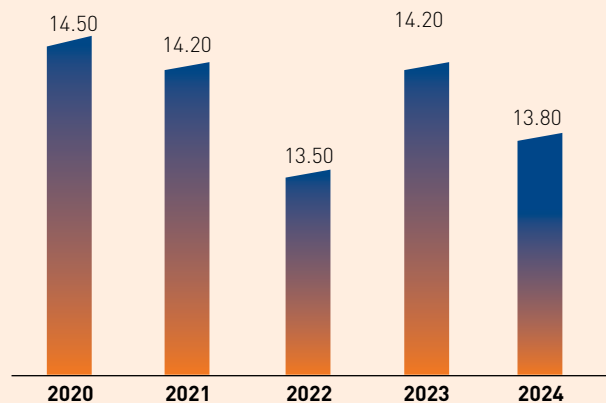
**AUM crossed ₹1.50 lakh crore mark in FY 2024**

## VALUE OF NEW BUSINESS (VNB) (₹ crore) AND NEW BUSINESS MARGIN (NBM) (%)



**Continuous improvement in margins owing to calibrated approach on product and distribution mix (except 2024)**

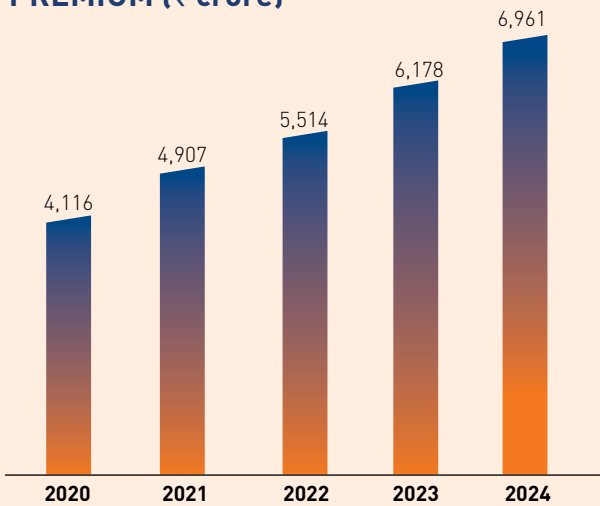
## OPERATING EXPENDITURE RATIO (OPEX/GROSS PREMIUM)



**Sustained improvement in Opex ratio backed by structural cost optimization initiatives**

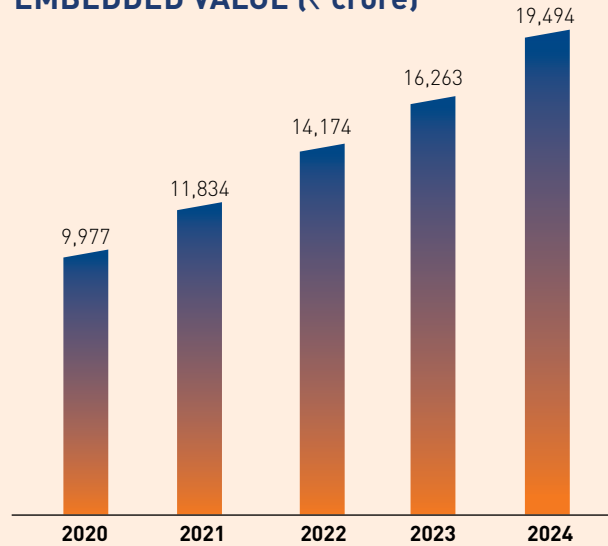
# BUSINESS REVIEW

## INDIVIDUAL ADJUSTED FIRST YEAR PREMIUM (₹ crore)



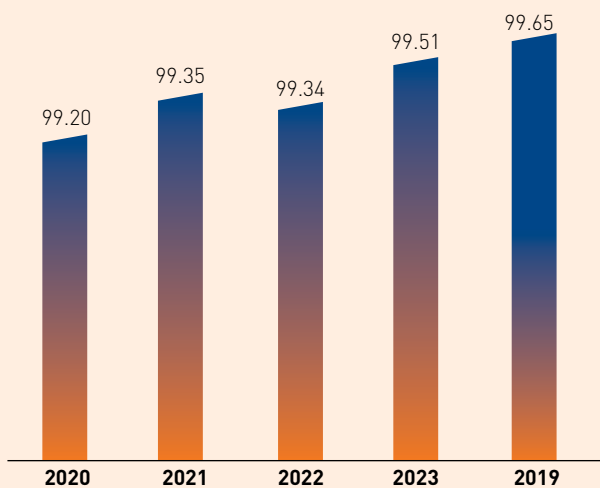
Stable growth in New Business Premium backed by robust performance across channels

## EMBEDDED VALUE (₹ crore)



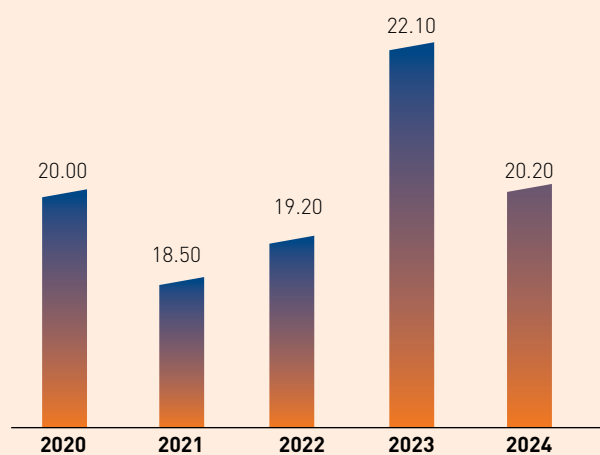
Strong growth in Embedded Value

## CLAIMS PAID RATIO (%)




Max Life continued to lead in the Claims Paid Ratio in life insurance industry

## OPERATING ROEV (%)



RoEV continues to be in a healthy range



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# **MANAGEMENT DISCUSSION & ANALYSIS**

# MANAGEMENT DISCUSSION & ANALYSIS

## INDIAN ECONOMIC OUTLOOK

In early 2023, the global economy grappled with significant challenges, including supply-chain disruptions following the pandemic and the lingering effects of geopolitical tensions, notably the Russia-Ukraine conflict. These tensions contributed to energy and food crises and growing inflationary pressures. However, by mid-2023, there was a gradual shift as inflation rates began to decrease, providing relief from economic pressures. This moderation in inflation, alongside synchronised monetary policy tightening by central banks worldwide, helped restore confidence in financial markets. Although this tightening initially raised concerns about its potential impact on economic growth, the measured approach adopted by central banks helped prevent any major shocks. As a result, the global economy avoided recession and maintained stability with an estimated GDP growth of 3.2% in 2023 and is expected to maintain the same growth rate in 2024 and 2025, according to IMF world economic outlook.

Regionally, the global economy exhibits a diverse landscape, with distinct trends observed across advanced economies, emerging markets and developing economies. In advanced economies, such as the United States and the euro area, recovery paths differ. The US economy has not only rebounded from the pandemic but has also surpassed pre-pandemic levels, registering a GDP growth of 2.5% in 2023. This growth is underpinned by robust domestic demand supported by fiscal stimulus measures. Conversely, the euro area faces challenges in achieving significant growth due to tight monetary policies and lingering energy costs. In contrast, emerging markets and developing economies showcase resilience, benefiting from shifts in global supply chains and trade tensions. The IMF projects these economies to grow by 4.3% in 2023, outpacing their advanced counterparts.

Amidst these global dynamics, India stands as one of the bright spots. The Indian economy demonstrated sustained momentum, growing at 7.8%, in 2023, driven by robust private consumption, the government's continued capex push and an overall positive sentiment. Further, strong corporate profitability and healthier balance sheet

of banks and NBFCs led to a sustained credit flow across many sectors of the economy, which was further boosted by a pickup in private investments.

Further, with GDP growth staying robust and inflation easing, the Reserve Bank of India (RBI) maintained its prolonged pause on policy rate cycle. Retail inflation eased to 5.09% in February 2024, based on the consumer price index (CPI) data. However, the central bank maintained its "withdrawal of accommodation" stance, as retail inflation has yet to reach its 4% target.

India's external sector remained robust with merchandise and services exports maintaining strong performance in FY24. Merchandise exports, although experiencing a moderation in growth compared to the previous fiscal year, remained robust, with a notable increase. In FY23, merchandise exports reached a record high of USD 451.1 billion, marking a significant milestone in India's export history. However, in FY24, the pace of growth moderated due to weaker global demand, yet it remained substantial.

**By mid-2023, there was a gradual shift as inflation rates began to decrease, providing relief from economic pressures. This moderation in inflation, alongside synchronised monetary policy tightening by central banks worldwide, helped restore confidence in financial markets. Although this tightening initially raised concerns about its potential impact on economic growth, the measured approach adopted by central banks helped prevent any major shocks.**

Looking forward, India remains committed to enhancing export promotion measures and production capacity to achieve its ambitious export target of USD 2 trillion by 2030. Foreign investment inflows stayed strong, with India attracting significant foreign portfolio investments and maintaining its position as a preferred Foreign Direct Investment (FDI) destination. The stable macroeconomic factors, positive global perception and stable currency contribute to India's attractiveness for investors.

The government's continued focus on enhancing social infrastructure through initiatives like the Ujjwala Yojana, PM-Jan Aarogya Yojana and PM-Jal Jeevan Mission prioritizes universal access to basic amenities, fostering empowerment among previously underserved segments of the population. Moreover, rising youth employment trends and women's workforce empowerment indicate a shift towards inclusive development in India. The service sector's robust growth, driven by digitalization initiatives and the resilience of the agricultural sector further contribute to India's economic resilience.

However, FY24 also brought forth challenges and emerging trends that demand strategic responses. Evolving globalization trends, changing trade dynamics and the rise of Artificial Intelligence (AI) present both opportunities and risks for India's economic growth. Balancing energy needs for economic growth while transitioning to cleaner energy sources poses a complex challenge, requiring careful policy considerations. Additionally, addressing gaps in the skills, education and health ecosystem is crucial for enhancing economic productivity and ensuring inclusive growth.

Looking ahead, India's growth trajectory is expected to continue. According to IMF, India's economic outlook remains promising, with a projected growth rate of 6.8% for FY25. This growth is fuelled by a combination of private consumption and public investment, particularly in infrastructure development such as airports, roads, and railways. While public investment has been a key driver of growth, there's been a concern about its impact on crowding in private investment. However, recent signs of an up tick in private investment are encouraging and bode well for the future.

On the consumption front, the decline in inflation, currently around 4.7%, is expected to provide a boost to consumption as it nears the mid-target of 4%. As inflation continues to moderate, it is anticipated to further support consumption growth in the coming periods. Heading into the general elections, the Union government stayed away

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from announcing big bang reforms while maintaining fiscal discipline, which should keep the fiscal deficit on track to its long-term target while providing head room for the new government to calibrate budgetary allocation to continue driving growth aligned with India's aspirations to become a developed nation by 2047.

However, there are risks to this optimistic outlook, both in the short term and the medium term. Short-term risks include volatile global commodity prices, especially oil, which could significantly impact India due to its large oil imports. Additionally, food price shocks and weather-related disruptions pose immediate risks to economic prospects. Looking further ahead, risks from geopolitical tensions and trade frictions could affect India's growth trajectory.

To address the challenges posed by India's young and growing population, investment in education and healthcare is paramount. With 15 million people being added to the labour force annually, ensuring they have the necessary skills and capabilities to compete in a rapidly evolving job market, including competition from artificial intelligence, is essential. Therefore, prioritising investments in education and healthcare is crucial to harnessing the potential of India's demographic dividend and securing sustainable economic growth in the long term.

## LIFE INSURANCE INDUSTRY OVERVIEW

Economic growth, an expanding middle class, and a favourable regulatory environment are driving the insurance market growth in India, outpacing that of G20 nations. Furthermore, growing consumer awareness about life insurance, especially pure protection products, coupled with a young population and increasing digital adoption, are expected to significantly improve the relatively low life insurance penetration rate.

In FY24, the life insurance sector exhibited steady growth, underlining its robustness and adaptability in navigating a dynamic market landscape. Anticipated to grow by 9-12%, the New Business Premium (NBP) for the industry is poised to reach approximately ₹4.06-4.14 trillion. Besides being a year of growth, FY24 marked a significant milestone for the Indian insurance sector with IRDAI embarking on a mission to achieve "Insurance for All by 2047."

Under the visionary "Vision 2047," announced in 2022, IRDAI has been actively working towards enhancing insurance penetration and ensuring the availability, accessibility, and affordability of insurance for all citizens and businesses. The groundwork includes regulatory reforms aimed at rationalising the regulatory framework and reducing compliance burdens for regulated entities.

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Additionally, initiatives like the State Insurance Plan (SIP) have been introduced to increase insurance penetration across various parts of the country. The SIP is a collaborative effort involving the entire insurance industry to deepen insurance penetration. Each State/UT has been assigned to various insurers, with designated Lead Insurers responsible for developing state-specific strategies. These strategies aim to address insurance coverage gaps and enhance resilience against natural disasters, thereby providing a social safety net to the underserved population.

Moreover, IRDAI has initiated projects like the "Trinity of Bima Sugam, Bima Vahak, and Bima Vistaar" to further expand insurance coverage. Bima Sugam, an electronic/digital insurance marketplace, aims to provide end-to-end solutions for policyholders and facilitate seamless interactions between insurers, intermediaries, and customers. This initiative aligns with the broader vision of "Insurance for All by 2047" and showcases India's commitment to achieving universal insurance coverage.

### Private Insurers Driving Growth

Private insurers emerged as key drivers of growth, with a resilient NBP growth of 12.11% in FY2024. Their significant contribution to the sector's expansion underscores their agility and responsiveness to market conditions. However, the sector witnessed a decline in LIC's NBP due to challenges in the group business segment, highlighting the need for strategic adjustments.

### Growth Drivers

- ▶ Private insurers are projected to sustain strong growth momentum, with individual NBP estimated to grow by 13-15%, outpacing industry averages.
- ▶ The forecasted increase in Gross Premium Written (GPW) to ₹9.33-9.55 trillion by FY 2025 signals a positive trajectory, with private insurers expected to capture approximately 40% of the market share.
- ▶ Growth in the Annualised Premium Equivalent (APE) segment is anticipated to drive Value of New Business (VNB) and Embedded Value (EV) growth, supported by strategic product mix adjustments and margin enhancements.

### OUTLOOK

Looking ahead, the life insurance sector remains poised for robust expansion, driven by a convergence of factors including increasing consumer awareness, expanding middle class, and a conducive regulatory environment.

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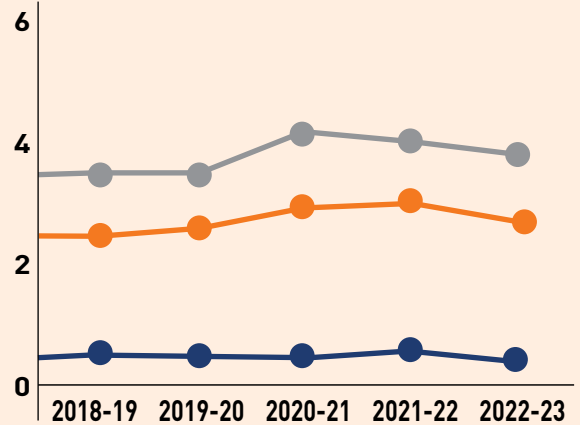
By 2032, the life insurance sector is poised to achieve a remarkable 9% annual growth in real terms, positioning India as a formidable contender in the global life insurance market. Private insurers are expected to spearhead this growth trajectory, leveraging regulatory reforms and strategic initiatives. Collaborative efforts between insurers, regulators and state governments such as the State Insurance Plan and stakeholder engagement forums, are expected to further drive penetration and inclusivity within the sector. Additionally, regulatory enhancements and the adoption of technology signify a commitment to efficiency, innovation, and customer-centricity, ensuring the industry's sustained growth and relevance in India's evolving economic landscape.

**INSURANCE PENETRATION AND DENSITY**

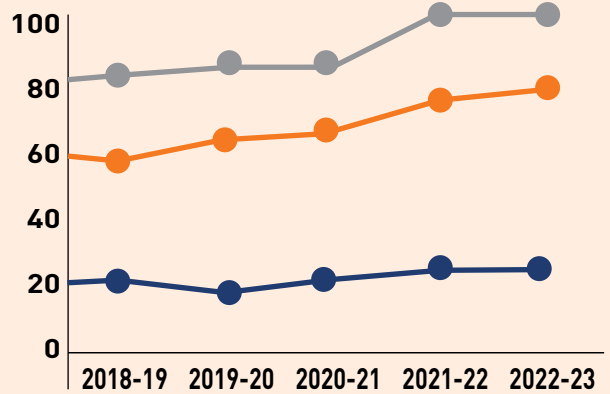
According to the Swiss Re Sigma Report, the penetration of the Life Insurance sector in India decreased from 3.2% in 2021-22 to 3% in 2022-23, while the Non-Life Insurance sector remained constant at 1% during these years. Consequently, India's overall insurance penetration decreased to 4% in 2022-23 from the previous level of 4.2% in 2021-22.

On the other hand, insurance density in India increased from USD 91 to USD 92 in 2022-23, with life insurance density rising from USD 69 to USD 70, while non-life insurance density remained stable.

**TREND IN INSURANCE PENETRATION IN INDIA**



**INSURANCE DENSITY IN INDIA**



(Source: Swiss re, Sigma various issues)

**STATE OF AFFAIRS OF LIFE INSURANCE INDUSTRY**

The life insurance sector in India continues to exhibit robust growth, with consistent premium expansion observed over the years. In the fiscal year 2022-23, the industry recorded a noteworthy premium income of ₹7.83 lakh crore, marking a substantial growth rate of 12.98%. This growth was predominantly driven by the private sector life insurers, which achieved a remarkable growth rate of 16.34%, surpassing their public sector counterparts who recorded a growth rate of 10.90% in premium income.

Renewal premium remains the primary contributor to the total premium underwritten by life insurers, constituting 52.56% of the total, while new business premium accounts for the remaining 47.44%. Notably, the growth in new business premium outpaced that of renewal business, with a growth rate of 17.90% compared



to 8.88% for renewal premium. Single premium products continue to hold significant importance, particularly for public sector insurers, contributing 40.65% of their total premium, whereas for private insurers, the contribution stands at 22.20%.

Despite the overall growth, there were variations in the issuance of new policies. In 2022-23, life insurers issued a total of 284.70 lakh new policies under individual business. The public sector insurer issued the majority of these policies, accounting for 71.75%, while private life insurers issued the remaining 28.25%. However, it's noteworthy that while private insurers registered a growth of 8.76% in the issuance of new policies, the public sector insurer experienced a de-growth of 5.94%, and the industry, as a whole, witnessed a de-growth of 2.21% compared to the previous year. These fluctuations reflect the evolving dynamics and competitive landscape within the life insurance sector.

### CORPORATE DEVELOPMENTS

Max Financial Services Limited (MFSL), a part of the \$5 billion Max Group, continues to serve as the holding company for Max Life Insurance Company Limited (Max Life), maintaining an 80.98% majority stake in Max Life. Notably, during FY24, the collaboration with Axis Bank Limited, alongside its subsidiaries Axis Capital Limited and Axis Securities Limited (Axis Entities), as co-promoters of Max Life, continued to fortify. This alliance, initiated on April 6, 2021, after the acquisition of a 12% stake by Axis Entities in Max Life till March 31, 2022, has further solidified. Subsequent to the execution of revised agreements on January 9, 2023, Axis Entities obtained the right to purchase the remaining 7% equity stake of Max Life from MFSL at Fair Market Value using Discounted Cash Flows, as guided by the Insurance Regulatory and Development Authority of India (IRDAI). This strategic alignment enhances distribution certainty and cements Max Life's position in the market, fostering a mutually beneficial relationship with Axis Bank.

On August 9, 2023, MFSL Board took note of Max Life's proposal to raise further capital by way of a preferential issue of equity shares to Axis Bank, for an aggregate investment of up to ₹1,612 crore in Max Life, at fair market value determined basis DCF methodology (Proposed capital infusion). This revision from secondary sale of transfer of shares to primary issuance of MLIC shares to Axis Bank has been done consequent to the Max Life funding requirements.

In this regard, the shareholders of the Company approved the transaction on September 27, 2023. Max Life has received approval from IRDAI vide its letter dated February 6, 2024 for the capital infusion. Axis Bank has received approval from Competition Commission of India (CCI) vide its letter dated April 2, 2024 for the capital infusion. Pursuant to receipt of all regulatory approvals, Axis Bank had subscribed to 6.002% of the equity share capital of MLIC on April 17, 2024. On completion of the capital infusion, Axis Entities collectively hold 19.02% of the equity share capital of Max Life and the Company's shareholding in Max Life stood reduced to 80.98% of the equity share capital of Max Life effective April 17, 2024.

### BUSINESS PERFORMANCE

During FY24, MFSL reported consolidated revenues of ₹46,618 crore, which grew by 48%, due to higher investment income. Excluding Investment Income, consolidated revenues grew 16%. The Company reported a consolidated Profit after Tax of ₹393 crore, which is lower by 13% compared to the previous year due to shift in product mix.

In FY24, Max Life demonstrated strong performance with an individual business growth of 16% against the private industry growth of 8% among private insurers

**Max Financial Services Limited (MFSL), a part of the \$5 billion Max Group, continues to serve as the holding company for Max Life Insurance Company Limited (Max Life), maintaining an 80.98% majority stake in Max Life. Notably, during FY24, the collaboration with Axis Bank Limited, alongside its subsidiaries Axis Capital Limited and Axis Securities Limited (Axis Entities), as co-promoters of Max Life, continued to fortify.**

positioning it as the fastest-growing listed player and 2nd fastest among the top 10 private life insurers. Total new business premium experienced a healthy growth of 23%, continuing the upward trajectory from the previous fiscal year. Similarly, renewal premium income, including group premiums, saw a growth of 13%, contributing to the overall rise in gross written premium, which reached ₹29,529 crore, year-on-year growth of 17%.

Furthermore, Max Life continued to generate sustained profitability. The post-tax shareholders' profit for FY24 stood at ₹360 crore, which underscores its ability to generate value for its stakeholders.

Additionally, Max Life continued to reinforce its capital base to support its growth initiatives and ensure long-term sustainability. The total sum assured (individual and group) witnessed a significant increase of 59% from ₹31.1 lakh crore in FY23 to ₹49.8 lakh crore in FY24, demonstrating the growing confidence of customers in Max Life's insurance products and your Company's ability to meet their protection needs.

Meanwhile, Max Life demonstrated robust performance during FY24, building upon the foundation laid in FY23. Total new business premium, comprising First Year Premium and Single Premium, witnessed a 19% growth, reaching ₹7,433 crore. Adjusted individual first-year premium witnessed a 16% growth, amounting to ₹6,961 crore. Additionally, renewal premium income, including group premiums, surged by 13% to ₹18,506 crore, driving gross written premium to ₹29,529 crore, a significant 17% increase over the preceding financial year. Notably, Max Life achieved a post-tax shareholders' profit of ₹360 crore in FY24, 17% lower than the previous financial year. Furthermore, the net worth increased from ₹3,547 crore in FY23 to ₹3,998 crore in FY24, marking a notable 13% growth.

The performance of proprietary channels remained robust, with a staggering 28% increase in new business premium to ₹2,957 crore. This growth was driven by a balanced performance across all channels, including online (e-commerce), agency, and direct selling teams. The contribution of proprietary channels to individual sales surged from 37% in FY23 to 50% in FY24. Max Life further bolstered its retirement offering by introducing the regular pay annuity variant, resulting in a 59% growth in annuity sales in FY24 on an APE basis. Additionally, Max Life's assets under management (AUM) reached ₹1,50,836 crore as of March 31, 2024, reflecting a notable 23% increase over the previous year. Max Life Solvency

**Total new business premium experienced a healthy growth of 23%, continuing the upward trajectory from the previous fiscal year. Similarly, renewal premium income, including group premiums, saw a growth of 13%, contributing to the overall rise in gross written premium, which reached ₹29,529 crore, year-on-year growth of 17%.**

Margin as of March 24 at 172% with the capital infusion of ₹1,612 crore by Axis Bank into Max life, solvency margin stands at 206% as of Apr'24.

In terms of profitability metrics, Max Life achieved New Business Margin (NBM) of 26.5% in FY24. The Value of New Business (VNB) witnessed a remarkable 1% growth, reaching ₹1,973 crore in FY24. Furthermore, Max Life reported an Embedded Value of ₹19,494 crore, while the Operating Return on Embedded Value (RoEV) at 20.2% year-on-year.

Moreover, Max Life expanded its bancassurance partnerships and broker relationships, fostering growth and enhancing distribution reach. Max Life Pension fund management (PFM) AUM grew by 300% to ₹576 crore as of March 31, 2024, further strong growth in number of subscribers by 6.6x over FY23 to 19,602

Max Life's excellence in business practices, customer service, and focus on people continued to be recognized by various Indian and foreign business bodies, reinforcing its position as a leader in the insurance industry.

## HUMAN RESOURCES

Max Life's steadfast commitment to prioritizing our people has been pivotal in propelling our business growth. This commitment has translated into a remarkable 54%

increase in our workforce, with over 11,000 new hires year-to-date, representing a 33% surge in Q1 compared to the previous year. This dedication extends to fostering early success and retention within our workforce, exemplified by initiatives like the 'Low Cost Graduate AI Team Model,' which has successfully inducted its third batch.

In our pursuit to accelerate learning and development across the organization, Max Life achieved significant milestones. Over 2300 supervisors were covered through various Management Development Programs (MDPs), enhancing their leadership capabilities. To bolster continuous learning, we introduced 40 hours of dedicated learning opportunities, empowering our workforce to acquire new skills and knowledge. Furthermore, our partnership with the Great Manager Institute has strengthened supervisory capabilities, ensuring effective leadership at all levels. We've also launched "The People Manager Program," specifically tailored for first-time managers, to equip them with essential managerial skills. Embracing digital learning, we've introduced LinkedIn Learning, providing our employees with access to a vast repository of courses to support their professional growth journey.

Max Life's ongoing efforts to strengthen our culture and enhance employee experience have yielded significant progress in FY24. We achieved an improvement of 110 basis points in our gender ratio, demonstrating our commitment to diversity and inclusion. Sustaining an impressive Employee Engagement Score at the 90th percentile underscores our dedication to fostering a thriving workplace environment. We've intensified connections among employees through initiatives like "Own Your Zone," "Chai pe Charcha," and "Jugal Bandi," promoting collaboration and camaraderie across teams. Prioritizing employee well-being, we've forged corporate tie-ups and conducted wellness sessions, resulting in over 90% adoption of the "Visit Health" program. Max Life Insurance was also recognized as one of the top 13 best firms in India for Data Scientists to work for by Analytics India Magazine, a testament to our commitment to fostering a conducive environment for talent. To celebrate our vibrant culture, we organized Culture Week, further strengthening our bonds and sense of belonging within the organization. Sessions with the complete employee base working in branch and head offices were conducted by the senior leadership team imparting knowledge about our progressive workplace policies and the legacy of Max Life's rich organization culture.

**To bolster continuous learning, we introduced 40 hours of dedicated learning opportunities, empowering our workforce to acquire new skills and knowledge. Furthermore, our partnership with the Great Manager Institute has strengthened supervisory capabilities, ensuring effective leadership at all levels.**

#### SETTLEMENT OF CLAIMS

Prompt settlement of death claims is the most important promise a life insurer makes while selling a life insurance policy. A timely and hassle-free claim settlement is the most important moment of truth for the life insured and life insurer relationship. We endeavour to keep promises and keep dreams alive at the time of the customer's utmost need by paying death claims within one day for eligible policies.

Max Life has paid in-total 19,569 death claims worth ₹1254.39 crore during FY 2023-24. Since inception, Max Life Insurance has paid ₹8,679 crore towards death claim on 202830 policies. With the InstaClaim™ initiative for our vintage policyholders (i.e., policies that have been in force for at least 3 continuous years with us), your Company endeavours to provide death claim payment within one day. Currently, 48% of claims are settled in a day and this number is expected to increase materially in line with our customer obsession to be there when needed.

Long-term customer retention is of critical importance in creating a win-win for customers, distributors, and your Company. Ongoing improvements in our structural solutions and services to improve persistence are one of the key focus areas for your Company. In FY24, the 13th-month persistency of Max Life Insurance was at 86.6%

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(Premium) and the 61st-month persistency stood at 58.3% (Cumulative, Premium).

In FY24, your Company also tracked performance on customer engagement and satisfaction through Net Promoter Score (NPS) across key customer touchpoints and at the overall Company relationship level, reflecting the difference between promoters and detractors of a Company. By doing so, your Company has generated greater insights into what delights or detracts customers and recommended our solutions and further implemented corrective actions to ensure that we meet our customers' expectations. During FY24, your Company witnessed an improvement of 4 points in the NPS scores to 56 from 52 in FY23. Further, our transactional NPS reflecting the satisfaction of our customers at key touchpoints increased from 69 in FY23 to 74 in FY24, another reflection of your company's obsession to better serve our customers.

### **FUTURE OUTLOOK**

India's insurance sector is undergoing rapid expansion and is poised to become the world's sixth-largest by 2032. Total premiums in nominal local currency are projected to surge by an average of 14% annually over the next decade, with a real-term growth rate of 9% per year. The life insurance segment is expected to see 9% annual growth (in real terms) by 2032, positioning India as the fifth-largest life insurance market globally. The pandemic has heightened awareness of the necessity for life insurance, leading to increased demand. Moreover, regulatory advancements and the adoption of digital

technologies are forecasted to propel the growth of the insurance sector in India. These initiatives, coupled with the raised FDI limit for insurance companies, are anticipated to facilitate an augmented flow of long-term capital, global technology, processes, and international best practices, thus bolstering India's insurance sector growth.

Max Life has devised a three-year strategy and conducts regular reviews of its progress. With Axis Bank joining as a co-promoter in FY 2022, Max Life's management has embarked on a new growth trajectory, leveraging the strengths of the third-largest private bank in India and the fourth-largest private life insurer. Through an extensive analysis of the market landscape and opportunities, the management team aims to redefine growth objectives and enhance the strategic framework to achieve consistent and profitable growth. As part of the three-year business plan for FY24-26, Max Life has refined its comprehensive strategic framework around five key pillars: Sustainable and Profitable Growth, Margin-boosting Product Innovation, Customer-Centricity, Digitization, and Human Capital Development.

Both MFSL and Max Life are dedicated to ensuring the financial security of the broader community by leading with agility and transitioning business processes to digital platforms to swiftly deliver life insurance solutions and services to customers. The industry's shift towards digital adoption is being driven by consumer receptiveness, demonstrating their preference for engaging through online channels.



# CEO LETTER TO SHAREHOLDERS

Over the years, we have built *Bharosa* with our stakeholders, emphasising our core value of trust and our commitment to providing products and services that empower individuals to secure a brighter future for their loved ones.

Mr. Prashant Tripathy  
Managing Director & CEO



## Dear Shareholders,

FY24 was a transformative year for Max Life, characterised by significant progress across various fronts. As we navigated the global economic landscape, India emerged as one of the fastest-growing economies, undergoing a significant demographic and economic transition. This transition has facilitated a positive flow towards financial assets, bolstering the life insurance industry. Regulatory reforms, including the visionary goal of "Insurance for All by 2047," have streamlined business operations with updated norms for use and file, commission guidelines, and expanded avenues for capital growth and rural expansion. Despite these advancements, India faces a substantial protection gap and low insurance penetration levels, presenting ample opportunities to secure the financial future of millions of citizens.

Over the years, we have built *Bharosa* with our stakeholders, emphasising our core value of trust and our commitment to providing products and services that empower individuals to secure a brighter future for their loved ones. As India's insurance landscape evolves, we are committed to bridging the protection gap and delivering value-driven solutions. Our strategic initiatives in FY24 not only strengthened our market position, but also contributed to our overarching goal of becoming the most admired life insurance company in the country.

### DELIVERING CONSISTENT PERFORMANCE

Over the past five years, we have witnessed robust growth with a focus on long-term value creation for our stakeholders. In FY24, our full-year individual adjusted first-year premium sales saw a robust growth of 16%, surpassing the private sector's growth rate of 8% by 2 times and the total industry growth rate of 5% by more than 3 times, resulting in a market share increase of 61 basis points. Our Individual New Business has achieved a 5-year CAGR of 12%, outpacing the total life insurance industry's 10% CAGR. Our proprietary channels grew at a 5-year APE CAGR of 21% and 9% 5-year APE CAGR in bancassurance channels. Our Assets Under Management (AUM) have surged to ₹1.5 lakh crore, reflecting a robust 19% CAGR over the last five years. In this year, we have maintained a consistent leadership position in the online protection segment. Our retail Protection APE has tripled in the last five years, underscoring our strong market

presence. Furthermore, our Value of New Business (VNB) has grown at an 18% CAGR in 5 years, with new business margins expanding from 21.7% in FY19 to 26.5% in FY24. This strong performance highlights our strategic focus on sustainable growth and value creation for our stakeholders.

One of the key milestones we achieved was the approval by the Insurance Regulatory and Development Authority of India (IRDAI) for Axis Bank's fund infusion of ₹1,612 crore into Max Life which took the Bank's holding in Max Life upto 19.02%. This significant investment marks the beginning of an exciting new chapter for us, strengthening our partnership with Axis Bank and accelerating our growth trajectory. Together, we are committed to building the most admired life insurance company in the country. With this infusion, we are poised to enhance innovation, deliver superior value to our customers, and set new industry standards.

### OPTIMAL PRODUCT MIX DRIVING MARGIN

Our best-in-class margin outcome is deeply rooted in our strategy of sales growth and a comprehensive

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suite of products with a focus on longer-term offerings and improving penetration in pure protection and health segments. In FY24, our total protection and health Annualized Premium Equivalent (APE) saw a 50% year-over-year increase, reaching ₹10.6 billion from ₹7.1 billion in FY23. Our retail protection and health segments grew by 63%, Group Term Life by 25%, and Group Credit Life (GCL) by 62%. This fiscal, our focus on retirement planning has led to a 59% growth in our annuity business.

Max Life has long been a market leader in protection, driven by superior claims experience, expedited underwriting processes, and innovative product development, all backed by strategic pricing. Our approach to preserving and enhancing margins includes adding more GCL policies, growing our agency force, and optimizing our product mix across various channels.

The strategic increase in rider attachments to our protection products which grew by 52% on a Y-o-Y basis for FY24 has been particularly effective. By leveraging digital tools, we've enabled seamless touchpoints for rider purchases and created augmented value through wellness combos. We are also exploring and launching Rider Suites tailored to customer demographics and life stage needs, contributing to our margin optimization.

To further solidify our market leadership, we are enhancing underwriting and onboarding capabilities, strengthening claims diligence through technology and superior process control, and aligning strategically with reinsurance partners. Our product innovation and strategic pricing are driving significant shifts towards under-penetrated customer segments, positioning us for sustained growth and margin enhancement.

### **CONTINUED EXCELLENCE IN POLICY RETENTION AND BRAND CONSIDERATION**

Max Life continues to lead the industry with a top-ranking performance in policy persistency and brand consideration. We proudly maintain the #1 position in the number of policies for 13<sup>th</sup>-month persistency, with a record-high rate of 87%, reflecting a 300-basis point improvement. Our 61<sup>st</sup>-month persistency stands strong at 58% as of March 2024, and we hold the #2 position for both 25<sup>th</sup>-month and 61<sup>st</sup>-month persistency, showcasing our commitment to long-term customer retention.

Our dedication to enhancing customer satisfaction is further demonstrated by a 20-point improvement in grievance incidents in FY'24, underscoring the growing

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trust our policyholders place in Max Life. Additionally, our consistently increasing brand consideration scores that improved by 6% in FY24 over FY23 position us among the top brands in the sector, reflecting our commitment to building lasting relationships beyond mere transactions.

Further, our exceptional claims paid experience ratio of 99.65% in FY24 further reinforces our commitment to our customers, highlighting our focus on delivering high-quality service and maintaining our leadership position in the industry.

### **ADVANCING OUR STRATEGY FOR SUSTAINABLE GROWTH AND INDUSTRY LEADERSHIP**

As we embark on the next phase of growth, our strategic focus revolves around five key pillars: achieving predictable and sustainable growth, pioneering product innovations, enhancing customer centricity, leveraging digital transformation, and reinforcing our commitment to ESG principles. These pillars are pivotal in advancing Max Life's leadership in the insurance sector, driving innovation, and ensuring sustained value creation while prioritising customer excellence.

### **ACHIEVING PREDICTABLE AND SUSTAINABLE GROWTH**

As we aspire to be the fastest-growing profitable proprietary distribution network, we are working towards achieving leadership in online acquisition,

pursuing inorganic expansion, and deepening our bancassurance partnerships.

In FY24, we made significant progress in expanding our proprietary channels with a robust APE growth of 28%, driven by secular growth of 24% on a normalised basis in Agency, 79% in E-commerce, and 55% in Direct Sales Force. We continued to lead in online protection and secured the second position in the online savings business.

Additionally, we successfully on-boarded over 40 new partners, including one bank, six corporate agents, 14 online and offline brokers, and 20 Group Credit Life relationships (GCL).

### **PIONEERING PRODUCT INNOVATION TO DRIVE MARGINS**

Our commitment to product innovation is key to driving margins and achieving our aspirations. We aim to be the leader in Protection and Health & Wellness propositions, Retirement solutions, and non-par savings, while also enhancing investment and mortality risk management. In FY24, we made substantial progress. We implemented 37 product interventions, which contributed 45% of our new business. Additionally, we achieved the third rank in individual sum assured for FY24 and introduced the industry's first small-cap New Fund Offer (NFO) tied to the NIFTY 250 Quality 50 Index. These achievements

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reflect our strategic focus and dedication to providing innovative and comprehensive solutions to our customers, positioning us strongly for continued growth and leadership in the market.

### **ENHANCING CUSTOMER CENTRICITY ACROSS THE VALUE CHAIN**

Customer-centricity is at the heart of everything we do, guiding our efforts across the value chain. Our aspirations include improving our position in the 13-month (13M) and 61-month (61M) persistency rankings and achieving the highest Relationship Net Promoter Score (RNPS) in the industry. In FY24, we achieved remarkable progress. We boasted an industry-leading claim paid ratio of 99.65% at the end of the fiscal year. We maintained our leadership position in 13M-based NOP Persistency and ranked second in customer experience, according to a study conducted by Hansa Research. These accomplishments underscore our strong commitment to customer satisfaction and excellence, positioning us strongly for continued growth and leadership in the market.

### **LEVERAGING DIGITISATION FOR EFFICIENCY AND INTELLIGENCE**

With increasing digital adoption in a data-driven world, we prioritized advancing our digitisation agenda and integrating artificial intelligence (AI) into all digital assets. In FY24, we made significant strides in this direction. We are driving a robust digital transformation to enhance customer experiences and operational efficiency. This strategic focus on digitalisation enabled us to issue over 7 lakh policies digitally, ensuring seamless onboarding and service delivery. It has also enabled us to deploy stringent medical and financial underwriting controls with AI-based models, Credit Bureau enablement and Insurance Information Bureau database arrangement leading to 81% automated retail underwriting. This reflects our commitment to leveraging technology to deliver tailored solutions and superior service, positioning us at the forefront of innovation in the insurance industry.

### **ADVANCING OUR ESG COMMITMENTS**

We have made significant progress towards our ESG commitments to drive sustainability and inclusivity. On the sustainability front, we have achieved 89% digital penetration and on energy conservation front,



**The Smart Wealth Advantage Guarantee Plan (SWAG) product was honoured as 'Product of the Year 2023' in the Life Insurance Guaranteed Savings Plan category. Additionally, we made history as the first Indian firm to receive the Celent Global Model Insurer award, underscoring our global leadership in insurance innovation.**

we have implemented energy efficient appliances, and have taken several measures for effective waste and water management, moving us closer to our goal of 80% carbon neutrality by FY28.

On the people aspects, we have achieved a 27% gender diversity ratio, nearing our target of 28% by FY25. Our initiatives, such as leadership programs for women and regional networks, are fostering a more inclusive workplace. To strengthen our workforce, we provided an average of 61 hours of training to upskill more than 20,000 employees, surpassing our 40-hour target for the fiscal year. Reflecting our commitment to employee experience and well-being, the company was recognized and certified by the Great Places to Work® in January this year.

Our social initiatives focus on improving employee well-being with digital helpdesk services and healthier workplace options. Our volunteer efforts and financial literacy campaigns have benefited nearly 60,000 individuals, including children and communities across the country. These achievements highlight our commitment to creating long-term value for all stakeholders while contributing positively to society.

### **CELEBRATING OUR RECOGNITIONS AND ACHIEVEMENTS**

During the year, Max Life has achieved notable industry recognition. To name a few, we were adjudged the Best Fraud Prevention Company at the Fraud Risk Management Summit and Awards 2023 and were awarded for the

Best Claim Settlement at the Banking Frontier's Insure Next Awards and Summit for the second consecutive year, showcasing our exceptional claims handling. Our innovation was highlighted with our marquee property – India Protection Quotient 5.0 awarded at the DMA Trailblazer Awards 2023, and the Digital Enterprise of the Year - BFSI award at The Economic Times CIO Awards 2024. The Smart Wealth Advantage Guarantee Plan (SWAG) product was honoured as 'Product of the Year 2023' in the Life Insurance Guaranteed Savings Plan category. Additionally, we made history as the first Indian firm to receive the Celent Global Model Insurer award, underscoring our global leadership in insurance innovation.

### **STRIDING AHEAD TOGETHER**

Our journey so far has been guided by *Bharosa*, our core principle that ensures every individual, regardless of age, gender, or background, has access to secure and reliable financial protection. As we continue to innovate and grow, we are committed to fostering an inclusive insurance ecosystem that meets the diverse needs of the Indian population.

Before I conclude, I am excited to welcome Mr. Rajiv Anand as the new Chairman of Max Life Insurance, effective December 5, 2023. Rajiv, who has been a Non-Executive Director since April 2021, brings over 30 years of experience in the financial services industry, including his role as Deputy Managing Director at Axis Bank. His leadership promises to drive innovation and growth at Max Life, marking a significant new chapter for the company. I also express my deep gratitude to our former Chairman Mr. Analjit Singh, whose visionary leadership over the past two decades has been crucial in positioning Max Life as a leading force in the insurance sector, laying a strong foundation for our continued success.

Finally, I extend my heartfelt gratefulness to our shareholders, customers, employees, and partners for their continued support and trust. Your confidence in Max Life Insurance inspires us to continue delivering excellence and innovation in the life insurance sector. As we look ahead, we are confident in our ability to navigate challenges, seize opportunities, and sustain our growth trajectory.

Regards,

**Prashant Tripathy**  
MD & CEO, Max Life



# **MAX INDIA FOUNDATION**

# MAX INDIA FOUNDATION

The foundation's comprehensive approach to improving education infrastructure, teacher capacity, and student support has laid a solid foundation for future success.

Tara Singh Vachani



Max India Foundation's commitment to education reflects its vision of fostering an inclusive society where every child has the opportunity to succeed and thrive. The foundation's ongoing efforts play a crucial role in shaping the future of education and empowering the next generation.

The foundation upheld its commitment to contributing to the United Nations Sustainable Development Goals (SDGs), particularly those related to education, and community development. This year's activities were focussed on enhancing educational opportunities for underprivileged children. The foundation's comprehensive approach to improving education infrastructure, teacher capacity, and student support has laid a solid foundation for future success. By continuing to prioritise education, MIF is poised to make a lasting impact on the lives of countless children and their communities.

Max India Foundation's success in FY 2023-24 was greatly enhanced by strategic partnerships and collaborations with non-governmental organisations

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(NGOs), and community groups. These partnerships enabled the foundation to leverage additional resources, expertise, and reach, thereby magnifying the impact of its initiatives. Collaborative efforts included teacher training and capacity building, parent teacher meetings, educational leadership programs, digital learning initiatives that brought together diverse stakeholders towards a common goal of social betterment.

In the year gone by, our partner NGOs program activities focussed on bridging the learning gap of students. They also celebrated diversity and fostered creativity by organising student showcases giving a platform to students to express themselves. Our partners built deeper relationships with educators, parents and the entire education fraternity that facilitated spaces which fostered connectedness, openness and safety between the children, teachers, principals and community.

The educational initiatives undertaken by Max India Foundation in FY 2023-24 have yielded significant positive outcomes. Increased enrollment rates and reduced dropout rates in targeted schools ensured improved access to education. Notable improvements in students' academics ensured enhanced learning outcomes. Greater community engagement in education and improved awareness of the benefits of schooling ensured an empowered community.

In partnership with 25 NGO partners in the academic year 2023-24, MIF supported the education of 26902 students directly and more than 1.6 crore students were reached indirectly through NGO partner Network for Quality Education, 20 lakh students in Delhi through Simple Education Foundation, and 25 lakh students through Labhya Foundation and 27 lakh students in Tamil Nadu were reached through Madhi Foundation. Through

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these NGOs, support was also provided for the training of 34 fellows, 4.37 lakh teachers, and 3680 community members.

**TRANSFORMING LIVES: THROUGH EDUCATION**

Here is a reflection on the milestones achieved and the challenges overcome in our relentless pursuit of positive change. With the end of the financial year, we stand at a crucial juncture, where our efforts and accomplishments come together to shape the narrative of our impact. The past year has been a testament to our unwavering commitment to serving our communities, fueled by the values of compassion, integrity, and innovation. Each



partnership represents a step forward in our mission to create a healthier, more equitable society.

Below is an account of projects and partnerships undertaken by Max India Foundation in FY 2023-24, providing detailed insights into their outcomes and the sustainable changes they have brought about to drive lasting positive change in the communities we serve:

**TEACHER LEADERSHIP**

By empowering teachers to take the lead and reimagine their classrooms, our NGO partners—Simple Education Foundation, Kshamtalaya Foundation, Madhi Foundation, Shiksharth Trust, Labhya Foundation and Foster and Forge Foundation—gained valuable insights into effective strategies for improving Foundational Literacy and Numeracy. These teacher leaders have set guidelines and fostered a collaborative environment to share best practices and address challenges collectively.

**PERSONALISED COACHING STRUCTURES**



Our partners Simple Education Foundation, Kshamtalaya Foundation, Foster and Forge Foundation, AASRA Trust, Madhi Foundation extended on-ground support ecosystem for teachers. For example, through on-ground follow-up training, classroom demos, classroom observations, and debriefs, facilitating collaborative learning and leveraging toolkits, teacher guides, and digital tools, creating an active network of peer support to improve overall professional proficiency.

**CARING FOR COMMUNITY**



Our partners Saajha, Saarthi worked in collaboration

to empower the parents/ guardians in the community. Saajha organised regular PTMs in schools and onboarded 3,748 parents for support. Saarthi empowered mothers in establishing an optimal learning environment at home by providing tailored learning materials and promoting close collaboration among Saarthi’s field workers, mothers, and children. Family Champions at Kshamtalaya Foundation initiated 48 Learning Circles, benefiting 687 children by improving their foundational learning and promoting a reading habit through community-run libraries.



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**PARENT TEACHER MEETINGS**

Our partners AASRA Trust, Kshamtalaya Foundation, Saajha conducted parent teacher meetings to update them about their child’s learning progress. As a result of personalised interactions with parents there has been an increase in attendance with >70% attendance approximately.

**MAKING TEACHING ASPIRATIONAL**

There is a huge gap in the teacher-student ratio as fewer people join as teachers in socio- economic disadvantaged groups. Our partner Teach for India launched Making Teaching Aspirational Track (MTAT) with the mission of elevating teaching to the most aspirational job in India. The aim was to increase the number of teachers in the system by fostering a belief in the potential of teaching, particularly through direct engagement with students.

learning studios such as Folk Arts of India, Handicrafts, Theatre, Board Game Design & Music and Composition. Each studio integrated the Learning Outcomes - basic minimum expectations of FLN, Creative confidence & studio-specific skills such as Handicrafts focussed on improving dexterity & teaching children interesting knots.



**KSHAMTA UTSAV**

Our partner Kshamtalaya Foundation conducted 4 learning festivals in the rural blocks of Udaipur in the state of Rajasthan. These learning festivals have different

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**MAKING LEARNING ACCESSIBLE, FLEXIBLE AND INTERACTIVE**

Digital learning technologies enable learning beyond boundaries which is accessible, flexible, interactive and personalized. Our NGO partners Madhi Foundation and Raphael Ryder Cheshire Centre enabled learning for students by leveraging technology. Towards this, a blended approach with both tech and non-tech programmatic components was used across programs.



**FUTURE FORWARD**

Our NGO partner The Education Alliance organised the First Edition of the Delhi Robotics League (DRL) and High End-21 Exhibition- 'Future Forward' at Thyagraj Stadium, Delhi. Students from High End-21 century skills- Ambedkar Schools Of Specialised Excellence were seen showcasing their innovative ideas through various projects such as 'Smart Irrigation', 'Train Accident Prevention system', 'Voice assisted Wheelchair' which aimed to provide solutions to some real world problems, in the 'Future Forward' themed exhibition.



**CONFERENCE OF THE BIRDS**

Max India Foundation sponsored a show of the musical The Conference of the Birds where Teach For India children performed in Delhi in August to an overwhelming number of audience. 23 students who were a part of the



musical are now proof points of what is possible when classrooms are led with deep belief in the potential of each child.

**MINDCARE**

Our partners conducted sessions on mental health for students, teachers and principals. Teach for India collaborated with Mindshala (Aatma Prakash) for a unique initiative to create emotionally resilient communities for adolescents. Kshamtalaya Foundation conducted SEE Learning sessions for students in Pindwara, Rajasthan. Labhya Foundation conducted statewide Happiness Curriculum for principals of Uttarakhand.



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**INTEGRATED SEE LEARNING SESSIONS**

Our partners Kshamtalaya Foundation and AASRA Trust conducted integrated SEE Learning sessions. Teachers were introduced to a transformative Wellbeing Program aimed at cultivating essential skills such as self-awareness, emotional reappraisal, and interdependence.

**WALL OF FAME**

We are delighted to announce that our partners have attained remarkable milestones and played a significant role in accomplishing noteworthy achievements. Our NGO partner Kshamtalaya Foundation won the Top 10 position in the World’s Best School prize for community collaboration, for their remarkable Family Champion Program, which promotes holistic education. MIF partner Labhya Foundation has been selected as 1 of 8 high impact organizations in the 100x Impact Accelerator, setup by London School of Economics. Labhya has been termed a “Social Unicorn” by 100x. Also our partner Routes 2 Roots got registered with the National Stock Exchange and was recognized by the Limca Book of Records as the largest digital learning organization.

**MAX** INDIA FOUNDATION | **MAX**

Our partner, **Kshamtalaya Foundation**, is a **T4 Education Top 10 Best School** nominee for community collaboration.

#EducationExcellence

**The Max India Foundation** is a proud partner of the Family Champion Program.

**GIVING WITH DIGNITY: BEYOND EDUCATION  
CAPACITY BUILDING TO DEEPEN THE SOCIAL IMPACT**

MIF partnered with the DASRA-Impact Pi team to deliver cohort based, peer learning model to improve functional skills of NGO leaders. The project consists of Functional Upskilling & an NGO Leaders Forum. 2 workshops were conducted, in-person and virtual which were 1) NGOs Leaders Forum and 2) Building Stronger Institutions - Accelerating Impact with Innovation and Technology Session respectively.



**CONNECT**

Max India Foundation hosted a Connect on 5th October 2023. It was an opportunity of interaction with representatives from partnering NGOs in the communities we serve and funders and supporters from Max group entities. The event hosted two interactive sessions on "Understanding the evolving role of teachers in the world we live in today" brought together esteemed experts in the field and on Social Emotional and Ethical Learning Team, exploring the importance of training the heart as well as the mind.

We extend our gratitude to all our stakeholders, whose unwavering support has enabled us to amplify the impact of our education-focused initiatives. Together, we can continue to pave the way for a brighter future, where every individual has the opportunity to thrive and contribute to the progress of our society.

The accomplishments of Max India Foundation in FY 2023-24 underscore its unwavering dedication to creating a positive social impact and driving sustainable change. As we look ahead to the next fiscal year, the foundation remains committed to scaling up its efforts, deepening its impact, and continuing to build resilient, empowered communities. The initiatives and achievements of this year serve as a solid foundation for future endeavors, aligning with Max India's vision of contributing to an educated, and prosperous society.

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## STORIES OF TRANSFORMATIONAL LEARNING IMPACT



### ON THE DESIGN OF INDUCTION TRAINING OF GOVERNMENT SCHOOL TEACHERS

“During my time, there was no induction training and it took me many years to understand my roles and responsibilities and the Delhi education system. I consider all new educators in Delhi government schools lucky to have such a comprehensive induction training (by Simple Education Foundation) and I think it will help them immensely in understanding their role and also giving them the right skills and mindsets to handle being a new teacher in a government school. I thoroughly enjoyed facilitating sessions for them which were beautifully designed. This is the first time that an Induction Handbook, with all rules, regulations, government structures, safety and engagement strategies, has been printed for the teachers. Wonderful initiative”

- Suman Yadav, Mentor Teacher

### A GUIDE ON THE SIDE

Mr Satya Prakash is a primary school teacher in Lucknow, Uttar Pradesh where the Beacon Educator fellowship program is run by our partner NGO Foster and Forge Foundation. Satya Prakash sir is in the first year of his fellowship and has received upskilling support from Foster and Forge Foundation. According to him “The best thing about the Beacon Educator Program is that I have become a student again and I have learnt new tools and strategies to teach children.”



### STUDENT LEARNING JOURNEYS

Can you see that girl with two plaits? That's Durga. She was one of the naughtiest kids when we began our intervention, out over time, she has shown remarkable progress and has expressed Her preferences for what she wants to learn. Just yesterday, she mentioned that she would like more books in the library because she has already finished reading all the available ones. I was overwhelmed to hear this because it shows that she is aware of her learning journey and knows where she needs to improve.

She has also performed exceptionally well in the midterm assessment, scoring 96.15% in Hindi. Her interest in reading not only benefits her but also inspires other children to read and sit with her. She even reads stories to 3rd graders who struggle with fluency and comprehension. Durga's journey has demonstrated the potential on how much a child can learn and grow in such a short time.

- Durga, Grade-4



# STRATEGIC REVIEW





# **CORPORATE GOVERNANCE REPORT**

# CORPORATE GOVERNANCE REPORT

## OUR CORPORATE GOVERNANCE PHILOSOPHY

Your Company maintains a steadfast commitment to upholding the highest standards of Corporate Governance. We believe that exemplary governance serves as a cornerstone for value-oriented leadership, fostering accountability, transparency, and ethical conduct throughout our organization.

We have been dedicated to implementing a comprehensive governance framework across the Group. This journey has involved the introduction of transformative initiatives focused on three pivotal aspects of governance:

- **Capital Management Discipline:** We prioritize prudent capital management practices to ensure the responsible allocation of resources and sustainable growth.
- **Performance Management Excellence:** Through robust performance management systems, we continuously monitor and enhance the performance of our businesses to drive efficiency and competitiveness.
- **Stakeholder Value Creation:** Our efforts are geared towards creating sustained value for all stakeholders, fostering long-term relationships built on trust and mutual benefit.

We remain committed in our pursuit of excellence in Corporate Governance, recognizing its pivotal role in driving our continued success and fostering stakeholder confidence.

## BOARD ARCHITECTURE

Your Company has undertaken significant steps to optimize board structures, ensuring they embody the ideal composition for effective governance. This includes:

- **Independent Directorship:** We have strived to achieve the optimal balance by appointing a suitable number of Independent Directors, bringing diverse expertise and perspectives to the table.
- **Board Diversity:** Recognizing the value of diverse viewpoints, we have worked to ensure representation across various functional and industry domains within our boards.
- **Active Lead Directors:** Each board benefits from the presence of an engaged lead Director, facilitating proactive governance and strategic oversight.
- **Separation of Roles:** To reinforce accountability and decision-making clarity, we have separated the roles of CEOs and Chairmen within our boards.

Moreover, we have clearly defined the board's role in key areas such as:

- **Strategy Formulation:** Boards actively contribute to shaping strategic direction and long-term goals.
- **Financial Monitoring:** Rigorous oversight mechanisms are in place to monitor the financial health of our companies.
- **Leadership Development:** Boards are actively involved in fostering a culture of leadership excellence and talent development.
- **Risk Management:** Comprehensive risk management strategies are formulated and monitored by the board to safeguard our interests.
- **Succession Planning:** Robust succession plans are developed and overseen by the board, ensuring continuity of leadership and organizational stability.

Through these initiatives, we aim to bolster governance effectiveness, enhance stakeholder confidence, and drive sustainable value creation across our Group.

## BOARD PROCESSES

Our commitment to optimizing the effectiveness of our Board extends to various facets, including:

- **Director Onboarding:** We ensure a smooth onboarding process for new Directors, equipping them with the necessary knowledge and resources to fulfill their roles effectively.
- **Board Education and Engagement:** Continuous education and engagement initiatives are undertaken to enhance Directors' understanding of our business and industry landscape, enabling informed decision-making.
- **Promoting Independence:** We foster an environment that encourages independent thinking and actions, adhering strictly to our code of conduct to uphold ethical standards and integrity.
- **Meeting Efficiency:** Key operational aspects, such as crafting comprehensive meeting agendas and facilitating the flow of timely and relevant information to the Board, are meticulously managed to optimize the Board's time and focus on critical business areas.
- **External Expertise:** External speakers are invited to share insights and best practices, enriching the Board's discussions and keeping them informed of industry trends and benchmarks.
- **Comprehensive Board Materials:** Board materials are

curated to be comprehensive, concise, and strategically relevant, facilitating meaningful discussions and decision-making.

- **Sub-committee Review:** Material matters are thoroughly reviewed by specific Board sub-committees, comprising a balanced mix of Non-executive and Independent Directors with relevant expertise. Detailed charters are in place for each sub-committee, outlining their roles and responsibilities.

Through these measures, we ensure that our Board functions optimally, with a focus on strategic oversight, value creation, and prudent governance across all critical aspects of our business.

### BOARD EFFECTIVENESS

To continually enhance Board effectiveness, we employ several mechanisms:

- **Annual Evaluation:** An annual evaluation of Board Members is conducted to assess performance and identify areas for improvement, ensuring ongoing alignment with organizational goals and values.
- **Inter-Company Board Movements:** When necessary, inter-company Board movements are facilitated to ensure that each Board is composed of members who bring relevant expertise and are fully engaged in decision-making processes.
- **Performance Improvement Mechanisms:** Various mechanisms are in place to improve Board performance, including:
  - **Clear Standards of Conduct:** We establish clear standards of conduct and behavior to guide Board members in fulfilling their responsibilities with integrity and professionalism.

- **Governance Interventions:** A calendar of key governance interventions, such as strategy-setting sessions and risk management sessions, is set to ensure that the Board remains proactive in addressing critical issues and opportunities.
- **Consequence Management:** Effective consequence management processes are implemented to address deviations from expected behavior or performance standards, fostering accountability and continuous improvement.

By implementing these measures, we aim to continuously strengthen our Boards' effectiveness, enabling them to make informed decisions that drive sustainable business growth and value creation.

### BOARD OF DIRECTORS

As of March 31, 2024, the Board comprised 10 (ten) Non-executive Directors of which 6 (six) were Independent. Mr. Analjit Singh (DIN: 00029641), Promoter Director is the Chairman of the Board of Directors of the Company as of March 31, 2024.

None of the Directors is a member in more than ten committees or the Chairperson of more than five committees, across all public companies in which he/she is a director. Further, none of the Directors is a director in not more than seven listed entities.

The details of the Directors and their attendance at the Board meetings held during the Financial Year 2023-24 and at the last annual general meeting of the Company, including the details of their Directorships and Committee Memberships, as of March 31, 2024, are furnished hereunder:

Name of Director and Category of Director	Attendance at Board meetings during the year 2023-24		Attendance at the last AGM held on August 22, 2023	Number of committees positions held in other public companies as of March 31, 2024*		Directorships in other Listed Companies in India (category of Directorship)
	Held	Attended		Chairman	Member	
Mr. Analjit Singh [Chairman & Non-Executive Non-Independent Director] DIN: 00029641 [Promoter Director]	5	5	Yes	-	-	Max India Limited (Non-Executive Director & Chairman) Max Estates Limited (Non-Executive Director & Chairman)
Mr. Aman Mehta [Independent Director] DIN: 00009364	5	5	Yes	1	1	Wockhardt Limited (Independent Director)



Name of Director and Category of Director	Attendance at Board meetings during the year 2023-24		Attendance at the last AGM held on August 22, 2023	Number of committees positions held in other public companies as of March 31, 2024*		Directorships in other Listed Companies in India (category of Directorship)
	Held	Attended		Chairman	Member	
Mr. Dinesh Kumar Mittal** [Independent Director] DIN: 00040000	5	4	Yes	3	2	Balrampur Chini Mills Ltd (Independent Director) New Delhi Television Limited (Independent Director) Bharti Airtel Limited (Independent Director) Max Estates Limited (Independent Director)
Mr. Sahil Vachani [Non-Executive Non-Independent Director] DIN: 00761695 [Promoter Director]	5	5	Yes	-	2	Max Estates (Managing Director & CEO)
Mr. Jai Arya [Independent Director] DIN: 08270093	5	5	Yes	-	-	-
Sir Richard Stagg [Independent Director] DIN: 07176980	5	5	No	-	-	-
Mr. Hideaki Nomura [Non-Executive Nominee Director] DIN: 05304525	5	5	Yes	-	-	-
Mr. Mitsuru Yasuda [Non-Executive Nominee Director] DIN: 08785791	5	5	Yes	-	1	-
Mr. K. Narasimha Murthy [Independent Director] DIN: 00023046	5	5	Yes	3	2	Max Healthcare Institute Limited (Independent Director) Nelco Ltd. (Independent Director) Raymond Limited (Independent Director)
Mrs. Gauri Padmanabhan [Women Independent Director] DIN: 01550668	5	4	Yes	-	1	Max Estates Limited (Independent Director)

\*Represents Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies, other than companies formed under Section 8 of the Companies Act, 2013/Section 25 of the Companies Act, 1956, foreign companies and high-value debt-listed entities.

\*\*Retired from the Board of Balrampur Chini Mills Ltd and Bharti Airtel Limited w.e.f. March 31, 2024 after completion of two tenure as ID.

**CORE SKILLS/EXPERTISE / COMPETENCIES IDENTIFIED BY THE BOARD OF DIRECTORS AS REQUIRED UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 [SEBI (LODR) REGULATIONS]**

In terms of the requirement of the SEBI LODR Regulations, the Board has identified the following core skills/expertise/competencies of the Directors for the effective functioning of the Company in the context of the Company’s business.

1. Industry and sector experience or knowledge: understand the Company’s business, policies, and culture and knowledge of the industry in which the Company operates;
2. Leadership and governance: Board experience, responsible for making decisions, keeping in mind the interest of all stakeholders
3. Strategic thinking and decision making: Having experience in decision making keeping in mind the interest of shareholders;
4. Experience in M&A, business restructuring and joint ventures; and
5. Financial Skills: Experience in financial management; risk assessment; treasury and fundraising initiatives.

Mr. Analjit Singh, Mr. Aman Mehta, Mr. Dinesh Kumar Mittal, Mr. Jai Arya, Mr. Sahil Vachani, Mr. Hideaki Nomura, Mr. Mitsuru Yasuda, and Mr. K. Narasimha Murthy possess all the aforementioned skills/expertise/competencies. Sir Richard Stagg and Mrs. Gauri Padmanabhan possess the skill sets mentioned in serial no. 1 to 4. The brief profiles of Directors forming part of this Annual Report provide an insight into the education, expertise, skills, and experience of the Directors, thus bringing diversity to the Board’s perspectives which enables them to make decisions regarding the business operation of the Company including treasury and fundraising initiatives on making at the Board.

**CONFIRMATION OF THE INDEPENDENCE OF THE INDEPENDENT DIRECTORS**

The Board of Directors hereby confirms that in their opinion, the Independent Directors fulfill the conditions specified in Section 149(6) of the Companies Act, 2013 and rules made thereunder and Regulation 16(1)(b) SEBI LODR Regulations and are Independent of the Management.

**DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR ENDED MARCH 31, 2024:**

During the Financial Year ended March 31, 2024, the Board of Directors of your Company met five times. Dates of the board meetings along with the total number of directors associated as of the date of the meetings and directors’ attendance at the meetings are mentioned below: -

S. No.	Dates of Board meeting	Board Strength associated as on the date of the meeting	No. of Directors present in the meeting
1	May 12, 2023	10	10
2	August 9, 2023	10	9
3	October 31, 2023	10	9
4	December 4, 2023	10	10
5	February 6, 2024	10	10

**INTER-SE RELATIONSHIP AMONG DIRECTORS**

Mr. Sahil Vachani and Mr. Analjit Singh are related to each other; Mr. Sahil Vachani being the son-in-law of Mr. Analjit Singh. Apart from this, there is no inter-se relationship among other Directors.

The details of equity shares of 2/- each held by Non-Executive Directors of the Company as of March 31, 2024, are:

- (a) Mr. Analjit Singh – 1,10,000 equity shares;
- (b) Mr. Aman Mehta – 29,000 equity shares (held through his private trust);
- (c) Mr. K. Narasimha Murthy – 5,000 equity shares; and
- (d) Mr. Dinesh Kumar Mittal – 300 equity shares.

Apart from the above, none of the Non-Executive, including Independent Directors, holds any shares as their own or on behalf of any other person on a beneficial basis in the Company as of March 31, 2024.

**HOW DO WE MAKE SURE OUR BOARD IS EFFECTIVE?**

The calendar for the Board and Committee meetings is fixed in advance for the whole year, along with significant agenda items. At least one Board meeting is held within 45 days from the close of each quarter to review financial results and business performance and the gap between two Board meetings does not exceed the time gap as prescribed under the law from time to time.

Apart from the aforesaid four quarterly meetings, additional Board meetings are also convened to meet business exigencies, as required. Matters of exigency are approved by the Directors by resolutions passed by circulation, as permissible under the provisions of the Companies Act, 2013 and Secretarial Standard-1.

Meetings of the Committees of the Board are generally held prior to the Board meeting. The Chairpersons of the respective Committees brief the Board about the proceedings of the Committee meetings and its recommendations on matters that the Board needs to consider and approve.

All Agenda items are accompanied by comprehensive notes on the related subject and in certain areas such as business plans/business reviews and financial results, detailed presentations are made to the Board members. The materials

for the Board and Committee meetings are generally circulated (electronically in a secure dedicated portal). The Board is regularly updated on the key risks and the steps and processes initiated for managing, reducing, and if feasible, eliminating various risks. Business risk evaluation and management is an ongoing process within the Company.

To enable the Board to discharge its responsibilities effectively, members of the Board are apprised of the overall performance of the Company and its subsidiaries at every Board meeting. The Board has complete access to all the relevant information within the Company and all its employees. Senior Management is invited to attend the Board/Committee meetings to provide detailed insight into the items being discussed.

Further, the Company has made familiarization programmes to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, the nature of the industry in which the Company operates, the business model of the Company, etc. The detail of such a familiarization programme is available at <https://maxfinancialservices.com/investorrelations?category=CorporatePolicies>

**CODE OF CONDUCT**

In compliance with Regulation 26(3) of SEBI LODR Regulations, the Company had adopted a Code of Conduct for the Directors and senior management of the Company (‘the Code’), a copy of which is available on the Company’s website at <https://maxfinancialservices.com/investorrelations?category=CorporatePolicies>

All the members of the Board of Directors and senior management personnel had affirmed compliance with the above-mentioned regulation, including the Code for the financial year ended March 31, 2024, and a declaration to this effect signed by the Manager and the Director, authorized for this purpose by the Board, forms part of this report as **Annexure-I**.

Pursuant to the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, the Company has adopted a Code of Conduct to Regulate, Monitor, and Report Trading by Insiders for the prevention of insider trading, which is applicable to all the Directors, Promoters, Key Managerial Personnel and designated employees/persons.

**COMMITTEES OF THE BOARD**

**AUDIT COMMITTEE:**

As of March 31, 2024, this Committee comprised Mr. Dinesh Kumar Mittal (Chairman), Mr. Aman Mehta, Mr. Mitsuru Yasuda, and Mr. K Narasimha Murthy as members. All members of the Committee are Independent Directors, except Mr. Mitsuru Yasuda, who is a Non-Executive Nominee Director. The Company Secretary of the Company acts as the Secretary of this Committee.

The scope of the Audit Committee has been defined by the Board of Directors in accordance with Regulation 18 and Part C of Schedule II of the SEBI LODR Regulations and applicable provisions of the Companies Act, 2013. This Committee *inter alia*, recommends the appointment and remuneration of statutory auditors, secretarial auditors, and internal auditors; reviews the Company’s financial reporting processes and systems and internal financial controls, financial and risk management policies, and Company’s financial statements, including annual and quarterly financial results and financial accounting practices & policies and reviews the functioning of the whistle-blower mechanism.

The representatives of Internal Auditors and Statutory Auditors are invited to the meetings of the Committee, as required. Mr. Dinesh Kumar Mittal, Chairman of the Audit Committee, was present at the last Annual General Meeting. All the recommendations made by the Committee to the Board during the year have been accepted by the Board.

**Meetings & attendance during the year ended March 31, 2024:**

During the year ended March 31, 2024, the Audit Committee met four times – on May 12, 2023, August 9, 2023, October 31, 2023 and February 6, 2024. The Composition and attendance of the members at the meeting held during the FY 2023-24 are given below:

Name of Committee members	Number of meetings entitled to attend	Number of meetings attended
Mr. Dinesh Kumar Mittal, Chairperson	4	4
Mr. Aman Mehta	4	4
Mr. Mitsuru Yasuda	4	4
Mr. K Narasimha Murthy	4	4

**NOMINATION AND REMUNERATION COMMITTEE:**

As on March 31, 2024, this Committee comprised Mr. Aman Mehta (Chairman), Mr. Analjit Singh, Mr. Hideaki Nomura, Mr. Jai Arya, Mr. Dinesh Kumar Mittal, and Sir Richard Stagg as members. All the members are Independent Directors, except Mr. Analjit Singh and Mr. Hideaki Nomura who are Non-Executive Non-Independent Directors.

The scope of the Nomination and Remuneration Committee has been defined by the Board of Directors in accordance with Regulation 19 and Part D of Schedule II to the SEBI LODR Regulations and applicable provisions of the Companies Act, 2013. This Committee *inter alia*, evaluates the compensation and benefits for Executive Directors, top management, and Senior Executives at one level below the Board, recruitment of key managerial personnel and finalization of their compensation, induction of Executive and Non-Executive

Directors and fixing the method, criteria, and quantum of compensation to be paid to the Non-Executive Directors. It also administers the ESOP Scheme(s) of the Company arising from the exercise of stock options. The remuneration policy of the Company is aimed at attracting and retaining the best talent to leverage performance in a significant manner. The strategy takes into account, the remuneration trends, talent market, and competitive requirements. Further, the Committee carries out performance evaluation of the Board, the Committees, the directors and the Chairman based on the performance evaluation criteria as required under the applicable provisions of the Companies Act, 2013 and the SEBI (LODR), 2015. All the recommendations made by the Committee to the Board during the year have been accepted by the Board.

**Meetings & attendance during the year ended March 31, 2024:**

During the year ended March 31, 2024, the Nomination and Remuneration Committee met two times – on May 12, 2023 and February 6, 2024. The composition and attendance of the members at the meeting held during the FY 2023-24 are given below:

Names of Committee members	Number of meetings entitled to attend	Number of meetings attended
Mr. Aman Mehta, Chairperson	2	2
Mr. Anajit Singh	2	1
Mr. Dinesh Kumar Mittal	2	1
Mr. Hideaki Nomura	2	2
Mr. Jai Arya	2	2
Sir Richard Stagg	2	2

**STAKEHOLDERS RELATIONSHIP COMMITTEE:**

As on March 31, 2024, this Committee comprised Mr. Sahil Vachani (Chairman), Mr. Dinesh Kumar Mittal and Mr. Mitsuru Yasuda as members. Key responsibilities of this Committee are the formulation of procedures, in line with the statutory guidelines, for ensuring the speedy disposal of various requests received from shareholders, from time to time, and redressal of shareholders’ and investors’ complaints/grievances. The Committee also approves the transfer and transmission of securities including issuance of Letter of Confirmation.

The Committee has delegated the authority to effect the transfer and/or transmission of shares up to 1000 per folio to the Company Secretary/Compliance Officer, and such transfers are subsequently ratified in the next meeting of the Committee. The Company has normally attended to the Shareholders/ Investors’ complaints within a period of 7 working days except in cases that were under legal proceedings/disputes. During the financial year ended March 31, 2024, three complaints were received and resolved by the Company for transfer into IEPF Authority, all of those were resolved

to the satisfaction of the respective shareholder. Mr. Piyush Soni, Company Secretary of the Company, is the designated Compliance Officer.

**Meetings & attendance during the year ended March 31, 2024:**

During the year ended March 31, 2024, the Stakeholders Relationship Committee met on February 2, 2024. The composition and attendance of the members at the meeting held during the FY 2023-24 are given below:

Name of the Committee member	Number of meetings entitled to attend	Number of meetings attended
Mr. Sahil Vachani, Chairperson	1	1
Mr. Mitsuru Yasuda	1	1
Mr. Dinesh Kumar Mittal	1	1

**RISK MANAGEMENT COMMITTEE:**

As of March 31, 2024, this Committee comprised of Mr. Aman Mehta (Chairman), Mr. Dinesh Kumar Mittal, Mr. Jai Arya, and Mr. Mitsuru Yasuda. Three members of the Committee are Independent Directors and Mr. Mitsuru Yasuda is a Non-Executive Director. The responsibilities of this Committee are enshrined in the Companies Act, 2013, applicable to the SEBI LODR Regulations and as per the risk management framework of the Company. All the recommendations made by the Committee to the Board during the year have been accepted by the Board.

**Meetings & attendance during the year ended March 31, 2024:**

During the year ended March 31, 2024, the Risk Management Committee met three times – on April 13, 2023, August 9, 2023, and February 2, 2024. The composition and attendance of the members at the meeting held during the FY 2023-24 are given below: -

Name of the Committee member	Number of meetings entitled to attend	Number of meetings attended
Mr. Aman Mehta, Chairperson	3	3
Mr. Dinesh Kumar Mittal	3	3
Mr. Jai Arya	3	3
Mr. Mitsuru Yasuda	3	3

**MEETING OF INDEPENDENT DIRECTORS**

A separate meeting of the Independent Directors was held on May 07, 2024, in the presence of all the six Independent Directors of the Company where, inter alia, the following agenda items were, inter-alia, considered in the performance evaluation of the board/committees/chairman for the financial year ended March 31, 2024, in terms of applicable regulations.

Evaluation of the performance of Non-Independent Directors and the Board as a whole; Evaluation of the performance of the Chairperson of the Company; and Assessment of the quality, quantity, and timeliness of the flow of information between the Company management and the Board, that is necessary for the Directors to perform their duties effectively and reasonably.

#### Remuneration paid to the Directors during 2023-24

During the year 2023-24, the Company paid a sitting fee of Rs. 1,00,000/- per meeting to its Non-executive/Independent Directors for attending the meetings of the Board and Committees of the Board and separate meeting(s) of Independent Directors. The Company did not pay any remuneration or commission to the Directors of the Company for the year ended March 31, 2023. The shareholders of the Company vide a postal ballot process had approved on March 22, 2024, payment of remuneration to the Independent Directors of the Company for the period from April 1, 2023 onwards. The NRC, in its meeting held on February 6, 2024, on the basis of the performance evaluation of the Independent Directors has approved a remuneration of Rs. 20 Lakhs per Independent Director for the year ended March 31, 2024 which will be paid in due course. There were no pecuniary relationships between the Company and its Non-Executive/Independent Directors, except as detailed below:

#### Sitting fees paid for 2023-24 are as below:

S. No.	Name of Director	Amount (₹)
1	Mr. Analjit Singh	6,00,000/-
2	Mr. Aman Mehta	15,00,000/-
3	Mr. Dinesh Kumar Mittal	14,00,000/-
4	Mr. Sahil Vachani	6,00,000/-
5	Mr. Jai Arya	11,00,000/-
6	Sir Richard Stagg	8,00,000/-
7	Mr. K. Narasimha Murthy	10,00,000/-
8	Mr. Hideaki Nomura	Nil
9	Mr. Mitsuru Yasuda	Nil
10	Mrs. Gauri Padmanabhan	5,00,000/-

The remuneration payable to Mr. V. Krishnan, Manager under the Companies Act, 2013, including performance incentives, were determined from time to time by the Nomination and Remuneration Committee, within the limits approved by the Board of Directors and shareholders of the Company, in terms of applicable provisions of the Companies Act, 2013 read with the Company's remuneration policy. The details of the remuneration policy form part of the Directors' Report attached as part of this Annual Report.

During FY 2023-24, the Company paid the following remuneration to Mr. V. Krishnan as Manager of the Company:

Description	Amount (₹)
Salary and allowances	1,42,68,585
Other Benefits (Perquisites)	4,14,005
Performance Incentive/special payments	27,11,367
Retirals	7,92,442
Service contract	-
Notice period	3 Months
Severance fees	Nil
Stock options granted (in numbers)	Nil

During the year 2023-24, no Director and key managerial personnel of the Company were granted any employee stock options by the Company. The stock grants were made by the NRC of the Company only to the key managerial personnel and the senior management of Max Life on the recommendations of its NRC. Further, Max Employee Stock Option Plan - 2003 which was introduced on October 1, 2003 was discontinued on completion of 20 years on September 30, 2023 in terms of the approval of the shareholders accorded earlier.

#### ANNUAL GENERAL MEETING

The Annual General Meetings (AGMs) of the Company for the financial years 2021, 2022 and 2023 were held through Video Conferencing/Audio Visual means on September 23, 2021, August 25, 2022 and August 22, 2023 respectively in compliance with the provisions of the Companies Act, 2013 and SEBI LODR Regulations, as permitted by the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") through various circulars. The details of the last three AGMs held, and special resolutions passed by the shareholders in the said AGMs are as under:

Financial Year ended	Date & Time	Special Resolutions passed
March 31, 2021	September 23, 2021 – 1100 hrs. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") [Deemed venue of the meeting: Regd Office: Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab-144533]	No Special Resolution was passed at this Annual General Meeting.

Financial Year ended	Date & Time	Special Resolutions passed
March 31, 2022	August 25, 2022 – 1030 hrs (IST) through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) (Deemed venue of the meeting: Regd Office: Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab-144533)	Approval of the appointment of Mrs. Gauri Padmanabhan (DIN: 01550668) as an Independent Director and to hold office for a term of 5 (five) consecutive years with effect from August 25, 2022 up to August 24, 2027. Approval for payment of commission to Non-Executive Chairman and Independent Directors of the Company for the Financial year ended March 31, 2022. Approval for compensation payable to Mr. Analjit Singh, Non-Executive Chairman of the Company for the Financial ending March 31, 2023.
March 31, 2023	August 22, 2023 – 1000 hrs (IST) through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) (Deemed venue of the meeting: Regd Office: Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab-144533)	Approval of the re-appointment of Mr. Jai Arya (DIN: 08270093) as an Independent Director for a second and final term of 5 (five) consecutive years with effect from November 14, 2023 up to November 13, 2028 (both days inclusive). Approval of the re-appointment of Sir Richard Stagg (DIN: 07176980) as an Independent Director for a second and final term of 5 (five) consecutive years with effect from February 11, 2024 up to February 10, 2029 (both days inclusive).

### POSTAL BALLOT AND POSTAL BALLOT PROCESS

During the financial year 2023-24, the Company has passed the following resolutions by way of postal ballot (through e-voting) (i) for item no. 1 to 3 on July 7, 2023, (ii) for item no. 4 & 5 on September 27, 2023, and (iii) for item no. 6 to 11 on March 22, 2024 as per the details below:

- Approval for the adoption of the New Set of Articles of Association of the Company (Special Resolution).

Particulars	Number of members voted	Votes cast by them	% of total number of valid votes cast
Favour	572	280,793,467	89.85719979
Against	57	31,695,090	10.14280021
<b>Total</b>	<b>629</b>	<b>312,488,557</b>	<b>100</b>

- Approval of appointment of S.R. Batliboi & Co. LLP as the Statutory Auditors of the Company to fill the casual vacancy caused by resignation of Deloitte Haskins & Sells LLP, till the date of ensuing Annual General Meeting (Ordinary Resolution).

Particulars	Number of members voted	Votes cast by them	% of total number of valid votes cast
Favour	610	312,483,590	99.99854106
Against	15	4,559	0.001458935
<b>Total</b>	<b>625</b>	<b>312,488,149</b>	<b>100</b>

- Approval for appointment of Mr. V. Krishnan as ‘Manager’ of the Company in terms of the provisions of Sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013 (Special Resolution).

Particulars	Number of members voted	Votes cast by them	% of total number of valid votes cast
Favour	602	312,474,900	99.99743698
Against	21	8,009	0.00256302
<b>Total</b>	<b>623</b>	<b>312,482,909</b>	<b>100.00</b>

- Approval for the variance of terms and conditions of the arrangements with Axis Bank and its subsidiaries with respect to Max Life Insurance Company Limited (Special Resolution)

Particulars	Number of members voted	Votes cast by them	% of total number of valid votes cast
Assent	628	306,598,773	99.066
Dissent	33	2,891,679	0.934
<b>Total</b>	<b>661</b>	<b>309,490,452</b>	<b>100</b>

- Approval for material related party transactions between Max Life Insurance Company Limited (“Max Life”), a material subsidiary of the Company and its related party, viz., Axis Bank Limited for the subscription of equity shares of Max Life by Axis Bank Limited, on a preferential allotment aggregating to INR 1611,99,99,943/- (Rupees One Thousand Six Hundred and Eleven Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred and Forty Three) (Ordinary Resolution).

Particulars	Number of members voted	Votes cast by them	% of total number of valid votes cast
Assent	601	2,10,436,024	99.542
Dissent	33	968,926	0.458
<b>Total</b>	<b>634</b>	<b>211,404,950</b>	<b>100</b>

6. Approval for payment of remuneration to Mr. Aman Mehta, an Independent Director of the Company (Special Resolution).

Particulars	Number of members voted	Votes cast by them	% of total number of valid votes cast
Favour	617	310,314,670	99.29
Against	36	2,220,516	0.71
<b>Total</b>	<b>653</b>	<b>312,535,186</b>	<b>100</b>

7. Approval for payment of remuneration to Mr. D K Mittal, an Independent Director of the Company (Special Resolution).

Particulars	Number of members voted	Votes cast by them	% of total number of valid votes cast
Favour	629	312,520,585	99.99
Against	24	14,601	0.01
<b>Total</b>	<b>653</b>	<b>312,535,186</b>	<b>100</b>

8. Approval for payment of remuneration to Mr. Jai Arya, an Independent Director of the Company (Special Resolution).

Particulars	Number of members voted	Votes cast by them	% of total number of valid votes cast
Favour	627	312,520,133	99.99
Against	25	15,051	0.01
<b>Total</b>	<b>652</b>	<b>312,535,184</b>	<b>100</b>

9. Approval for payment of remuneration to Sir Richard Charles Stagg, an Independent Director of the Company (Special Resolution).

Particulars	Number of members voted	Votes cast by them	% of total number of valid votes cast
Favour	627	312,521,068	99.99
Against	23	13,901	0.01
<b>Total</b>	<b>650</b>	<b>312,534,969</b>	<b>100</b>

10. Approval for payment of remuneration to Mr. K Narasimha Murthy, an Independent Director of the Company (Special Resolution).

Particulars	Number of members voted	Votes cast by them	% of total number of valid votes cast
Favour	614	310,314,643	99.29
Against	37	2,220,526	0.71
<b>Total</b>	<b>651</b>	<b>312,535,169</b>	<b>100</b>

11. Approval for payment of remuneration to Mrs. Gauri Padmanabhan, an Independent Director of the Company (Special Resolution).

Particulars	Number of members voted	Votes cast by them	% of total number of valid votes cast
Favour	626	312,520,118	99.99
Against	25	15,051	0.01
<b>Total</b>	<b>651</b>	<b>312,535,169</b>	<b>100</b>

#### THE PROCESS FOLLOWED FOR PASSING RESOLUTIONS THROUGH POSTAL BALLOT:

The Company appointed Rupesh Agarwal, Managing Partner, M/s Chandrasekaran Associates, failing him M/s Shashikant Tiwari, Partner of Chandrasekaran Associates, Practicing Company Secretaries having an office at 11F, Pocket-IV, Mayur Vihar Phase-I, Delhi-110091 as the Scrutinizer for conducting all the Postal Ballot processes in a fair and transparent manner.

The Company issued the postal ballot notice dated June 2, 2023, for items 1 to 3, August 25, 2023 for items 4 & 5 and February 16, 2024 for items 6 to 11. All the notices mentioned above were sent electronically.

In accordance with Section 110 of the Companies Act, 2013 and Rules 22 and 20 of the Companies (Management and Administration) Rules, 2014 read with General Circular No. 14/2020 dated April 8, 2020 read with General Circular No.17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020, No. 10/21dated June 23, 2021, No. 20/21 dated December 08, 2021, No. 03/2022 dated May 5, 2022, No. 11/22 dated December 28, 2022, and the latest being No. 09/2023 dated September 25, 2023, and other applicable circulars issued by the Ministry of Corporate Affairs, Government of India ('MCA Circulars'), physical copy of the Notices were not circulated to the members. However, it was clarified that all the persons who are members of the Company as on the respective cut-off dates, i.e., June 2, 2023, August 25, 2023, and February 16, 2024 (including those members who may not have received this Notice due to non-registration of their email IDs with the Company or with the Depositories) were entitled to vote in relation to the resolutions specified in respective Notices.

The results of the postal ballots were declared on July 8, 2023, September 28, 2023 and March 23, 2024, respectively at the Website of the Company along with the Scrutinizer's Report. The results were also informed simultaneously to the BSE Limited (the BSE) and National Stock Exchange of India Limited (the NSE), where the Company's shares are listed and made accessible on the Company's website at <https://www.maxfinancialservices.com/investorrelations>

No resolution requiring a postal ballot process as required by the Companies (Management and Administration) Rules, 2014, is proposed to be placed for the shareholders' approval as of the issuance date of this report.

### MEANS OF COMMUNICATION

Timely disclosure of reliable information and corporate financial performance is at the core of good Corporate Governance. Towards this direction, the quarterly/annual results of the Company were announced within the prescribed period and normally published in the Mint or Business Standard (English) and Dush Sewak (Punjabi newspaper). The results can also be accessed on the Company's website <https://www.maxfinancialservices.com/investorrelations> under the disclosure section.

The official news releases and the presentations made to the investors/analysts are also displayed on the Company's website <https://www.maxfinancialservices.com/investorrelations> under the Financial Reports section. The Company made presentations to financial analysts and institutional investors after the quarterly/annual financial results were approved by the Board.

### DISCLOSURES

#### (a) Related party transactions

There are no materially significant related party transactions with its promoters, the Directors or the management, their subsidiaries, relatives, etc., that may have potential conflict with the interests of the Company at large. Approval for material related party transactions between Max Life Insurance Company Limited ("Max Life"), a material subsidiary of the Company and its related party, viz., Axis Bank Limited for the subscription of equity shares of Max Life by Axis Bank Limited, on a preferential allotment was received from the shareholders through Postal Ballot dated September 27, 2023.

The Company has formulated a policy for transacting with related parties, which is available on the website at <https://maxfinancialservices.com/investorrelations?category=CorporatePolicies>

Transactions entered into by the related parties are disclosed in Note No. 33 under Notes to Accounts to the standalone financial statements in the Annual Report

#### (b) Compliance by the Company

The Company has complied with all the mandatory requirements of the Listing Agreement entered into with the stock exchanges, SEBI LODR Regulations, SEBI, and other statutory authorities on all matters relating to capital markets during the last three years.

No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI, or any other

statutory authorities on any matter relating to capital markets during the last three years.

#### (c) Vigil Mechanism - Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and has established the necessary mechanism for directors/employees to report concerns about unethical behavior. The policy provides adequate safeguards against the victimization of directors/employees.

It is hereby affirmed that no person has been denied access to the Chairman of the Audit Committee on matters relating to the Whistle Blower Policy of the Company.

#### (d) Disclosure of the compliance with corporate governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR Regulations.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI LODR Regulations.

#### (e) Disclosure of commodity price risk and commodity hedging activities

As the Company is holding investments in a subsidiary company and provides management services to group entities that are all operating in India, there is no foreign exchange exposure. Hence, the said disclosure is not applicable to the Company.

#### (f) Fees to the Statutory Auditors of the Company / Subsidiaries

The statutory auditors of the Company also serve as the Statutory Auditors of Max Life, the material subsidiary of the Company. The total fees for all services paid by the Company to the Statutory Auditors of the Company are mentioned in Note No. 41 of Notes to standalone financial statements of the Company. The total fees for all the services paid by Max Life to its statutory auditors are mentioned in Note No. 3 of Notes to the standalone financial statements of Max Life.

#### (g) Dividend Distribution Policy

The Board of Directors of the Company approved a Dividend Distribution Policy in terms of Regulation 43A of the SEBI LODR Regulations. The said policy is available on the website of the Company at <https://maxfinancialservices.com/investorrelations?category=CorporatePolicies>



**(h) Details of the utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A).**

The Company has not raised funds through preferential allotment or qualified institutions - placement during the year.

**(i) Other Disclosures**

The Company had not given any Loans and advances in the nature of loans to firms/companies in which Directors are interested.

Details of material subsidiaries in terms of Para C of Schedule V of SEBI LODR Regulations are furnished below:

Name of material subsidiary	Date and place of Incorporation	Name and date of appointment of statutory auditors
Max Life Insurance Company Limited	July 11, 2000, at New Delhi	S.R. Batliboi & Co. LLP, Chartered Accountants appointed on May 12, 2023, for a period of five years. M/s. B K Khare & Co., Chartered Accountants, appointed on May 07, 2024, for a period of one year.

Other information in terms of provisions of Schedule V regarding disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, information under clause 5A and disclosures with respect to demat suspense account/unclaimed suspense account in terms of SEBI (LODR) Regulations, 2015 are captured as part of the directors report and its various annexures, MD&A, Corporate Governance Report and the Shareholders Information which form part of this report,

**GENERAL SHAREHOLDER INFORMATION**

A section on the 'General Shareholder Information' is annexed and forms part of this Annual Report.

**MANAGEMENT DISCUSSION & ANALYSIS**

A section on the 'Management Discussion & Analysis' is annexed and forms part of this Annual Report.

**COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE**

The certification by the Non-Executive Director, authorized by the Board for this purpose, Manager and Chief Financial Officer of the Company, in compliance with Regulation 17(8) read Part B, Schedule II of the SEBI LODR Regulations, is enclosed as **Annexure II**.

M/s. Chandrasekaran Associates, Practicing Company Secretaries have certified that the Company has complied

with the conditions of Corporate Governance as stipulated in Schedule V of the SEBI LODR Regulations and the said certificate is annexed as **Annexure III** to report.

A certificate from M/s. Chandrasekaran Associates, Practicing Company Secretaries certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority is annexed as **Annexure IV** to the Report.

**DISCLOSURE ON NON-MANDATORY REQUIREMENTS**

The Company has duly complied with all the mandatory requirements under the SEBI LODR Regulations and the status of compliance with the non-mandatory recommendations under Part E of Schedule II of the SEBI LODR Regulations is given below:

**SHAREHOLDERS' RIGHTS**

The quarterly, half-yearly, and annual financial results of the Company are published in newspapers and also posted on the Company's website.

**AUDIT QUALIFICATION**

It has always been the Company's endeavor to present unqualified financial statements. There is no audit qualification in respect of the financial statements of the Company for the financial year 2023-24.

**SEPARATE POSTS OF CHAIRMAN AND CEO**

The Company has separate persons for the post of Chairman and 'Manager' under the Companies Act, 2013. Mr. Analjit Singh, a Non-Executive Promoter Director is the Chairman of the Company. The shareholders had approved the appointment of Mr. V Krishnan as the 'Manager' under the provisions of the Companies Act, 2013 effective July 1, 2023, for a period of three years.

**REPORTING OF INTERNAL AUDITOR**

The Internal Auditors report directly to the Audit Committee, which defines the scope of Internal Audit.

**For Max Financial Services Limited**

**Analjit Singh**  
Chairman  
DIN:00029641

Place: South Africa  
Date: May 7, 2024

**Annexure-I****DECLARATION BY THE MANAGER AND DIRECTOR ON CODE OF CONDUCT AS REQUIRED BY REGULATION 26(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

This is to declare and confirm that Max Financial Services Limited ("the Company") has received affirmations of compliance with the provisions of the Company's Code of Conduct for the financial year ended March 31, 2024, from all Directors of the Board and Senior Management Personnel of the Company.

For **Max Financial Services Limited**

**V Krishnan**

Manager

PAN: AIOPK9417F

**Sahil Vachani**

Director

DIN:00761695

Place: New Delhi

Date: May 7, 2024

## CERTIFICATION BY THE DIRECTOR, MANAGER AND CHIEF FINANCIAL OFFICER

To,  
The Board of Directors,  
**Max Financial Services Limited**  
Bhai Mohan Singh Nagar, Rail Majra,  
Tehsil Balachaur, Distt. Nawanshahr,  
Punjab-144533 India

We, Sahil Vachani, Director, V. Krishnan, Manager and Amrit Pal Singh, Chief Financial Officer of Max Financial Services Limited ("the Company") certify that:

- A. We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended March 31, 2024, and to the best of our knowledge and belief:
- (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading; and
  - (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal, or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware of, and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee, wherever applicable:
- (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **Max Financial Services Limited**

**Sahil Vachani**  
Director  
DIN:00761695

**V Krishnan**  
Manager  
PAN: AIOPK9417F

**Amrit Pal Singh**  
Chief Financial Officer  
PAN: ASXPS1781R

Place: New Delhi  
Date: May 7, 2024

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
**(PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015)**

The Members

**Max Financial Services Limited**

Bhai Mohan Singh Nagar, Rail Majra,  
 Tehsil Balachaur, Distt.  
 Nawanshahr Punjab-144533

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Max Financial Services Limited having CIN L24223PB1988PLC008031 and registered office at Bhai Mohan Singh Nagar, Rail Majra, Tehsil Balachaur, Distt. Nawanshahr Punjab-144533 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and declarations received from respective Directors, We hereby certify that as on Financial Year ended on March 31, 2024, none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

S. No.	Name of Director	DIN	Original Date of appointment in Company
1	Analjit Singh	00029641	23/07/2018
2	Aman Mehta	00009364	12/12/2008
3	Dinesh Kumar Mittal	00040000	01/01/2015
4	Sahil Vachani	00761695	25/05/2018
5	Jai Arya	08270093	14/11/2018
6	Charles Richarad Vernon Stagg	07176980	11/02/2019
7	Hideaki Nomura	05304525	08/12/2020
8	Mitsuru Yasuda	08785791	08/12/2020
9	Narasimha Murthy Kummamuri	00023046	30/03/2021
10	Gauri Padmanabhan	01550668	25/08/2022

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Chandrasekaran Associates**  
**Company Secretaries**

Firm Registration No.: P1988DE002500  
 Peer Review Certificate No.: 4186/2023

Rupesh Agarwal  
 Managing Partner  
 Membership No. A16302  
 Certificate of Practice No. 5673  
 UDIN: A016302F000313632

Date: May 07, 2024  
 Place: Delhi

## CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER LISTING REGULATIONS, 2015

To,  
The Members  
**Max Financial Services Limited**  
Bhai Mohan Singh Nagar, Rail Majra,  
Tehsil Balachaur, Distt. Nawanshahr,  
Punjab-144533 India

We have examined all the relevant records of Max Financial Services Limited (the Company) for the purpose of certifying all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March 2024. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**For Chandrasekaran Associates**  
**Company Secretaries**  
**Firm Registration No.: P1988DE002500**  
**Peer Review Certificate No.: 4186/2023**

**Rupesh Agarwal**  
Managing Partner  
Membership No. ACS 16302  
Certificate of Practice No. 5673  
UDIN: A016302F000313665

Date: May 07, 2024  
Place: Delhi



# **GENERAL SHAREHOLDER INFORMATION**

# GENERAL SHAREHOLDER INFORMATION – 2023-24

## Registered Office:

Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur,  
District Nawanshahr, Punjab- 144 533.

## Corporate Office/Investor Helpline:

L20M, Max Towers, Plot No. C-001/A/1,  
Sector 16B, Noida 201301  
Tel. No. : +91 120 4696000  
e-mail: investorhelpline@maxindia.com

## Share Transfer Agent:

Mas Services Limited,  
T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area, Phase - II  
New Delhi-110 020  
Tel-011 26387281/82/83, 41320335  
e-mail: investor@masserv.com

## Annual General Meeting:

- Date and Time** : Friday, August 23, 2024 at 10:00 hrs.  
**Venue** : Through Video Conference (“VC”) or Other Audio-Visual Means (“OAVM”)  
**Book Closure** : Saturday, August 17, 2024 to Friday, August 23, 2024 (both days inclusive)

## Financial Year

The financial year of the Company starts from April 1<sup>st</sup> of a year and ends on March 31<sup>st</sup> of the following year.

## Financial Calendar – 2024-25:

- |   |                                       |
|---|---------------------------------------|
| 1. First quarter results                | - By the second week of August 2024   |
| 2. Second quarter & half yearly results | - By the second week of November 2024 |
| 3. Third quarter results                | - By second week of February 2025     |
| 4. Annual results                       | - Before May 30, 2025                 |

## Listing on Stock Exchanges:

The Equity Shares of the Company are listed on BSE Limited (‘BSE’), Regd Office – 25th Floor, P.J. Tower, Dalal Street, Fort, Mumbai – 400001 and National Stock Exchange of India Limited (‘NSE’), Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E), Mumbai - 400051. The Company confirms that it has paid annual listing fees to BSE and NSE for the year 2024-25.

## Connectivity with Depositories:

The Company’s shares are in dematerialized mode through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

## Stock Code:

- |                                  |                |
|----------------------------------|----------------|
| BSE                              | - 500271       |
| NSE                              | - MFSL         |
| Demat ISIN No. for NSDL and CDSL | - INE180A01020 |

	Reuters	Bloomberg
BSE	MAXI.BO	MAXF:IN
NSE	MAXI.NS	NMAX:IN

**SHARE PRICE DATA - MONTHLY HIGH AND LOW QUOTATIONS ON NSE AND BSE**

Month	NSE		BSE	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April, 23	654.50	599.10	656.10	599.30
May, 23	710.40	630.50	710.40	630.35
June, 23	824.20	668.30	824.30	660.05
July, 23	839.00	789.10	839.20	790.50
August, 23	945.00	763.00	945.00	754.00
September, 23	961.00	897.05	967.90	900.00
October, 23	947.55	862.95	950.05	863.40
November, 23	1025.25	869.05	1025.35	868.05
December, 23	1067.50	921.40	1069.15	919.65
January, 24	963.40	854.25	962.55	855.10
February, 24	1005.90	861.75	1005.00	867.05
March, 24	1027.40	930.85	1026.30	930.05

**PERFORMANCE OF SHARE PRICE OF THE COMPANY IN COMPARISON TO BSE SENSEX**



**SHAREHOLDING PATTERN AS ON MARCH 31, 2024:**

Category	No. of shares held	% of shareholding
Promoters	22516256	6.52
Mutual Funds	119370791	34.59
Banks	825	0.00
Insurance Companies	16640155	4.82
Foreign Portfolio Investors – Category – 1	87879476	25.46
Foreign Portfolio Investors – Category – 2	1317077	0.38
Foreign Direct Investment	75458088	21.86
Alternate Investment Funds	1750482	0.51
Bodies Corporate	1785127	0.52
Non-resident Indians	969858	0.28
Clearing Members	22983	0.01
NBFC Registered with RBI	6176	0.00



Category	No. of shares held	% of shareholding
Other Financial Institutions	1500	0.00
Foreign National	518	0.00
Foreign Companies	1200	0.00
Directors and their relatives (excluding Independent Directors and nominee Directors)	0	0.00
Key Managerial Personnel	5173	0.00
Resident Individuals	15000849	4.35
Trusts	1496751	0.43
Unclaimed Suspense Account	38045	0.01
Investor Education and Protection Fund (IEPF)	853441	0.26
<b>Total</b>	<b>345114771</b>	<b>100</b>

#### DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2024:

No. of Shareholders	Percentage to total	Shareholdings	No. of shares	Percentage to total
64224	98.41	1 to 5000	11008478	3.19
491	0.75	5001 to 10000	1707784	0.50
205	0.31	10001 to 20000	1436110	0.42
58	0.09	20001 to 30000	701128	0.20
26	0.04	30001 to 40000	457293	0.13
18	0.03	40001 to 50000	407084	0.12
55	0.08	50001 to 100000	1940587	0.56
183	0.29	100001 and above	327456307	94.88
<b>65260</b>	<b>100</b>	<b>Total</b>	<b>345114771</b>	<b>100</b>

#### DEMATERIALISATION STATUS AS ON MARCH 31, 2024

- (i) Shareholding in dematerialized mode 99.86%
- (ii) Shareholding in physical mode 0.14%

#### RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by the Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, a firm of practicing Company Secretary carries out the Reconciliation of Share Capital Audit, on a quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total listed and paid-up capital. The audit report, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form and total number of shares in physical form.

#### FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALIZED MODE

Shareholders holding shares in dematerialised mode are requested to intimate all changes with respect to bank details, mandate, nomination, power of attorney, change of address, change of name etc. to their depository participant (DP). These changes will be reflected in the Company's records on the downloading of information from Depositories, which will help the Company provide better service to its shareholders.

#### FOR SHAREHOLDERS HOLDING THEIR EQUITY SHARES IN PHYSICAL FORM

Your kind attention is drawn towards SEBI regulations which prescribe that with effect from April 1, 2019, the transfer of securities, in physical form, shall not be processed unless securities are held in dematerialized form with any of the depository and therefore, all members holding shares in physical form are further advised to convert their shareholding from Physical form to Demat form with a Depository Participant of their choice. Holding share(s) in Demat form has the following advantages:

1. Freedom from physical storage
2. Elimination of chances of theft, mutilation, defacement etc.
3. Easy to sell and realize sale proceeds and/or dividend in the bank account linked with the Depository.
4. Contribution to the 'Green Initiative'
5. To make any change in your particulars, you can make single request with your DP, which will be applicable to all companies in your demat account.
6. Demat account can be operated from anywhere in the world

## SHARE TRANSFER SYSTEM

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfer of equity shares in electronic form are effected through the depositories with no involvement of the Company. The Company Secretary is severally authorized by the Board to approve transmission or transposition of securities, which are noted at subsequent meetings.

Further, in respect of shares upto 1000 per folio, transmission or transposition of securities are effected on a weekly basis. For others, the transmission or transposition of securities are effected within limits prescribed by law. The average turnaround time for processing registration of transmission or transposition of securities is 15 days from the date of receipt of requests. The processing activities with respect to requests received for dematerialisation are generally completed within 7 -10 days.

## DIVIDEND

The Company has not declared any dividend for the current financial year.

The Board of Directors approved a Dividend Distribution Policy in line with Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015, as amended, from time to time ("Listing Regulations"). The said policy is enclosed as an annexure to the Directors' Report and is also available on the website of the Company at <https://www.maxfinancialservices.com/investorrelations>

## UNCLAIMED DIVIDENDS

In respect of any unpaid/unclaimed dividends, the shareholders are requested to write to the Registrar and Share Transfer Agent of the Company. Further, the Companies Act, 2013, mandates companies to transfer Dividend that remains unclaimed for a period of seven years to the Investor Education and Protection Fund (IEPF). Therefore, balance if any remaining unclaimed/unpaid against the past dividend(s), will be transferred to IEPF within the statutory period prescribed under the Act.

## TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND

The Company had paid Final Dividend in FY 2015-16 and the unpaid dividend was transferred to a separate account in the same year within the prescribed time. In terms of the provisions of Section 124 (5) of the Companies Act, 2013 read

with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the amount of dividend which remains unpaid/ unclaimed for more than 7 years, from the date of the payment of dividend shall be mandatorily transferred by the Company to the Investor Education and Protection Fund (IEPF).

Further as per Section 124(6) of the Companies Act 2013, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred by the Company in the name of Investor Education and Protection Fund.

The Company had declared Final Dividend for the financial year 2015-16 on May 30, 2016. The unpaid/unclaimed dividend for the aforesaid Final Dividend for FY 2015-16 was due for transfer to IEPF Authority on October 18, 2023.

Further, the equity shares on which dividend have not been claimed/encashed for a continuous period of the last seven years i.e. from F.Y. 2015-16 shall also be mandatorily transferred by the Company to IEPF as per the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

In this regard, the Company had given adequate notice individually to the concerned shareholders on June 30, 2023, through Registered Post advising them to encash the said dividend. Further, the Company had published an advertisement on July 7, 2023, to the members of the Company, advising them to encash the said dividends in Business Standard (English), all editions and Desh Sewak (Punjabi), Chandigarh edition for the information of the members of the Company.

In this regard, a sum of Rs. 19,42,212/- which was lying as unpaid/unclaimed dividend in the Dividend Account No. 000184400012183 viz., Final Dividend for FY 2015-16 of the Company with Yes Bank was remitted to IEPF on October 25, 2023. Further, 1,10,529 equity shares of Rs. 2/- each were also transferred by the Company to Investor Education and Protection Fund on November 16, 2023, as per Section 124(6) of the Companies Act 2013, being shares in respect of which dividend have not been encashed or claimed for seven consecutive years or more.

On transfer of the aforesaid equity shares to IEPF, the members will now have recourse to IEPF to reclaim the shares by providing documentary evidence to IEPF as provided under the Companies Act, 2013.

## OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND

**LIKELY IMPACT ON EQUITY:**

As at March 31, 2024, the Company did not have any outstanding GDRS/ADRS/ Warrants or any convertible instruments.

**List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilisation of funds, whether in India or abroad**

Not Applicable

**COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES**

The Company does not deal in Commodity Activities. The Commodity price risks and commodity hedging activities are not applicable to the Company.

**Plant Locations:** Not Applicable

**COMMUNICATION OF FINANCIAL RESULTS**

The unaudited quarterly financial results and the audited annual accounts are normally published in the Mint or Financial Express (English) and Desh Sewak (Punjabi) newspapers. The financial results, press releases and presentations if any are communicated to the NSE and BSE and are also displayed on the Company's website- [www.maxfinancialservices.com](http://www.maxfinancialservices.com).

**ADDRESS FOR CORRESPONDENCE WITH THE COMPANY**

Investors and shareholders can correspond with the office of the Registrar & Transfer Agent of the Company or the Corporate Office of the Company at the following addresses:

**Mas Services Limited (Registrar & Transfer Agent)**

T-34, 2<sup>nd</sup> Floor  
Okhla Industrial Area, Phase – II  
New Delhi – 110 020

**Contact Person**

Mr. Sharwan Mangla  
Tel No.:-011-26387281/82/83/41320335  
e-mail: [investor@masserv.com](mailto:investor@masserv.com)

**Max Financial Services Limited**

Secretarial Department  
L20M, Max Towers, Plot No. C-001/A/1,  
Sector 16B, Noida 201301  
Tel. No. : +91 120 4696000  
e-mail: [investorhelpline@maxindia.com](mailto:investorhelpline@maxindia.com);  
[rajinder@maxindia.com](mailto:rajinder@maxindia.com)

**Company Secretary & Compliance Officer**

Mr. Piyush Soni  
Tel. No.:- +91 120 4696000  
e-mail:- [psoni@maxindia.com](mailto:psoni@maxindia.com)  
please visit us at [www.maxfinancialservices.com](http://www.maxfinancialservices.com) for the financial and other information about your Company.



# BOARD'S REPORT

# BOARD'S REPORT

## Dear Members,

Your directors are proud to present the 36<sup>th</sup> (Thirty-sixth) Board's Report of Max Financial Services Limited ("MFSL" or "the Company"), accompanied by the audited financial statements for the fiscal year ending on March 31, 2024. This report provides a comprehensive overview of the company's performance, achievements, and key highlights during the reporting period.

The presentation of audited financial statements signifies transparency and accountability, ensuring that stakeholders have access to accurate and reliable information regarding the company's financial health and performance. This allows shareholders, investors, regulators, and other stakeholders to make informed decisions based on a clear understanding of the company's financial position and results.

The Board's Report includes insights into the company's strategic initiatives, operational performance, corporate governance practices, risk management, and future outlook. It serves as a vital communication tool for the board to convey important information and updates to stakeholders while also reflecting on the company's progress and achievements over the reporting period.

Overall, the presentation of the Board's Report and audited financial statements demonstrates the company's commitment to transparency, good governance, and accountability, which are crucial pillars for building trust and confidence among stakeholders.

## STANDALONE RESULTS

The highlights of the standalone financial results of your Company along with the previous year's figures are as under:

(₹ in crore)

	Year ended 31.03.2024	Year ended 31.03.2023
Sale of services	16.60	20.32
Interest income	2.79	1.89
Net gain on fair value changes of mutual fund	2.04	28.35
Rental Income	-	0.57
Gain on sale of investment property	-	6.69
Revenue from operations	21.43	57.82
Other income	0.29	0.42
<b>Total income</b>	<b>21.72</b>	<b>58.24</b>
<b>Expenses</b>		
Employee benefits expenses	6.18	9.23
Other expenses	25.39	26.55
Depreciation and amortization expense	1.59	3.10
Finance costs	0.11	0.11
<b>Total expenses</b>	<b>33.27</b>	<b>38.99</b>
<b>Profit before tax</b>	<b>(11.55)</b>	<b>19.25</b>
<b>Tax expense</b>	<b>(0.32)</b>	<b>5.38</b>
<b>Profit after tax for the year</b>	<b>(11.23)</b>	<b>13.87</b>
<b>Other comprehensive income for the year</b>	<b>(0.10)</b>	<b>(0.06)</b>
<b>Total comprehensive income</b>	<b>(11.33)</b>	<b>13.81</b>

Your Company is primarily engaged in the business of making and holding investments in its subsidiary, Max Life Insurance Company Limited ("Max Life") and providing management consultancy services to group companies and accordingly, in terms of extant RBI guidelines, your Company is an

Unregistered Core Investment Company (Unregistered CIC) as it does not meet the criteria stipulated by RBI for registration as a Systematically important CIC.

There is no change in the nature of Business during the FY 2023-24.

The net worth of your Company on a standalone basis reduced marginally by 0.2% to ₹6,752 crore as of March 31, 2024, as against ₹6,763 crore as of March 31, 2023. The decrease in the net worth was mainly on account of losses made during the year.

### CONSOLIDATED RESULTS

In accordance with the Companies Act, 2013 ("the Act") and applicable accounting standards, the audited consolidated financial statements are enclosed as part of this Annual Report.

In FY 2023-24, MFSL reported consolidated revenues of ₹46,618 crore, which grew by 48%, due to higher investment income. Excluding Investment Income, consolidated revenues grew 16%. The Gross Premiums at ₹29,529 crore, grew by 17% compared to the previous year. The Company reported a consolidated Profit after Tax of ₹393 crore, which is lower by

13% compared to the previous year due to a shift in product mix.

Max Life AUM as of March 31, 2024, crossed ₹1,50,000 crores and stood at ₹1,50,836 crore, a rise of 23% over the previous year, owing to the increased scale of business and higher investment income. The Market Consistent Embedded value of Max Life as of March 31, 2024, was ₹19,494 crore, with an Operating Return on Embedded Value (RoEV) of 20.2% and the value of a new business at ₹1,973 crore has grown 1%, year on year.

The highlights of the consolidated financial results of your Company, and its subsidiaries, viz., Max Life Insurance Company Limited, Max Life Pension Fund Management Limited, and Max Financial Employees Welfare Trust are as under:

(₹ in crore)

	Year ended 31.03.2024	Year ended 31.03.2023
Policyholders' Income from Life Insurance operations	46,116.84	31,050.62
Interest Income	370.29	302.12
Net gain on fair value changes	73.56	39.34
Dividend Income	3.19	3.10
Rental Income	6.75	6.46
Gain on sale of investment property	-	6.69
Sale of services	5.60	4.34
<b>Revenue from operations</b>	<b>46,576.23</b>	<b>31,412.67</b>
Other income	42.09	18.39
<b>Total income</b>	<b>46,618.32</b>	<b>31,431.06</b>
<b>Expenses</b>		
Policyholders' Expenses of Life Insurance operations	46,075.11	30,788.74
Employee benefits expenses	35.05	29.23
Other expenses	51.41	44.38
Impairment on financial instruments	(4.92)	(0.59)
Finance costs	43.64	37.46
Depreciation and amortization expense	3.19	4.63
<b>Total expenses</b>	<b>46,203.48</b>	<b>30,903.85</b>
<b>Profit before tax</b>	<b>414.84</b>	<b>527.21</b>
Tax expense	22.23	75.31
<b>Profit after tax for the year (including non-controlling interests)</b>	<b>392.61</b>	<b>451.90</b>
Other comprehensive income for the year	2.11	(7.97)
<b>Total comprehensive income (after tax)</b>	<b>394.72</b>	<b>443.93</b>
<b>Total comprehensive income attributable to</b>		
Owners of the company	340.11	378.49
Non-controlling interests	54.61	65.44

### MATERIAL CHANGES AFFECTING FINANCIAL POSITION

There are no material changes and commitments affecting the financial position of the Company, which occurred between the end of the financial year of the Company i.e., March 31, 2024, and the date of the Directors' report i.e., May 7, 2024. In terms of the approval accorded by the shareholders earlier on September 27, 2023, Axis Bank subscribed to 6.02% equity

shares of Max Life for an aggregate share consideration of Rs. 1,612 crore on April 17, 2024 and correspondingly, MFSL's equity stake in Max Life had come down to 80.98% effective April 17, 2024.

### SUBSIDIARIES, ASSOCIATES & JOINT VENTURE COMPANIES

As of March 31, 2024, your Company had two operating subsidiaries viz., Max Life Insurance Company Limited, a material

subsidiary company and Max Life Pension Fund Management Limited and one special purpose entity, Max Financial Employees Welfare Trust. There were no other associate or joint venture companies.

The report containing salient features of the financial statements of all subsidiaries companies and employees' welfare Trust, included in the consolidated financial statements, presented in Form AOC-1 is attached to this report as **Annexure 1**, as per Rule 5 of the Companies (Accounts) Rules, 2014.

Further, a detailed update on the business achievements of Max Life is furnished as part of the Management Discussion and Analysis section which forms part of this Annual Report.

As provided in Section 136 of the Act, the financial statements and other documents of the subsidiaries of the Company are not attached to the financial statements of the Company. The complete set of financial statements, including financial statements of the subsidiaries of the Company is available on the website of the Company at <https://www.maxfinancialservices.com>. These documents will also be available for inspection during business hours at the registered office of the Company.

#### MATERIAL UNLISTED SUBSIDIARY

In terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), your Company has a policy for determining 'Material Subsidiary' and the said policy is available at <https://maxfinancialservices.com/investorrelations?category=CorporatePolicies>

Your Company has one material subsidiary, viz., Max Life Insurance Company Limited.

#### DIVIDEND

Your Directors have not recommended any dividend for the financial year 2023-24.

The Board of Directors of your Company has approved a Dividend Distribution Policy in line with Regulation 43A of SEBI Listing Regulations. The said policy is available on the website of the Company at <https://maxfinancialservices.com/investorrelations?category=CorporatePolicies>

#### TRANSFER TO RESERVES

The Company has not transferred any amount to reserve during the year under review.

#### SHARE CAPITAL

The Company did not issue any fresh issue of shares during the current year under review. The paid-up share capital of the Company as of March 31, 2024, stood at ₹ 69,02,29,542/- (Rupees Sixty-nine crore two lakhs twenty-nine thousand five hundred forty-two only) comprising 34,51,14,771 equity shares of ₹ 2/- each.

#### EMPLOYEE STOCK OPTION PLANS

Your Company has a stock option plan, viz. Max Financial Employees Stock Option Plan – 2022 ('2022 Plan').

Max Financial Employees Stock Option Plan - 2022 was approved by the Shareholders of the Company on May 9, 2022. This 2022 Plan does not contemplate the issue of any fresh shares. The Company established a separate Trust, viz., Max Financial Employees Welfare Trust ('Trust'). The Trust shall acquire shares of the Company in the secondary market, hold and transfer to option holders upon exercise of vested options. The Company granted 15,04,623 options on June 22, 2022, to the employees of Max Life, which would entitle the option-holders to acquire one equity share of Rs. 2/- each for cash from Max Financial Employees Welfare Trust at an Exercise Price of Rs. 808.97 per option payable to ESOP Trust and that the aforesaid options shall be vested in a graded manner. The Company further granted 2,00,973 options on May 12, 2023, to the employees of Max Life, which would entitle the option-holders to acquire one equity share of Rs. 2/- each for cash from Max Financial Employees Welfare Trust at an Exercise Price of Rs. 632.99 per option payable to ESOP Trust and that the aforesaid options shall be vested in a graded manner. The Company forfeited 2,14,024 options granted earlier under 2022 Plan during the year. The 2022 Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors of the Company. Disclosures as required under SEBI (Share Based Employee Benefits) Regulations, 2014 are enclosed in this report as **Annexure 2**.

In addition, the Company had an Employee Stock Option Plan instituted effective October 1, 2003 ('The 2003 Plan'). The 2003 Plan came into effect on October 1, 2003, and was valid for a period of 20 years up to September 30, 2023. There are no outstanding options in terms of the 2003 Plan. All options that were granted and vested with the option-holders were exercised within the exercise period.

A certificate from the Secretarial Auditors confirming that the 2022 plan of the Company has been implemented in accordance with the applicable SEBI Regulations shall be placed before the members at the ensuing Annual General Meeting.

#### DIRECTORS AND KEY MANAGERIAL PERSONNEL

As of the date of this report, the Board of Directors of your Company comprises 10 (Ten) members with all being Non-Executive Directors of which 6 (Six) are Independent Directors. Mr. Analjit Singh (DIN: 00029641), Chairman of the Company is a Non-Executive, Non-Independent Promoter Director.

Further, in terms of Section 152 of the Act and the Articles of Association of the Company, Mr. Analjit Singh and Mr. Sahil Vachani are liable to retire by rotation at the ensuing Annual General Meeting. They have offered themselves for re-appointment at the ensuing Annual General Meeting.

Brief profiles of the directors are given in the Annual Report.

The Board met five times during the financial year 2023-24 as detailed below. The details of participation of Directors in the said meetings are captured in detail in the Corporate Governance Report forming part of this Annual Report

S. No.	Date	Board Strength	No. of Directors present
1	May 12, 2023	10	10
2	August 9, 2023	10	9
3	October 31, 2023	10	9
4	December 4, 2023	10	10
5	February 6, 2024	10	10

The details regarding the number of meetings attended by each Director during the year under review have been furnished in the Corporate Governance Report attached as part of this Annual Report.

During the year under review, Mr. V Krishnan, who was earlier the Company Secretary of the Company was appointed as the 'Manager' under the Companies Act, 2013, designated as Principal Officer of the Company effective July 1, 2023 and Mr. Piyush Soni has been appointed as Company Secretary & Compliance officer w.e.f July 1, 2023. As of the date of this Report, Mr. V. Krishnan, Principal Officer, Mr. Amrit Pal Singh, Chief Financial Officer, and Mr. Piyush Soni, Company Secretary & Compliance officer are the Key Managerial Personnel of the Company.

#### STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS

In terms of Section 149(6) of the Act and Regulation 25 of SEBI Listing Regulations, the following Non-Executive Directors are categorized as Independent Directors of the Company: Mr. Aman Mehta (DIN: 00009364), Mr. Dinesh Kumar Mittal (DIN: 00040000), Mr. Jai Arya (DIN: 08270093), Sir Richard Stagg (DIN: 07176980), Mr. K. Narasimha Murthy (DIN: 00023046) and Mrs. Gauri Padmanabhan (DIN: 01550668).

The Company has received confirmation of independence from all the above-mentioned Independent Directors as per Section 149(7) of the Act and applicable SEBI Listing Regulations confirming that they continue to meet the criteria of independence. Further, pursuant to Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have confirmed their registration with the Indian Institute of Corporate Affairs (IICA) database. Top of Form Bottom of Form.

#### COMMITTEES OF THE BOARD OF DIRECTORS

The Company has the following committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the

relevant provisions of applicable laws and statutes. A detailed note on the same is provided under the Corporate Governance Report forming part of this Annual Report.

1. **Audit Committee:**

The Audit Committee met four times during the financial year 2023-24, viz. on May 12, 2023, August 9, 2023, October 31, 2023, and February 6, 2024. As of the date of this report, the Committee comprises of Mr. Dinesh Kumar Mittal (Chairman), Mr. Aman Mehta, Mr. Mitsuru Yasuda, and Mr. K Narasimha Murthy. All the recommendations by the Audit Committee were accepted by the Board.

2. **Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee met twice during the financial year 2023-24, viz. on May 12, 2023, and February 6, 2024. As of the date of this report, the Committee comprises of Mr. Aman Mehta (Chairman), Mr. Analjit Singh, Mr. Dinesh Kumar Mittal, Mr. Hideaki Nomura, Mr. Jai Arya and Sir Richard Stagg.

3. **Stakeholders' Relationship Committee:**

The Committee met once during the financial year 2023-24, viz. on February 2, 2024. As of the date of this report, the Committee comprises of Mr. Sahil Vachani (Chairman), Mr. Dinesh Kumar Mittal and Mr. Mitsuru Yasuda.

4. **Risk Management Committee:**

The Committee met thrice during the financial year 2023-24, viz. on April 13, 2023, August 9, 2023, and February 2, 2024. As of the date of this report, the Committee comprises Mr. Aman Mehta (Chairman), Mr. Dinesh Kumar Mittal, Mr. Jai Arya and Mr. Mitsuru Yasuda.

5. **Corporate Social Responsibility Committee:**

The provision under section 135 of the Act, w.r.t constitution of CSR Committee, does not apply to the Company and that CSR functions for the Company are discharged directly by its Board of Directors as and when required.

6. **Independent Directors:**

The Board of Directors includes six Independent Directors as of March 31, 2024, viz. Mr. Aman Mehta, Mr. Dinesh Kumar Mittal, Mr. Jai Arya, Sir Richard Stagg, Mr. K. Narasimha Murthy, and Mrs. Gauri Padmanabhan.

The Independent Directors had separate meetings on May 12, 2023, and May 7, 2024. The meetings were conducted to:

- a) Review the performance of non-independent Directors and the Board as a whole;
- b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and non-executive Directors; and



- c) Assess the quality, quantity, and timeliness of the flow of information between the Company management and the Board that is necessary for the Board to perform their duties effectively and reasonably.

### PERFORMANCE EVALUATION OF THE BOARD

As per the requirements of the Act and SEBI Listing Regulations, a formal Annual Evaluation process has been carried out to evaluate the performance of the Board, the Committees of the Board, and the Individual Directors including the Chairperson.

The Board of Directors has diligently followed the necessary procedures for evaluating its performance, as well as that of its committees and individual members, in compliance with the Act and SEBI Listing Regulations, using an online survey mechanism through Diligent Boards.

The affirmation of the integrity, expertise, and experience of the Independent Directors reflects positively on their contributions to the company. Furthermore, the acknowledgment of the commitment to good governance and continuous improvement by the Board and its members is commendable, as it indicates a proactive approach to ensuring the organization's success and growth.

The review concluded by affirming that the Board as a whole as well as its chairman, all of its members, individually, and the Committees of the Board continued to display a commitment to good governance by ensuring a constant improvement of processes and procedures and contributed their best in the overall growth of the organization.

### HUMAN RESOURCES

Your Company is primarily engaged in growing and nurturing business investment as a holding company in the business of life insurance and providing management advisory services to group companies. The remuneration of employees is competitive with the market and rewards high performers across levels. The remuneration to Directors, Principal Officer, Key Managerial Personnel, and Senior Management is a balance between fixed, incentive pay, and a long-term equity program based on the performance objectives appropriate to the working of the Company and its goals and is reviewed periodically and approved by the Nomination and Remuneration Committee of the Board.

Details pursuant to Section 197(12) of the Act, read with Rule 5(1) and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this report as **Annexure 3A** and **Annexure 3B**.

As of March 31, 2024, there were 10 (Ten) employees on the rolls of the Company.

### NOMINATION AND REMUNERATION POLICY

In adherence to the provisions of Sections 134(3)(e) and 178(1) & (3) of the Act, the Board of Directors on the recommendation

of the Nomination and Remuneration Committee had approved a policy on Directors' appointment and remuneration. The said policy includes terms of appointment, criteria for determining qualifications, performance evaluation, and other matters. A copy of the same is available on the website of the Company at <https://maxfinancialservices.com/investorrelations?category=CorporatePolicies>

### CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company is not required to constitute a CSR Committee under section 135 of the Act, and a copy of the duly adopted CSR policy is available on the website of the Company at <https://maxfinancialservices.com/investorrelations?category=CorporatePolicies>

The CSR Policy comprises a Vision and Mission Statement, philosophy, and objectives. It also explains the governance structure along with clarity on roles and responsibilities.

In terms of Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, all Companies meeting the prescribed threshold criteria, i.e., a net worth of ₹ 500 crore or more or a turnover of ₹ 1,000 crore or more or net profits of ₹ 5 crore or more during the immediately preceding financial year are required to spend at least 2% of the average net profits of the Company for the immediately preceding three financial years.

As per rule 2(h) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, any dividend received from other companies in India, which are already covered and comply with the provisions of the CSR, shall not be included for the purposes of computation of 'net profits' for a company.

Accordingly, dividend income received by MFSL from Max Life for FY 2021-22 is not included in computing the limits for CSR contribution to be made by the MFSL as Max Life already contributes to CSR. Based on the average net profits of the 3 preceding FYs, MFSL has generated an average net profit of Rs 0.7 Cr in the last 3 years. MFSL is therefore required to make CSR contribution ~ Rs1.4 Lacs during the FY 2024-25.

### POLICY FOR PREVENTION OF SEXUAL HARASSMENT

Your Company has a requisite policy for the Prevention of Sexual Harassment, which is available on the website of the Company at <https://maxfinancialservices.com/investorrelations?category=CorporatePolicies> The comprehensive policy ensures gender equality and the right to work with dignity for all employees (permanent, contractual, temporary, and trainees) of the Company. Your company has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. No case was reported to the Committee during the year under review.

### LOANS, GUARANTEES, OR INVESTMENTS IN SECURITIES

The details of loans given, and investments made by the company pursuant to the provisions of Section 186 of the Act are

provided in Note No. 34 to the standalone financial statements of the Company for FY 2023-24.

### MANAGEMENT DISCUSSION & ANALYSIS

In terms of Regulation 34 of SEBI Listing Regulations, a review of the performance of the Company, including those of your Company's subsidiaries, viz., Max Life and Max Life Pension Fund Management Limited, is provided in the Management Discussion & Analysis section, which forms part of this Annual Report.

### REPORT ON CORPORATE GOVERNANCE

The Company has complied with all the mandatory requirements of Corporate Governance specified by the Securities and Exchange Board of India through Part C of Schedule V of Listing Regulations. As required by the said Clause, a separate report on Corporate Governance forms part of the Annual Report of the Company.

A certificate from the Non-Executive Director, Manager and Chief Financial Officer on compliance with Part B of Schedule II of SEBI Listing Regulations forms part of the Corporate Governance Report as **Annexure II**. Further, a certificate from M/s Chandrasekaran Associates, Practicing Company Secretaries regarding compliance with the conditions of Corporate Governance pursuant to Part E of Schedule V of SEBI Listing Regulations is Annexed to the Corporate Governance Report as **Annexure III**.

Copies of various policies adopted by the Company are available on the website of the Company at <https://maxfinancialservices.com/investorrelations?category=CorporatePolicies>

### STATUTORY AUDITORS AND AUDITORS' REPORT

Pursuant to Sections 139 & 142 of the Act, M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E3000050) be and is hereby appointed as Statutory Auditors of the Company to hold office for a period of 5 (five) consecutive years from the conclusion of this 35<sup>th</sup> Annual General Meeting till the conclusion of 40<sup>th</sup> Annual General Meeting to be held in the calendar year 2028. They continue as the Statutory Auditors of the Company.

There are no audit qualifications, reservations, disclaimers or adverse remarks, or reporting of fraud in the Statutory Auditors Report given by M/s S.R. Batliboi & Co. LLP, Statutory Auditors of the Company for the financial year 2023-24 annexed in this Annual Report.

Further, during the year under review, the auditors have not reported any fraud under Section 143(12) of the Act, and therefore, no details are required to be disclosed under Section 134(3)(ca) of the Act.

### SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Act, your Company had appointed M/s Chandrasekaran Associates practicing Company

Secretaries, New Delhi as its Secretarial Auditors to conduct the secretarial audit of the Company for FY 2023-24. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for FY 2023-24 is annexed to this report as **Annexure 4**.

There are no audit qualifications, reservations, disclaimers, or adverse remarks in the said Secretarial Audit Report. However, there were two observations on procedural matters for which the responses from the management were included in the said secretarial audit report.

Your Company complies with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Ministry of Corporate Affairs.

Further, Max Life Insurance Company Limited, the material subsidiary of the Company has undergone a Secretarial Audit for the year ended March 31, 2024. The Secretarial Audit Report issued by M/s Chandrasekaran Associates, Practicing Company Secretaries, New Delhi is enclosed as **Annexure 5**.

### INTERNAL AUDITORS

The Company follows a robust Internal Audit process, and audits are conducted on a regular basis, throughout the year, as per the agreed audit plan. During the year under review, M/s MGC, Global Risk Advisory LLP was re-appointed as Internal Auditors for conducting the Internal Audit of key functions and assessment of Internal Financial Controls, etc.

### INTERNAL FINANCIAL CONTROLS

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weaknesses in the design or operation were observed. The Management has reviewed the existence of various risk-based controls in the Company and also tested the key controls towards the assurance of compliance for the present fiscal.

In the opinion of the Board, the existing internal control framework is adequate and commensurate with the size and nature of the business of the Company. Further, the testing of the adequacy of internal financial controls over financial reporting has also been carried out independently by the Statutory Auditors as mandated under the provisions of the Act.

During the year under review, there were no instances of fraud reported by the auditors to the Audit Committee or the Board of Directors.

### RISK MANAGEMENT

Your company takes a proactive approach to risk management, recognizing it as an integral aspect of its business operations. The establishment of a dedicated Risk Management Committee, along with a core team of senior management, demonstrates a structured and comprehensive approach to identifying, assessing, and mitigating risks.

The categorization of risks into Strategic, Operational, Compliance, and Financial & Reporting categories under the Risk Management policy provides clarity and guidance for managing different types of risks that may affect business performance. This framework likely helps in prioritizing risk management efforts and ensures a systematic approach to risk mitigation across the organization.

There are no risks which, in the opinion of the Board, threaten the very existence of your Company. However, some of the challenges/risks faced by its subsidiary have been dealt with in detail in the Management Discussion and Analysis section, forming part of this Annual Report.

Overall, your company has a robust risk management framework in place, supported by clear policies, dedicated committees, and active involvement from senior management. This proactive stance towards risk management is essential for safeguarding the company's interests and ensuring sustainable business growth.

#### VIGIL MECHANISM

The Company has implemented a Whistle Blower Policy as part of its vigil mechanism. This policy provides a formal channel for employees and stakeholders to raise concerns about unethical practices, fraud, or violations of the company's code of conduct.

The assurance of strict confidentiality and non-discrimination for individuals who raise genuine concerns fosters a culture of transparency, accountability, and ethical conduct within the organization. Employees need to feel safe and protected when reporting misconduct, and this policy helps to create an environment where such concerns can be addressed without fear of retaliation.

By having a Whistle Blower Policy in place, your company demonstrates its commitment to upholding ethical standards and ensuring that any issues or irregularities are promptly identified and addressed. This proactive approach to governance contributes to building trust among stakeholders and maintaining the company's reputation for integrity and compliance.

The said Policy, covering all employees, Directors, and other people having an association with the Company, is hosted on the Company's website at

<https://maxfinancialservices.com/investorrelations?category=CorporatePolicies>

A brief note on Vigil Mechanism/Whistle Blower Policy is also provided in the Report on Corporate Governance, which forms part of this Annual Report.

#### COST RECORDS

Your Company is not required to maintain cost records as specified by the Central Government under Section 148(1) of the Act.

#### DEPOSITS

During the year under review, the Company has not accepted or renewed any deposits from the public.

#### COMPLIANCE WITH SECRETARIAL STANDARDS

Pursuant to the provisions of Section 118 of the Act, the Company has complied with the applicable provisions of the Secretarial Standards issued by the Institute of Company Secretaries of India.

#### DETAILS OF THE APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

During the period under review, no application was made by or against the company, and accordingly, no proceeding is pending under the Insolvency and Bankruptcy Code, 2016.

#### CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis, except an ongoing transaction with Max Life Insurance Company Limited for allowing usage of trademarks without any consideration for which approval has already been obtained from shareholders of the Company in 2016 for the said transaction.

Further, the members of the Company had approved the material-related party transaction between Max Life Insurance Company Limited ("Max Life"), a material subsidiary of the Company and its related party, viz., Axis Bank Limited for subscription of equity shares of Max Life by Axis Bank Limited, on a preferential allotment basis aggregating to INR 1611,99,99,943/- (Rupees One Thousand Six Hundred and Eleven Crores Ninety Nine Lakhs Ninety Nine Thousand Nine Hundred and Forty Three) on September 27, 2023 through postal ballot process.

Form AOC-2 furnishing particulars of contracts or arrangements entered by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013, is annexed to this report as **Annexure 6**.

The details of all the Related Party Transactions form part of Note No. 33 to the standalone financial statements attached to this Annual Report.

The Policy on the materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at <https://maxfinancialservices.com/investorrelations?category=CorporatePolicies>

#### BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Clause 34(2)(f) of SEBI Regulations, a Business Responsibility and Sustainability Report, on various initiatives taken by the Company and its material subsidiary, Max Life, is enclosed in this report as **Annexure 7**.

**PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

The information on the conservation of energy, technology absorption and foreign exchange earnings & outgo as stipulated under Section 134(3)(m) of the Act read with Companies (Accounts) Rules, 2014 is as follows:

**a) Conservation of Energy**

- (i) the steps taken or impact on the conservation of energy: Regular efforts are made to conserve energy through various means such as the use of low energy-consuming lighting, etc.;
- (ii) the steps taken by the Company for using alternate sources of energy: Since your Company is not an energy-intensive unit, utilization of alternate sources of energy may not be feasible; and
- (iii) capital investment on energy conservation equipment: Nil.

**b) Technology Absorption**

Your Company is not engaged in manufacturing activities, therefore there is no specific information to be furnished in this regard.

There was no expenditure incurred on Research and Development during the period under review.

**c) Foreign Exchange Earnings and Outgo**

The foreign exchange earnings and outgo are given below:

Total Foreign Exchange earned	Nil
Total Foreign Exchange used	₹ 283.75 Lakhs

**ANNUAL RETURN**

The Annual Return as of March 31, 2024, under Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014, can be accessed at the website of the Company at <https://maxfinancialservices.com/static/uploads/financials/annual-return-2024.pdf>

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Act, it is hereby confirmed that:

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) The Directors had taken proper and sufficient care for the 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 fraud and other irregularities;

- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS**

During the year under review, there were no such significant and material orders passed by the regulators or courts or tribunals that could impact the going concern status and the company's operations in the future.

**TRANSFER OF UNCLAIMED DIVIDEND AND SHARES TO THE INVESTOR EDUCATION AND PROTECTION FUND**

The Company had paid a Final Dividend in FY 2015-16, and the unpaid dividend was transferred to the separate bank account in the same year for the aforesaid dividend. After the completion of Seven years, the unpaid amount still lying in the said account was transferred to the Investor Education and Protection Fund, along with respective shares on which such dividend remained unpaid on October 18, 2023.

**UNCLAIMED SHARES**

Regulation 39(4) of the SEBI Listing Regulations inter alia requires every listed company to comply with a certain procedure in respect of shares issued by it in physical form, pursuant to a public issue or any other issue and which remained unclaimed for any reason whatsoever.

The face value of the shares of the Company was split from ₹ 10/- each to ₹ 2/- each in the year 2007. Certain share certificates were returned undelivered and were lying unclaimed. The Company had sent necessary reminders to concerned shareholders, and subsequently, such shares were transferred to the Unclaimed Suspense Account.

The voting rights on the equity shares lying in the said Unclaimed Suspense Account shall remain frozen till the rightful owner claims such shares. Further, all corporate benefits in terms of securities accruing on the said unclaimed shares viz. bonus shares, split, etc., if any, shall also be credited to the said Unclaimed Suspense Account.

The concerned shareholder(s) are requested to write to the Registrar and Share Transfer Agent to claim the said equity shares. On receipt of such claim, additional documents may be called for and subject to its receipt and verification, the said shares lying in the said Unclaimed Suspense Account shall be transferred to the depository account provided by the concerned shareholder(s) or the Letter of Confirmation shall be delivered

to the registered address of the concerned shareholder(s).

The details of Equity Shares held in the Unclaimed Suspense Account are as follows:

S. No.	Particulars	No. of Shareholders	No. of Equity Shares
1.	The Aggregate number of shareholders and the outstanding shares originally lying in the Unclaimed Suspense Account (as at the beginning of the financial year i.e., April 1, 2023)	200	57,835
2.	Number of shareholders who approached the listed entity for transfer of shares from the Unclaimed Suspense Account during the year	*65	19,790
3.	Number of shareholders to whom the shares were transferred from the Unclaimed Suspense Account, during the year	*65	19,790
4.	The aggregate number of shareholders and the outstanding shares in the Suspense Account (as of the end of the financial year i.e., March 31, 2024)	135	38,045

*\*This includes 19,440 equity shares comprising 63 shareholders which were transferred to the Investor Education and Protection Fund*

Till the date of this report, the Company had approved 2068 such claims from shareholders for 4,37,265 shares, for transfer of the shareholding back to the shareholders from the Unclaimed Suspense Account in Demat form.

### CAUTIONARY STATEMENT

Statements within the report, especially those found in the Management Discussion and Analysis section, which describe the company's or subsidiary's objectives, projections, estimates, and expectations, may be considered "forward-looking statements" within the purview of applicable laws and regulations.

Forward-looking statements inherently involve risks, uncertainties, and assumptions. Actual results may differ materially from those expressed or implied in these statements due to various factors such as changes in market conditions,

regulatory environments, economic conditions, competitive pressures, technological advancements, and other unforeseen circumstances.

Therefore, readers and stakeholders should exercise caution when interpreting forward-looking statements and should not unduly rely on them for making investment decisions or forming expectations about future performance. The company cannot guarantee that the outcomes or events described in these statements will materialize as anticipated.

The company may not update these forward-looking statements, except as required by law, and disclaims any obligation to do so. This disclaimer serves to remind readers of the inherent uncertainties associated with forward-looking statements and underscores the company's commitment to transparency and prudent disclosure practices.

### ACKNOWLEDGMENTS

A company's success is often a result of the collective efforts of its team, and acknowledging their contributions is essential for fostering a positive work environment.

Your Directors would like to place on record their appreciation of the contribution made by its management and its employees that enabled the Company to achieve impressive growth.

Your Directors also acknowledge with thanks the cooperation and assistance received from various agencies of the Central and State Governments, Financial Institutions and Banks, Shareholders, Joint Venture partners, and all other business associates. Such acknowledgment strengthens relationships and fosters goodwill among key stakeholders, which is vital for sustaining long-term partnerships and achieving mutual goals.

By expressing appreciation to all those who have contributed to the company's growth and success, your Directors not only demonstrate humility but also reinforce a culture of gratitude and appreciation within the organization. This, in turn, can help to inspire continued dedication and commitment from all stakeholders as the company moves forward.

On behalf of the Board of Directors  
**Max Financial Services Limited**

**Analjit Singh**  
Chairman  
DIN: 00029641

Place: South Africa  
Date: May 7, 2024

FORM AOC-1

(Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the Financial Statement of subsidiaries/associate companies/joint ventures

**PART "A" - SUBSIDIARIES**

(Information in respect of each subsidiary to be presented with amounts in Rs)

Sl. No.	Name of Subsidiary Company	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned	Reporting Currency and Exchange rate as on the last date of relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of Shareholding (in %)
1	Max Life Insurance Company Limited	11 July, 2000	31 March, 2024	₹	191,881.29	201,836.61	15,743,987.23	15,350,269.33	15,083,551.30	4,650,454.88	37,487.67	1,520.07	35,967.60	-	87.00%
2	Max Life Pension Fund Management Limited*	28 February, 2022	31 March, 2024	₹	5,500.00	(83.54)	5,645.14	228.68	5,173.71	477.80	(127.01)	(32.96)	(94.05)	-	100.00%
3	Max Financial Employees Welfare Trust	11 May, 2022	31 March, 2024	₹	0.10	(0.66)	12,820.74	12,821.30	11,993.32	889.07	0.59	-	0.59	-	100.00%

\* Wholly owned Subsidiary of Max Life Insurance Company Limited.

**PART "B" - ASSOCIATE COMPANIES AND JOINT-VENTURES**

Not Applicable, as there are no Associates/Joint Ventures

**For Max Financial Services Limited**

**D K Mittal**  
Director  
DIN: 00040000  
Place: New Delhi  
Date: May 7, 2024

**Sahil Vachani**  
Director  
DIN: 00761695

**V Krishnan**  
Manager  
PAN: AIOPK9417F

**Amrit Pal Singh**  
Chief Financial Officer  
PAN: ASXPS1781R

**Piyush Soni**  
Company Secretary  
PAN: GARPS4922Q

**DETAILS OF MAX EMPLOYEES STOCK PLANS  
FOR THE YEAR ENDED MARCH 31, 2024**

Max Financial Employees Stock Option Plan - 2022 was approved by the Shareholders of the Company on May 9, 2022. This 2022 Plan does not contemplate the issue of any fresh shares. The Company established a separate Trust, viz., Max Financial Employees Welfare Trust ('Trust'). The Trust shall acquire shares of the Company in the secondary market, hold and transfer to option holders upon exercise of vested options. The Company granted 15,04,623 options on June 22, 2022 to the employees of Max Life, which would entitle the option-holders to acquire one equity share of Rs. 2/- each for cash from Max Financial Employees Welfare Trust at an Exercise Price of Rs. 808.97 per option payable to ESOP Trust and that the aforesaid options shall be vested in a graded manner. The Company further granted 2,00,973 options on May 12, 2023 to the employees of Max Life, which would entitle the option-holders to acquire one equity share of Rs. 2/- each for cash from Max Financial Employees Welfare Trust at an Exercise Price of Rs. 632.99 per option payable to ESOP Trust and that the aforesaid options shall be vested in a graded manner. Details as per part F of Schedule 1 read with Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 are furnished hereunder:

- (A) Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time.
- (B) Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by Central Government or any other relevant accounting standards as issued from time to time.
- (C) Details related to ESOP

i. The description of Max Financial Employees Stock Option Plan 2022 is summarized as under:

S. No	Particulars	Plan 2022
1	Date of shareholders' approval	May 9, 2022
2	Total number of options approved under ESOPs	1,72,55,738 equity shares of Rs. 2/- each
3	Vesting requirements	Vesting may be time-based as determined by the Nomination and Remuneration Committee ("NRC"), from time to time, under the relevant Option Agreement.
4	Exercise price or pricing formula	As determined by the NRC, under the relevant Option Agreement.
5	Maximum term of options granted	As determined by the NRC, subject to the compliance of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
6	Source of shares (primary, secondary, or combination)	Secondary
7	Variation in terms of options	Nil

- ii. The method used to account for ESOPs:  
The Company has adopted a fair value method of Valuation.
- iii. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.

iv. Option movement during the year:

Number of options outstanding at the beginning of the year	14,42,411
Number of options granted during the year	2,00,973
Number of options forfeited/lapsed during the year	2,14,024
Number of options vested during the year	96,310
Number of options exercised during the year	96,310
Number of shares arising as a result of the exercise of options	Nil, since the shares purchased by Trust from secondary market
Money realized by exercise of options (INR), if the scheme is implemented directly by the company	Not Applicable. The ESOP Plan is administered by the Trust
Loan repaid by the Trust during the year from exercise price received	Rs 7.49 Cr
Number of options outstanding at the end of the year	13,33,050
Number of options exercisable at the end of the year	5,41,099

v. Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock:

The Weighted average exercise price for options exercised during FY2023-24 was ₹808.97/- Further, the weighted average fair value of the outstanding options as on March 31, 2024 was ₹782.44 For details, please refer to Note No.40 of Consolidated Financial Statements.

vi. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to:

Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	-	On May 12, 2023, 2,00,973 Options were granted to Mr. Prashant Tripathy, Managing Director and CEO of Max Life Insurance Company Limited, the material subsidiary of the Company at an exercise price of Rs. 632.99 per option.
Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year; and	-	NA
Identified employees who were granted option during any one year, equal to or exceeding 1% of the company's issued capital (excluding outstanding warrants and conversions) at the time of grant.	-	Nil

vii A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

ESOPs were granted by the Max Life Insurance Company Limited during the financial year 2023-24

Weighted-average values of share price (at time of grant)	2,00,973 options at Rs.632.99 per option
Exercise price	2,00,973 options at Rs.632.99 per option
Expected volatility	40.2%-43.32%
Expected option life (in years)	4.0-6.0 years
Expected dividends	Nil
Risk-free interest rate	7.07%-7.16%
Any other inputs to the model	No
The method used and the assumptions made to incorporate the effects of expected early exercise;	Black Scholes Option Pricing
How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Historical volatility
Whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.	NA



Disclosures in respect of grants made in three years prior to IPO under each ESOS Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made.

D. Details related to Trust

The following details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:

(i) General information on all schemes:

Sl. No.	Particulars	Details
1	Name of the Trust	Max Financial Employees Welfare Trust
2	Details of the trustee(s)	KP Corporate Solutions Limited
3	Amount of loan disbursed by company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to company / any company in the group)	Rs. 119.32 Crore
5	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

(ii) Brief details of transactions in shares by the trust:

Sl. No.	Particulars	Details
1.	Number of shares held at the beginning of the year	15,04,620 equity shares
2.	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on the weighted average cost of acquisition per share	77,543 equity shares of Rs. 2/- each through secondary acquisition comprising of 0.02% of the paid-up capital of the Company at the weighted average of Rs. 701.36 per share.
3.	Number of shares transferred to the employees / sold along with the purpose thereof	92,613 equity shares of Rs. 2/- each through secondary sale comprising 0.03% of the paid-up capital of the Company at the weighted average of Rs. 796.25 per share.
4.	Number of shares held at the end of the year	14,89,550 equity shares

(iii) In case of secondary acquisition of shares by the Trust:

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	15,04,620 equity shares
Acquired during the year	77,543 equity shares
Sold/transferred during the year	92,613 equity shares
Held at the end of the year	14,89,550 equity shares

On behalf of the Board of Directors  
**Max Financial Services Limited**

**Analjit Singh**  
Chairman  
DIN: 00029641

Place: South Africa  
Date: May 7, 2024

**Annexure 3A**

**INFORMATION AS PER SECTION 197 OF THE ACT READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2024**

(i) Percentage increase in the remuneration of each Manager (Principal Officer), Chief Financial Officer, and Company Secretary in the FY 2023-24:

Sl. No.	Name	Designation	Remuneration for FY23 (INR crore)	Remuneration for FY24 (INR crore)	% Increase in Remuneration in FY24 vs. FY23
1	Mr. V Krishnan <sup>1</sup>	Manager (Principal Officer)	1.39	1.82	31%
2	Mr. Amrit Pal Singh <sup>2</sup>	Chief Financial Officer	0.165	0.18	9%
3	Mr. Piyush Soni <sup>3</sup>	Company Secretary	-	0.24	NA

- 1) Mr. V. Krishnan was appointed as Manager (designated as Principal Officer) under the Companies Act, 2013 w.e.f. July 1, 2023
- 2) Mr. Amrit Pal Singh was appointed as the CFO w.e.f. May 1, 2022 on a fixed term contract. Apart from the remuneration disclosed above, he received remuneration from Max Life Insurance Company Limited ('Max Life'), a material subsidiary Company where he is employed in his capacity as CFO.
- 3) Mr. Piyush Soni, an employee of Max Life has been seconded to the Company and has been appointed as Company Secretary w.e.f. July 1, 2023.

(ii) The Median Remuneration of Employees ("MRE") was Rs. 26,66,741/- in FY24 as against Rs. 26,36,484/- in FY23. The increase in MRE in FY24 as compared to FY23 is around 1%.

Further, the Ratio of Remuneration of Mr. V. Krishnan (Manager during FY24) to the MRE for FY24 is around 6.8:1. The company does not have any Executive Director.

- (iii) The Company had ten permanent employees on its rolls as on March 31, 2024.
- (iv) The average increase in fixed remuneration (excluding Manager's remuneration) in FY24 over FY23 was around 9%. There is no change in the remuneration of the Manager.
- (v) The Remuneration paid during the financial year under review was as per the remuneration policy of the Company.

During FY24, no employee received remuneration in excess of the remuneration paid to the Principal Officer and held 2% or more of the equity shares in the Company, along with spouse and/or dependent children.

On behalf of the Board of Directors  
**Max Financial Services Limited**

**Analjit Singh**  
Chairman  
DIN: 00029641

Place: South Africa  
Date: May 7, 2024

**Annexure 3B**

**INFORMATION AS PER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2024**

Details of employees in terms of remuneration, and includes all employees who were in receipt of remuneration of (a) Rs. 102,00,000/- per annum or more, or (b) Rs. 8,50,000/- per month or more, if employed for part of the year

Sr. No.	Name	Age (Yrs.)	Designation	Nature of duties	Employment	Remuneration (In Rs.)	Qualification	Date of Commencement of employment	Experience (Yrs.)	Last Employment Held Organisation	Position held	
<b>A. Employed throughout the year</b>												
1	Krishnan, V	60	Manager under Companies Act, 2013, designated as Principal Officer Deputy General Manager	Senior Management Executive Assistant to Chairman	Fixed Term Contract Fixed Term Contract	18,186,399 6,273,413	B.Com, FCS BA (Hons)	01.07.2019 03.06.1987	39 44	Max India Limited Northern Engineering Industries (India) Limited Max India Limited	Company Secretary Assistant cum Secretary Deputy General Manager - Finance Senior Manager	
3	Nishant Kumar Gehlawat	41	General Manager	Finance	Full Time Employee	4,710,840	B.Com (H), CA, PGPMAX-ISB	01.05.2020	18	Max India Limited	Deputy General Manager - Finance	
4	Shri Raj	60	Senior Manager	Finance	Full Time Employee	3,197,320	B.Com	01.05.2020	39	Max India Limited	Senior Manager	
5	Pai, Ramachandra Vishnu	57	Manager	Administration	Full Time Employee	2,976,485	B.Com	18.09.1995	34	Johnson & Johnson	Warehousing Supervisor Deputy Manager	
6	Sunita Paul	53	Deputy Manager	Executive Assistant to Principal Officer	Full Time Employee	2,666,741	BA with Office Management	01.05.2020	28	Max India Limited	Deputy Manager	
7	Anjana Chhabra	52	Deputy Manager	Executive Assistant to Business Advisor	Full Time Employee	2,560,917	BA, Diploma in Secretarial Practice, MBA in HR (Dist Learning)	01.05.2020	31	Max India Limited	Deputy Manager	
8	Soni Vinod	39	Deputy Manager	Administration	Full Time Employee	1,937,210	Post Graduation Certificate in Food Quality Management, Diploma in Hospitality & Tourism	20.04.2015	18	Max India Limited	Facilities and F&B Manager	
9	Mohit Joshi	31	Assistant Manager	Information Technology	Full Time Employee	977,308	B.Tech in Electronics & Comm. Engineering	19.05.2022	9	Urban Clap Tech I P Ltd	Associate Manager - IT	
10	Ashish Kumar Pal	36	Assistant Manager	Founder Chairman Office	Full Time Employee	544,886	B.Sc in Hospitality & Hotel Administration, Masters in International Hotel Management	11.09.2023	13	Vipra Legar Services LLP	Executive Assistant	
<b>B. Employed for part of the year</b>												
1	Ramsundar, K K	66	Deputy General Manager	Founder Chairman Office	Retired	14,234,317	B.Com (P), PGDBA, PGDMM	02.07.1979	47	Ranbaxy Labs Limited	Steno Typist	
2	Sethi Jyoti	44	Secretary	Executive Assistant	Resigned	963,804	Graduate	20.01.2017	19	Max Learning Limited	Executive Assistant	
<b>TOTAL</b>						<b>59,229,640</b>						

1 Remuneration includes salary, allowances, value of rent free accommodation, bonus, leave travel assistance, personal accident and health insurance, Company's contribution to Provident, Pension, Gratuity and Superannuation fund, leave encashment and value of perquisites, as applicable.  
 2 None of the above employees is a relative of any director of the Company.  
 3 Mr. V. Krishnan holds 5,100 equity shares constituting 0.001% of the equity share capital of the Company, as of the date of this report  
 4 None of the above employees held 2% or more equity shares of the Company, by himself / herself / alongwith his / her spouse and dependent children .

Place: South Africa  
Date : May 7, 2024

For **Max Financial Services Limited**  
**Analit Singh**  
Chairman  
DIN: 00029641

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024

To  
The Members,  
**Max Financial Services Limited**  
Bhai Mohan Singh Nagar,  
Rail Majra, Tehsil Balachaur,  
Distt. Nawanshahr, Punjab-144533

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Max Financial Services Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed, and other records maintained by the Company for the financial year ended on March 31, 2024 ("during the period under review") according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;
  - d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable ;
  - e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable during the period under review.**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable during the period under review** and
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **Not Applicable during the period under review.**
- (vi) As confirmed and certified by the management, there is no sectoral law specifically applicable to the Company based on the Sectors / Businesses. Further, the management confirmed that the Company is an Unregistered Core Investment Company in terms of The Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as updated from time to time and hence does not require registration as a NBFC.

We have also examined compliance with the applicable clauses and Regulations of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") to the extent applicable.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above. We observed that there were delay on two occasions, stated as under:

- (i) Delay of a day for intimation on Schedule of Analysts or institutional investors meet on December 8, 2023, under regulation 30 of Listing Regulations.
- (ii) Two days delay on disclosure submitted to the stock exchanges on July 10, 2023, under regulation 30 & 47 of Listing Regulations on submission of notice given to shareholders by way of advertisement on July 7, 2023, for transfer of shares to IEPF w.r.t. Final Dividend for Financial Year 2015-16.

In this regard, the response from the management of the Company on the aforesaid points are furnished hereunder:

- (i) On receipt of confirmation received by an investor group on December 6, 2023, the Company had forthwith given disclosure for an investor meeting to be held on December 8, 2023. Further, management would like to state that after filing the aforesaid disclosures with the Stock Exchanges, no follow-up queries were received from them in this regard and hence would like to confirm compliance in this regard.
- (ii) The advertisement given by the Company in the newspapers on July 7, 2023, was for a limited purpose for information to certain identified shareholders numbering 476 shareholders with respect to notifying them on the transfer of unpaid/unclaimed dividend by the said shareholders as well as for the purpose of transfer of equity shares to IEPF in terms of the said advertisement. Please note that the Company had already given notice to the said shareholders on June 30, 2023, by way of registered post. The said advertisement was given for information of 476 shareholders out of 67,708 shareholders as on June 30, 2023. Hence, the advertisement given by the Company only to select shareholders as stated above does not qualify under Regulation 30 of SEBI LODR for separate disclosure to be made to stock exchanges. Kindly note that the Company had published advertisements in newspapers on July 7, 2023, in Business Standard (English), all editions, and Desh Sewak (Punjabi) in the Chandigarh edition. As July 7, 2023, was a Friday, the Company had filed the copy of newspaper clippings with the stock exchanges on next working day, i.e., on Monday, i.e., July 10, 2023, i.e. the date on which the company became aware of the publication of the newspaper advertisements and hence it has complied with the requirement. The management would like to further confirm that no follow up query has come from any of the stock exchanges as this does not qualify as a disclosure to be made within 24 hours of publication of the advertisement under Regulation 30 and hence management would like to confirm that the

compliances have been made by the Company within the stipulated timelines.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period under review, no specific event / action took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

We further report that the Company received a demand notice dated February 18, 2020, from the Office of Enforcement Directorate, New Delhi ("ED Office"). The said notice referred to an adjudication order dated June 30, 2004, issued by Office of the Additional Commissioner of Customs, New Delhi imposing a penalty of Rs. 8 crores on the Company (erstwhile Max India Limited) for alleged non-submission of documentary evidence in respect of import of goods against foreign exchange remitted. The Company, had vide its reply dated February 28, 2020, sought time from the ED Office to submit detailed response and also sought assistance in retrieval of facts and relevant background papers involving the adjudication proceedings against the Company. The Company had submitted applications under the Right to Information Act, 2005 on June 9, 2020 with the Customs Department, Delhi Zone for seeking the background papers to this case. The Company had represented before the Directorate of Enforcement authorities to drop the proceedings on the above matter as Various officials of the Customs Department had responded stating that no records were available in this regard with the Department. The Company has not paid any

penalty on this matter as the matter was pending with the Directorate of Enforcement till June 2022. Thereafter, in the month of June 2022, the Company received another demand notice (“**new demand notice**”), dated June 16, 2022, for the aforesaid alleged non submission of documentary evidence in respect of import of goods against foreign exchange remitted and this new demand notice, did not acknowledge any of earlier

submissions made by the Company. However, as confirmed by the management of the Company that the Company responded to Directorate of Enforcement on June 30, 2022, with all earlier responses and requested them to help with documents and also confirmed that the Company has not paid any penalty on this matter as the matter is currently pending with the Directorate of Enforcement.

#### **For Chandrasekaran Associates**

##### **Company Secretaries**

Firm Registration No.: P1988DE002500

Peer Review Certificate No.: 4186/2023

##### **Rupesh Agarwal**

Managing Partner

Membership No. A16302

Certificate of Practice No. 5673

UDIN: A016302F000313566

Date: May 07, 2024

Place: Delhi

Note:

- (i) This report is to be read with our letter of even date which is annexed as Annexure-A to this report and forms an integral part of this report.

## Annexure-A to the Secretarial Audit Report

To,  
The Members,  
**Max Financial Services Limited**  
Bhai Mohan Singh Nagar,  
Rail Majra, Tehsil Balachaur,  
Distt. Nawanshahr, Punjab-144533

Our Report of even date is to be read with along with this letter.

1. We have Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Chandrasekaran Associates**  
**Company Secretaries**

Firm Registration No.: P1988DE002500  
Peer Review Certificate No.: 4186/2023

**Rupesh Agarwal**

Managing Partner  
Membership No. A16302  
Certificate of Practice No. 5673  
UDIN: A016302F000313566

Date: May 07, 2024

Place: Delhi

Form No. MR-3

## SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2024

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014]

To,  
The Members,  
**Max Life Insurance Company Limited**  
419, Bhai Mohan Singh Nagar, Railmajra,  
Tehsil Balachaur Nawan Shehar  
Punjab -144533 India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Max Life Insurance Company Limited (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

- (i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not Applicable**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; applicable only to the extent of dematerialization of equity shares and Non-Convertible Debentures of the Company;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable**
  - d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable**
  - e) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 to the extent applicable;
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (including erstwhile regulation); **Not Applicable**
  - i) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/ industry are:
  - 1. Insurance Regulatory and Development Authority of India Act, 1999,
  - 2. Insurance Act, 1938 and various Rules, Regulations & Guidelines issued thereunder, including circulars issued from time to time.



We have also examined compliance with the applicable clauses/Regulations of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Non-Convertible Securities.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance except in cases where meetings were convened at a shorter notice. The Company has complied with the provisions of Act for convening meeting at the shorter notice. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, no specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except as mentioned below:

1. The Board of Directors in their meeting held on August 9, 2023 has accorded primary approval for issuance of 14,25,79,161 (Fourteen Crore Twenty-Five Lakhs Seventy-Nine Thousand One Hundred Sixty-One) fully paid-up equity shares of Max Life to Axis Bank on a preferential basis at INR 113.06 per equity share including a share premium of Rs. 103.06 per equity share,

for an aggregate investment up to INR 1611,99,99,943/- (Indian Rupees One Thousand Six Hundred Eleven Crores Ninety-Nine Lakh Ninety Nine Thousand Nine Hundred and Forty Three only) in the Company, subject to receipt of approval from the shareholders of the Company and necessary regulatory/ statutory approvals including approvals from the Insurance Regulatory and Development Authority of India, the Pension Fund Regulatory and Development Authority and the Competition Commission of India.

Further, in terms of the approvals received from the Reserve Bank of India, Insurance Regulatory and Development Authority of India ("IRDAI"), the Pension Fund Regulatory and Development Authority and the Competition Commission of India, Shareholders of the Company have accorded their consent at their Extra-Ordinary General Meeting held on April 12, 2024 for the issuance of said equity shares to the Axis Bank Limited on a preferential basis.

In terms of the aforementioned approvals, the Company has allotted the said no. of equity shares to Axis Bank on a preferential basis on April 17, 2024.

2. The Board of Directors and Shareholders of the Company have approved and adopted Restated Articles of Association of the Company in place of the existing Articles of Association of the Company.

For **Chandrasekaran Associates**

Company Secretaries

FRN: P1988DE002500

Peer Review Certificate No.: 4186/2023

Rupesh Agarwal

Managing Partner

Membership No. A16302

Certificate of Practice No. 5673

UDIN: A016302F000304040

Date: 03.05.2024

Place: Delhi

**Note:**

- (i) This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.
- (ii) We conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.

## Annexure-A

To,  
The Members,  
**Max Life Insurance Company Limited,**  
419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur Nawan Shehar  
Punjab -144533 India

Our Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Chandrasekaran Associates**  
Company Secretaries  
FRN: P1988DE002500  
Peer Review Certificate No.: 4186/2023

Rupesh Agarwal  
Managing Partner  
Membership No. 16302  
Certificate of Practice No. 5673  
UDIN: A016302F000304040

Date: 03.05.2024  
Place: Delhi

**FORM NO. AOC-2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under the third proviso thereto.**

1. Details of contracts or arrangements or transactions not at arm's length basis:
  - a) Name(s) of the related party and nature of the relationship: Max Life Insurance Company Limited (Subsidiary company)
  - b) Nature of contracts/arrangements/transactions: Sub-licensing of trademarks
  - c) Duration of the contracts/arrangements/transactions: 10 years
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any: The contract for sub-licensing of trademarks has been entered into with subsidiary companies, pursuant to a Scheme of Demerger approved by Hon'ble High Court of Punjab at Chandigarh, which allows usage of trademarks without any consideration.
  - e) Justification for entering into such contracts or arrangements or transactions: The trademarks have been licensed to the Company for limited usage. Prior to the Scheme of Demerger, Max Life Insurance Company Limited had been using such trademarks. It was contemplated to allow usage of such trademarks by Max Life, without impacting the ownership of such trademarks.
  - f) Date(s) of approval by the Board: August 8, 2016
  - g) Amount paid as advances, if any: NIL
  - h) Date on which the special resolution was passed in the general meeting as required under the first proviso to section 188: September 27, 2016
2. Details of material contracts or arrangements or transactions at arm's length basis: N.A.
  - a) Name(s) of the related party and nature of the relationship:
  - b) Nature of contracts/arrangements/transactions:
  - c) Duration of the contracts/arrangements/transactions:
  - d) Salient terms of the contracts or arrangements or transactions including the value, if any:
  - e) Date(s) of approval by the Board, if any:
  - f) Amount paid as advances, if any:

On behalf of the Board of Directors  
**Max Financial Services Limited**

**Analjit Singh**  
Chairman  
DIN: 00029641

Place: South Africa

Date: May 7, 2024

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

Refer note below to read the Business Responsibility and Sustainability Report, 2023-24

Note: This is a consolidated report of Max Financial Services Limited (hereinafter referred to as 'MFSL') and its material subsidiary i.e., Max Life Insurance Company Limited (hereinafter referred to as 'MLI'). In accordance with the Annexure II of SEBI's Guidance Note for Business Responsibility and Sustainability Reporting (BRSR) issued vide Circular dated 10th May 2021 and 12<sup>th</sup> July 2023. MFSL and MLI are filing consolidated BRSR for financial year 2023-24.

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## SECTION A: GENERAL DISCLOSURES

Corporate Identity Number (CIN):

1. Max Financial Services Limited (MFSL): L24223PB1988PLC008031  
Max Life Insurance (MLI): U74899PB2000PLC045626 [Material subsidiary of MFSL]
2. Name of the Listed Entity:  
Max Financial Services Limited
3. Year of Incorporation:  
MFSL: 1988  
MLI: 2000
4. Registered Office Address:  
MFSL: Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr Punjab 144533  
MLI: 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr Punjab 144533
5. Corporate Office Address:  
Max Financial Services Limited, L21, Max Towers, Plot No. C-001/A/1 Sector – 16B, Noida-201301, Uttar Pradesh  
Max Life Insurance, Plot No. 90-C Udyog Vihar, Sector 18, Gurugram (Haryana) – 122015  
E-mail: investorhelpline@maxindia.com and investorgrievance@maxlifeinsurance.com
6. Telephone:  
0120-4696000
7. Website:  
MFSL: www.maxfinancialservices.com  
MLI: www.maxlifeinsurance.com
8. Financial year for which reporting is being done:  
1st April 2023 – 31st March 2024
9. Paid-up Capital:  
MFSL: INR 6,90,229,542  
MLI: INR 19,18,81,28,560
10. Name of the Stock Exchange(s) where shares are listed:  
Equity shares of MFSL are listed on BSE Limited and National Stock Exchange of India Limited
11. Name and contact details of the person who may be contacted in case of any queries on the BRSR report:  
MFSL: Mr. Piyush Soni, Company Secretary and Compliance Officer | Email: psoni@maxindia.com  
MLI: Ms. Vidhi Thukral, Senior Manager: ESG | Email: vidhi.thukral@maxlifeinsurance.com
12. Reporting boundary:  
Disclosure made in this report are on a consolidated basis i.e. of MFSL and MLI
13. Name of assurance provider  
Assurance is not applicable on MFSL for FY 2023-24; therefore, no assurance partner was appointed.
14. Type of assurance obtained  
Not applicable
15. Details of business activities (accounting for 90% of the turnover):  
MFSL:

Description of main activity	Description of business activity	% of turnover
Professional, Scientific and Technical	Management consultancy activities	77.5%
Financial and Insurance services	Financial and insurance services	22.5%

MLI:

Description of main activity	Description of business activity	% of turnover
Financial and Insurance services	Life Insurance	100%

16. Products / Services sold by the entity (accounting for 90% of the entity's turnover):

MLI:

Sr. No.	Product/ Service	NIC Code	% of total turnover contributed
1.	Life Insurance	66010	100%

Note: As per National Industrial Classification, Ministry of Statistics and Programme Implementation.

17. Number of locations where plants and / or operations / offices of the entity are situated:

MFSL and MLI:

Locations	Number of plants	Number of offices	Total
National	Not Applicable	303	303
International		1	1

18. Markets served by the entity:

a) Number of locations:

MFSL and MLI:

Locations	Number
National (no. of states and union territories)	36
- States	28
- Union Territories	8
International (no. of countries)	1*

\* MLI has one representative office at Dubai

b) What is the contribution of exports as a percentage of the total turnover of the entity?

Nil

c) A brief on types of customers:

MFSL:

MFSL is primarily engaged in the business of growing and nurturing business investments and providing management advisory services to group companies.

MLI:

- Customers include salaried, self-employed and home maker individuals (Male, Female and Transgender) along with their dependents seeking insurance products that offer protection in the event of their death, critical illness or accident, protection to cover liability against a loan in the event of death, critical illness or accident, savings & investment for various long term goals like children's education, children's marriage, retirement etc.
- Customers also include retirees or pre-retirees seeking pension products as fresh investment or transfer through NPS. For corporates we offer a range of products to help organizations manage their gratuity, superannuation. Our products also address the protection needs of employees of both large and small organizations and group of individuals.

19. Details as at the end of financial year:

a) Employees (including differently abled):

MFSL and MLI:

Sr. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. C	% (C/A)
<b>Employees</b>						
1	Permanent (D)	23,135	16,917	73.12%	6,218	26.88%
2	Other than permanent (E)	0	0	-	0	-
3	Total employees (D+E)	23,135	16,917	73.12%	6,218	26.88%
<b>Workers</b>						
4	Permanent (F)	0	0	-	0	-
5	Other than permanent (G)	0	0	-	0	-
6	Total workers (F+G)	0	0	-	0	-

Note: Permanent employees do not include the employees on part-time basis.

Other than permanent employee: We do not have fixed-term employees.

b) Differently abled employees:

MFSL and MLI:

Sr. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. C	% (C/A)
<b>Differently abled employees</b>						
1	Permanent (D)	12	11	91.67%	1	8.33%
2	Other than permanent (E)	0	0	-	0	-
3	Total employees (D+E)	12	11	91.67%	1	8.33%
<b>Differently abled workers</b>						
4	Permanent (F)	0	0	-	0	0
5	Other than permanent (G)	0	0	-	0	0
6	Total workers (F+G)	0	0	-	0	0

20. Participation / Inclusion / Representation of women:

MFSL:

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	10	1	10%
Key Managerial Personnel	3	0	0%

MLI:

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	12	1	8.33%
Key Managerial Personnel	3	0	0%

Note: The definition of Board of Directors and Key Managerial Personnel is as per the SEBI's Guidance Note for BRSR issued as Annexure II vide Circular dated 10<sup>th</sup> May 2021.

21. Turnover rate for permanent employees:

MFSL:

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	14.3%	25%	18.2%	13.3%	Nil	8.7%	33.3%	Nil	22.2%

MLI:

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	42%	42.9%	42.2%	48.6%	54.7%	50.1%	47.8%	52.8%	49%

Note: The definition of turnover rate for permanent employees is as per the SEBI's Guidance Note for BRSR issued as Annexure II vide Circular dated 10<sup>th</sup> May, 2021.

22. Names of holding / subsidiary / associate companies / joint ventures:

	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / subsidiary / associate / joint venture	% of shares held by listed entity (MFSL)	Entity (A) participate in the business responsibility initiatives of the listed entity
1	Max Life Insurance Company Limited	Material subsidiary of MFSL	87%	No
2	Max Life Pension Fund Management Limited	Wholly owned subsidiary of MLI	Nil	No

### CSR DETAILS

23. CSR Activities

MFSL:

CSR spending is not applicable to MFSL for the Financial Year ended March 31, 2024.

MLI:

(i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover (in Rs.): 29,529 Cr

(iii) Net worth (in Rs.): 3,919 Cr

### TRANSPARENCY AND DISCLOSURES COMPLIANCES

24. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

MFSL and MLI:

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place and web-link of policy	FY 2023-24			FY 2022-23		
		Number of complaints filed	Number of complaints pending resolution at the end of the year	Remarks	Number of complaints filed	Number of complaints pending resolution at the end of the year	Remarks
Communities	No <sup>1</sup>	0	0	None	0	0	None
Investors	No <sup>2</sup>	0	0	None	0	0	None
Shareholders	No <sup>3</sup>	3	0	None	0	0	None
Employees and Workers	Yes <sup>4</sup>	332	Under Consequence Management - 3 Under Investigation - 2	None	245	0	None
Customers	Yes <sup>5</sup>	3,527	0	None	4,490	0	None
Value Chain Partners	No	0	0	None	0	0	None
Others	-	-	-	-	-	-	-



Note 1: The engagement with communities is restricted to CSR activities undertaken by the Company. The grievances, if any, by the communities are addressed by the third party/ implementing agencies.

Note 2: MLI has issued the non-convertible debentures worth INR 496 Crores. The grievance from any debenture holder shall be addressed via receipt of such complaint through the following web link: Disclosures under Regulation 62 of the LODR ([maxlifeinsurance.com](https://maxlifeinsurance.com))

Note 3: The concerns/grievances/queries of the shareholders are adequately addressed and resolved. In MFSL, investor helpline number is +91 120 4696000 Email: [investorhelpline@maxindia.com](mailto:investorhelpline@maxindia.com) and [investorgrievance@maxlifeinsurance.com](mailto:investorgrievance@maxlifeinsurance.com)

Note 4: POSH policy, Whistle-blower Policy and Equal Opportunity Policy can be downloaded from - <https://www.maxlifeinsurance.com/about-us/media-centre/key-company-policies.html> and <https://maxfinancialservices.com/investorrelations?category=CorporatePolicies>

Note 5: For customers, the Company has Grievance Redressal Policy in place. The Grievance Redressal Policy of MLI can be accessed at the link: <https://www.maxlifeinsurance.com/about-us/media-centre/key-company-policies>.

25. Overview of the entity’s material responsible business conduct issues: Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications:

S.N.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Responsible product offering	Opportunity	The Company is committed to enhance the financial future for which responsible products and products suiting wider range of customers	Evaluating the performance of the products by keeping the interest of policyholders and shareholders on focus.	Positive
2	Governance	Risk and Opportunity	Robust governance is at the core of Company’s vision and mission	<ul style="list-style-type: none"> <li>▪ Policy revision/ Board review/ upgradation of governance framework</li> <li>▪ Regular statutory and secretarial audit</li> </ul>	Positive and negative
3	Ethics & Compliance	Risk and Opportunity	Strong culture of ethics and compliance is the foundation of the Company	<ul style="list-style-type: none"> <li>▪ Board review/ upgradation of governance framework/ effective training</li> <li>▪ Regular review and monitoring of different compliances</li> </ul>	Positive and negative
4	Sustainable investing / Responsible asset management	Opportunity	Investments which takes into account environmental and social and governance related impact	The Company considers ESG parameters before making investments	Positive
5	Natural disaster	Risk	Strong evidence of the impact of climate change have been long established by Intergovernmental Panel on Climate Change	<ul style="list-style-type: none"> <li>▪ Reviewing/ modifying the business processes and mechanisms to enhance the resilience of the Company</li> <li>▪ Business continuity plan in place which is reviewed regularly by the Board</li> </ul>	Negative

S.N.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	ESG verification & reporting	Risk and Opportunity	Company is ought to take on the responsibility of all the aspects such as environment, social and governance	<ul style="list-style-type: none"> <li>■ Strengthen the pillars of ESG/ taking measures for accurate reporting</li> <li>■ Keeping the Board apprised of the recent developments taking in the sphere of ESG</li> <li>■ To keep track of the best practices nationally and globally</li> </ul>	Positive and negative
7	Energy efficiency	Opportunity	To reduce the carbon emissions	Mainstreaming the energy efficient equipment and technology in the company	Positive
8	Waste management	Opportunity	To be in alignment with the circular economy as proposed by the Government of India	Upgrading the existing mechanism of the company to be in alignment with the best practices	Positive
9	Pollution	Opportunity	Pollution is one of the threat which the world is facing	Upgrading the existing mechanism of the company to be in alignment with the best practices	Positive
10	Water	Opportunity	Availability to potable water is diminishing with each year which makes its conservation an important aspect	Upgrading the existing mechanism of the company to be in alignment with the best practices	Positive
11	Data privacy & security	Risk and Opportunity	Respecting the privacy of policyholders  Ensuring the data is secure and there is no threat to the data of policyholders	Reviewing the policy and other mechanism in place to ensure robust system for data privacy and security	Positive and Negative
12	Digital transformation	Opportunity	To keep up with the advancement taking place in technology sphere in order to help employees and customers	Upgrading the process/ investment in newer technologies	Positive
13	Workforce development	Opportunity	Treasuring each individual and ensuring their development	Reviewing and upgrading the policies, process/ effective training programs	Positive
14	Health & wellness	Opportunity	The well-being of employees is directly proportional to the well-being of the company	Reviewing and upgrading the policies, process/ effective health and wellness programs	Positive
15	Local community support	Opportunity	Contributing to the society/ Seva bhav is one of the core values of MFSL	Reviewing CSR activities/ engaging effectively with the community/ upliftment	Positive
16	Diversity, Equity and Inclusion	Opportunity	To have fresh perspective, to perform effectively and for better decision-making	Reviewing the policy/ ensuring the DEI principles are reflected in the Company's culture	Positive

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

### Policy and management processes

1	a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs.	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board?	Y	Y	Y*	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies	<a href="http://www.maxlifeinsurance.com/about-us/media-centre/key-company-policies">www.maxlifeinsurance.com/about-us/media-centre/key-company-policies</a> <a href="https://maxfinancialservices.com/investorrelations?category=CorporatePolicies">https://maxfinancialservices.com/investorrelations?category=CorporatePolicies</a>								
2	Whether the entity has translated the policy into procedures.	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners?	The company expects its value chain partners to adhere to the relevant policies at their level. Currently, MFSL and MLI enforce this through contractual obligations.								
4	Name of the national and international codes / certifications / labels / standards adopted by your entity and mapped to each principle	ISO 27001 - Information Security Management ISO 22301 Business continuity management system								
5	Specific commitments, goals and targets set by the entity with defined timelines	<ul style="list-style-type: none"> <li>■ <b>Diversity and Inclusion:</b> Aim for a 28% gender diversity ratio by FY 2025.</li> <li>■ <b>Employee Development:</b> Achieve 40 hours of employee training per year.</li> <li>■ <b>Responsible Investment:</b> Integrate ESG evaluation into equity investment research and decision-making, ensuring 75% of the equity portfolio is ESG compliant at all times.</li> <li>■ <b>Carbon Emissions Reduction:</b> Reduce operational carbon emissions by 80% by FY 2028.</li> <li>■ <b>Digital Penetration:</b> Achieve 95% digital penetration for customers by FY 2026.</li> </ul>								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met	<ul style="list-style-type: none"> <li>■ The digital penetration stood at 89% as on 31<sup>st</sup> March 2024.</li> <li>■ The gender diversity ratio stood at 27% as on 31<sup>st</sup> March 2024.</li> <li>■ Achieved 61 learning hours till 31<sup>st</sup> March 2024.</li> </ul> <p>Targets under Responsible Investment were met: ESG evaluation in equity investment research and decision-making. 75% of equity portfolio was ESG compliant at all times. 100% compliance for equity portions of shareholders' fund\</p>								

\*Note: For ensuring well-being of the employees by the value chain partners, the Company currently ensures it through contractual obligations.

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure).

The increased use of resources is the main driver for the triple planetary crisis i.e. climate change, biodiversity loss and pollution. This takes our focus on how important it is to judiciously use the resources. Thus, responsible and sustainable production and consumption of resources is of utmost priority. At Max Life, we use energy efficient technologies, invest in emission reduction strategies and strive for effective waste and water management. We encourage employees to reduce their individual consumption patterns as well. Despite the Paris Agreement of 2015 reaching a milestone in cooperation amongst countries to limit global warming to 1.5°C, the pace of action has not been adequate to achieve the goal. The signatories to the Paris Agreement, including India, have submitted their Intended Nationally Determined Contributions (INDCs) and India has made the commitment to achieve the net zero target by 2070. Taking this goal at the corporate level, Max Life has committed to reduce carbon emissions by 80% by 2028. In the recent past, conscious investors have been on the rise across the country and worldwide who are not only concerned with financial disclosures, but also the non-financial disclosures of the Company. Nowadays, every Board Room discusses and deliberates on aspects related to Environmental, Social and Governance. While this trend has been started as a result of the need to abide by the statutory obligations, but the companies have started to overhaul their business structure to integrate sustainability at all levels. Corporates are expected to embrace ESG criteria not just for compliance or as risk management tool but as a chance to fundamentally transform their business model into a sustainable one.

The Company has charted four pillars of ESG: working ethically and sustainably, green operations, financial responsibility and care for people. These pillars guide the Company to take sustainable decisions for its functioning.

8. Details of the highest authority responsible for implementation and oversight of the business responsibility policy:

Mr. Anurag Chauhan, General Counsel & Company Secretary, Head-ESG, MLI, Email: anurag.chauhan@maxlifeinsurance.com

Mr. Piyush Soni, Company Secretary & Compliance Officer, MFSL, Email: psoni@maxindia.com

9. Does the entity have a specified committee of the board / director responsible for decision making on sustainability related issues? If Yes, provide details.

The Board of MLI and MFSL are apprised on a quarterly basis about the sustainability related initiatives taken by the entities. There is an ESG steering committee chaired by the CEO of MLI and an ESG working committee which is chaired by Head ESG of MLI.

10. Details of review of NGRBCs by the Company:

MFSL & MLI:

	Subject for review	Indicate whether review was undertaken by director / committee of the board / any other committee	Frequency (annually / half yearly / quarterly / any other)								
			P1	P2	P3	P4	P5	P6	P7	P8	P9
a	Performance against above policies and follow up action	The policies of the company are approved by the Board/ Committee of the Board/ Senior Management	All policies are reviewed periodically by the Board i.e. yearly/ biennially/ on a need basis as per statutory requirements								
b	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The company complies with the extant statutory requirements as applicable									

MFSL & MLI:

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
11	Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? If Yes, provide name of the agency.	All policies are internally reviewed by the Board								
12	If principles not covered by a policy, provide reasons for the same.									
a	The entity does not consider the Principles material to its business	Not applicable								
b	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles									
c	The entity does not have the financial or / human and technical resources available for the task									
d	The entity does not have the financial or / human and technical resources available for the task									
e	Any other reason									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURES

### PRINCIPLE 1

#### Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:  
MFSL and MLI:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	20	The Company conducts familiarization programmes for Directors of the Company at the time of their appointment which covers about their roles, rights, responsibilities, nature of the industry in which the Company operates, the business model of the Company and so forth. The same is conducted with the following objectives: a) To familiarize the directors with background of the company's governance philosophy b) To explain statutory duties and responsibilities of the Directors etc. c) To discuss the roles, decision making process, values of Max Life d) To discuss organization's expectations from the Board members. Separate sessions are conducted with each of the key leader of each function of the Company to provide the new directors with better insight of working in every function across the organization and strategic aspects of the Company. The members of the Board undergo an extensive orientation programme on their joining. Further, on quarterly basis, the Board is apprised of the key developments taking place in the legal and regulatory landscape and about the internal policies in various Committee meetings and CEO update during Board meeting and through various sessions by external experts on topical subjects.	100%
Key Managerial Personnel	24	The KMPs are part of the Board and Committee meetings and have attended all the familiarization programmes on a quarterly basis. They attend many other training in the capacity of employees as well.	100%
Employees other than BoD and KMPs	2363	The employees undergo several training programs during their tenure which covers all principles. The broad categories are listed as under: <ul style="list-style-type: none"> <li>ESG sensitization</li> <li>Code of conduct for employees</li> <li>Well-being and safety of employees</li> <li>Diversity, Equity and Inclusivity</li> <li>Ethical sales and marketing</li> </ul>	100%
Workers		Not applicable	

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30f SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

MFSL and MLI:

	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred?
<b>Monetary</b>					
Penalty / Fine			Nil		
Settlement					
Compounding fee					
<b>Non-Monetary</b>					
Imprisonment			Nil		
Punishment					

3. Of the instances disclosed in question 2 above, details of the appeal / revision preferred in cases where monetary or non-monetary action has been appealed.

Not applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If Yes, provide details in brief and if available, provide a web-link to the policy.

Yes. This policy emphasizes Max's zero tolerance to bribery and corruption. It establishes the principles with respect to applicable Anti-Bribery and Anti-Corruption laws. The policy provides information and guidance on how to recognize and deal with bribery and corruption issues. It guides us to act professionally, fairly and with utmost integrity in all our business dealings and relationships, wherever we operate.

The web link of the policy is: [www.maxlifeinsurance.com/about-us/media-centre/key-company-policies](http://www.maxlifeinsurance.com/about-us/media-centre/key-company-policies)

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

MFSL and MLI:

	FY 2023-24	FY 2022-23
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	NA	NA

6. Details of complaints with regard to conflict of interest:

MFSL and MLI:

	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of conflict of interest of the directors	None	-	None	-
Number of complaints received in relation to issues of conflict of interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

8. Number of days of accounts payables ((Accounts payable \*365) / Cost of goods/services procured) in the following format:

MFSL:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	54.65	81.37

MLI:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	62.46	99.37

9. Openness of business

MFSL:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Owing to the nature of our business, this is not applicable to life insurance business.	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Owing to the nature of the business, the company does not do any direct sales through dealers/distributors. In our case, distributors are doing the sales for the policyholders.	
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	52.1%	52.6%
	b. Sales (Sales to related parties / Total Sales)	100%	100%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	0%
	d. Investments ( Investments in related parties / Total Investments made)	0%	13%

MLI:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Owing to the nature of own business, this is not applicable to life insurance business.	
	b. Number of trading houses where purchases are made from		
	c. Purchases from top 10 trading houses as % of total purchases from trading houses		
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Owing to the nature of the business, the company does not do any direct sales through dealers/distributors. In our case, distributors are doing the sales for the policyholders.	
	b. Number of dealers / distributors to whom sales are made		
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors		
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	21%	21%
	b. Sales (Sales to related parties / Total Sales)	2%	2%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0%	0%
	d. Investments ( Investments in related parties / Total Investments made)	0.60%	0.74%

## Leadership Indicators

- Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	% of value chain partners covered (by value of business done with such partners) under the awareness programs
	Nil	

Note: Majority of the value chain partners of both MFSL and MLI are service providers. In FY 2023-24, there was no awareness programme held for value chain partners, however, the company intends to do it in the near future.

- Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? If Yes, provide details of the same.

MFSL and MLI:

The Company has the Board Charter and Policy on related party transactions in place which contain appropriate provisions for managing conflict of interest situations involving members of the board. There is adequate Standard Operating Procedure (SOP) to give effect to the related party transactions. The Company also receives periodic declarations from the Directors of the Board on the entities that they are interested in and it is ensured that requisite approvals are taken prior to entering into any transaction with any such entity. Interested director abstains himself/ herself from participating in the discussions in the matters involving entities where they hold common directorship, even when they are not technically interested.

## PRINCIPLE 2

### Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

MFSL and MLI:

Both MFSL and MLI's nature of business is to enhance financial protection. MLI's major investment is for the upgradation of digital infrastructure for improving customer experience. The share of investments in digital technology are 81% of company's total capital investments in financial year 2023-24. This also helps us in reducing printing of paper which is an endeavour to make Max Life an environmental friendly organisation.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	-

- Does the entity have procedures in place for sustainable sourcing? If Yes, what percentage of inputs were sourced sustainably?

The nature of the business of both MFSL and MLI does not involve sourcing of raw material/products etc. Thus, the company does not have a procedure in place for sustainable sourcing.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) Other waste.

Due to the nature of our business, MFSL and MLI do not produce any products that generate plastic waste, e-waste, or hazardous waste. Therefore, reclaiming products for reuse, recycling, or disposal at the end of their lifecycle is not applicable.

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities. If Yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Owing to the nature of the business, Extended Producer Responsibility is not applicable on MFSL and MLI.



### Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If Yes, provide details in the following format?

NIC code	Name of product / service	% of total turnover contribute	Boundary for which the life cycle perspective / assessment was conducted	Whether conducted by independent external agency	Results communicated in public domain. If Yes, provide the web-link
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Nil

Note: We have not yet initiated the Life Cycle Analysis of our products, but we plan to undertake this in the future.

2. If there are any significant social or environmental concerns and / or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of product / service	Description of the risk / concern	Action taken
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Not applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	FY 2023-24	FY 2022-23
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Not applicable

Note: Owing to the nature of the business, the above is not applicable to MFSL and MLI.

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed.

	FY 2023-24			FY 2022-23		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics	Not Applicable					
E-waste						
Hazardous waste						
Other waste						

Note: Owing to the nature of the business, there were no products and packaging reclaimed at the end of life of products, thus the above is not applicable to MFSL and MLI.

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
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Not Applicable

Note: Owing to the nature of the business, the above is not applicable to MFSL and MLI.

**PRINCIPLE 3**

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

MFSL and MLI:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B /A)	No. (C)	% (C /A)	No. (D)	% (D /A)	No. (E)	% (E /A)	No. (F)	% (F /A)
<b>Permanent employees</b>											
Male	16,917	16,917	100%	16,917	100%	-	-	16,917	100%	-	-
Female	6,218	6,218	100%	6,218	100%	6,218	100%	-	-	6,218	100%
Total	23,135	23,135	100%	23,135	100%	6,218	26.8%	16,917	73.2%	6,218	26.8%
<b>Other than Permanent employees</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Note: To enable women employees to stay invested in their careers, the company offers supportive policies that cater to their needs at various life stage. Some of these polices include maternity leave, adoption leave & medical leave in case of miscarriage/ medical termination of pregnancy, any illness arising out of pregnancy

- b. Details of measures for the well-being of workers:

MFSL and MLI:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B /A)	No. (C)	% (C /A)	No. (D)	% (D /A)	No. (E)	% (E /A)	No. (F)	% (F /A)
<b>Permanent workers</b>											
Male	Not applicable										
Female	Not applicable										
Total	Not applicable										
<b>Other than Permanent workers</b>											
Male	Not applicable										
Female	Not applicable										
Total	Not applicable										

- c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

MFSL:

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.97%	0.45%

MLI:

	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.08%	0.08%

2. Details of retirement benefits, for the current financial year and previous financial year:

MFSL:

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100%	Not applicable	Yes	100%	Not applicable	Yes
Gratuity	100%		Yes	100%		Yes
Employee State Insurance (ESI)	Not applicable		Yes	Not applicable		Yes
Others	-		-	-		-

MLI:

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100%	Not applicable	Yes	100%	Not applicable	Yes
Gratuity	100%		Yes	100%		Yes
Employee State Insurance (ESI)	5.82%		Yes	8%		Yes
Others	-		-	-		-

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Corporate offices of both MFSL and MLI are accessible to differently abled employees.

Note: The accessibility of workplaces is considered as per the SEBI's Guidance Note for BRSR issued as Annexure II vide Circular dated 10<sup>th</sup> May 2021.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the web link of MFSL's Rights of Persons with Disabilities Act, 2016 can be accessed at:

[www.maxfinancialservices.com/corporate-policies](http://www.maxfinancialservices.com/corporate-policies)

[www.maxlifeinsurance.com/about-us/media-centre/key-company-policies](http://www.maxlifeinsurance.com/about-us/media-centre/key-company-policies)

5. Return to work and retention rates of permanent employees and workers that took parental leave.

MFSL:

Gender	Return to work rate	Retention rate
<b>Permanent employees</b>		
Male	Nil	Nil
Female	Nil	Nil
Total	Nil	Nil
<b>Permanent workers</b>		
Male	Not Applicable	
Female	Not Applicable	
Total	Not Applicable	

MLI:

Gender	Return to work rate	Retention rate
<b>Permanent employees</b>		
Male	100%	35.11%
Female	98.98%	49.7%
Total	99.51%	43.33%
<b>Permanent workers</b>		
Male	Not Applicable	
Female		
Total		

Note: The return to work rate and retention rate is considered as per the SEBI's Guidance Note for BRSR issued as Annexure II vide Circular dated 10th May 2021.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If Yes, give details of the mechanism in brief:

MFSL and MLI:

	If Yes, then give details of the mechanism in brief
Permanent Employees	<p>All employees are encouraged to report concerns about misconduct, harassment, irregularities, governance weakness, or breach of laws, in a confidential manner and without any fear or retaliation.</p> <p>Concerns reported may be in violation of Code of Conduct policy, Conflict of Interest policy, Data Privacy policy, Equal Opportunity Policy, Anti Money Laundering Policy, Gifts, Meals and Entertainment policy, Prevention of Sexual Harassment policy, Recruitment Policy, Workplace Anti-Harassment Policy, Anti Bribery and Anti-Corruption Policy, Code for Personal Trading in Securities, Relative Hiring Policy-Agent, Anti-Fraud Policy or Information Security Policy or any other policy applicable at the time.</p> <p>The company has established a Governance team, known as MyVoice (myvoice@maxlifeinsurance.com), to receive, track, and facilitate the resolution of grievances within the timeframes specified. This team acknowledges the complaint, classifies and assigns it to the appropriate team for investigation. Additionally, the team monitors timelines and consequence management for all complaints. All disciplinary actions are carried out in accordance with the Employee Disciplinary Action Process (EDAP) policy of the company.</p>
Other than Permanent Employees	Not applicable
Permanent Workers	
Other than Permanent Workers	

7. Membership of employees and workers in association(s) or unions recognised by the listed entity:

MFSL and MLI:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category	No. of employees / workers in respective category, who are part of association(s) or Union(D)	% (D / C)
<b>Total Permanent Employees</b>						
Male	The company does not have any employee association					
Female						
<b>Total Permanent Workers</b>						
Male	Not applicable					
Female						

8. Details of training given to employees and workers:

MFSL and MLI:

	FY 2023-24					FY 2022-23				
	Total (A)	Health and safety measures		Skill upgradation		Total (A)	Health and safety measures		Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (B)	% (B / A)	No. (C)	% (C / A)
<b>Employees</b>										
Male	16,917	-	0%	15,557	67.24%	14,379	-	0%	8,569	61%
Female	6,218	-	0%	5,593	89.95%	4,970	-	0%	2,853	59%
Total	23,135	-	0%	21,150	91.41%	19,349	-	0%	11,422	60%
<b>Workers</b>										
Male	Not Applicable									
Female	Not Applicable									
Total	Not Applicable									

9. Details of performance and career development reviews of employees and worker:

MFSL and MLI:

	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	16,917	15,148	89.54%	14,379	12,364	86%
Female	6,218	5,444	87.55%	4,970	4,254	85.7%
Total	23,135	20,582	88.96%	19,349	16,618	85.9%
<b>Workers</b>						
Male	Not Applicable					
Female	Not Applicable					
Total	Not Applicable					

Note: The performance and career development of all full time employees who have joined before 31st December of financial year are eligible to participate in the appraisal process for the financial year. Those employees who have joined after the cut-off date are assessed in the subsequent financial year's appraisal process.

10. Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity? If Yes, the coverage of such system?

MFSL and MLI:

Yes, the company adheres to specific guidelines to ensure employee health and safety, prioritizing the well-being of our employees. We consider air quality, water quality, and cleanliness as the most crucial factors for maintaining a healthy and safe workplace. Our initiatives include:

**Air Quality:** All MFSL and MLI offices are air-conditioned, with headquarters buildings using MERV filters to capture dust particles and improve overall air quality.

**Water Quality:** Both branches and head offices have access to mineral water and RO (Reverse Osmosis) machines. Head offices undergo monthly water testing, while branches receive quarterly RO maintenance.

**Cleanliness and Pest Control:** Our housekeeping team ensures a clean and sanitary work environment through regular cleaning and disinfection. We also conduct periodic pest control measures.

In addition, we conduct periodic checks on electrical and fire safety parameters with the help of consultants. Any issues identified are promptly addressed through measures such as electrical audits, planned preventive maintenance, and fire safety checks.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

MFSL and MLI prioritize proactive hazard identification by regularly gathering and analyzing information on potential and existing workplace issues through systematic inspections. Our approach involves dividing the workplace into specific zones (workstations, utilities, storage areas, etc.) and assigning appropriate safety measures for each area.

Key safety practices include:

- **Electrical and Fire Safety:** We conduct regular testing, enforce the use of protective equipment, and provide emergency training for employees.
- **Head Office Measures:** Our head office exemplifies this commitment with additional safety protocols:
  - Maintaining Material Safety Data Sheets (MSDSs) and inventory control.
  - Conducting regular testing of air, noise, and illumination levels.
  - Implementing a system for recording employee safety complaints.
  - Keeping detailed maintenance logs for the premises.

c) Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.

Due to the nature of our business, there are no workers, making this inapplicable for MFSL and MLI.

d) Do the employees / worker of the entity have access to non-occupational medical and healthcare services?

MFSL and MLI offer group medical insurance to employees, covering the premium for the employee, their spouse, and up to two children. Additionally, MLI provides ESIC benefits, in addition to the group medical insurance, for employees earning up to 2.77 lakhs per annum.

11. Details of safety related incidents:

MFSL and MLI:

Safety Incident / Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	Not Applicable	
Total recordable work-related injuries	Employees	0	0
	Workers	Not Applicable	
No. of fatalities	Employees		
	Workers	Not Applicable	
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	Not Applicable	

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

MFSL and MLI:

MFSL and MLI are committed to well-being, offering a comprehensive health and wellness program that empowers employees to take charge of their health.

1. Digital Health & Wellness: Visit Health App, employees' personal health assistant provides:
  - a. Unlimited free doctor consultations
  - b. Discounted diagnostic tests and medication delivery
  - c. Personalized health and wellness dashboard
  - d. Easy access to your insurance e-card and hospitalization requests
  - e. Employee Wellness Calendar: Find monthly well-being activities on the company intranet.
2. Promoting Healthy Habits:
  - a. Healthier Food Options: Enjoy healthier choices at the company canteen.
3. Employee Health Partnerships: Antara Assisted Care Services: MLI employees receive a certain discount on:
  - a. Medical care products

- b. In-home care services (nursing, patient care, physiotherapy)
- c. Diagnostic services (X-ray & ECG)
- d. Assisted living facilities for seniors

13. Number of complaints on the following made by employees and workers:

MFSL and MLI:

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	None	None	None	None	None	None
Health and Safety	None	None	None	None	None	None

14. Assessments for the year:

MFSL and MLI:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
	FY 2023-24	FY 2022-23
	Health and safety practices	100%
Working Conditions	100%	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents and on significant risks / concerns arising from assessments of health and safety practices and working conditions.

Not applicable

**Leadership Indicators**

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (B) Workers?

MFSL and MLI annually contribute to their Employees Gratuity Fund, managed by Life Insurance Corporation of India and Max Life Insurance Company Limited, respectively. This funded defined benefit plan is available to eligible employees and provides a lump sum payment upon retirement, death during employment, or termination of employment. The payment is equivalent to 15 days' salary for each completed year of service or part thereof exceeding 6 months. Vesting occurs after completing 5 years 4of service. Apart from Gratuity, Max Life covers all its employees under the Group Term Life insurance & Group Personal Accident insurance.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Both MFSL and MLI have statutory clauses in the agreements with value chain partners which mandates that they ensure that statutory dues have been deducted and deposited.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

MFSL and MLI:

	FY 2023-24	FY 2022-23
<b>Total no. of affected employees / workers</b>		
Employees	Not Applicable	
Workers		
<b>No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment</b>		
Employees	Not Applicable	
Workers		

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career

endings resulting from retirement or termination of employment?

No

5. Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety practices	-
Working Conditions	-

Note: Currently, both MFSL and MLI do not have the practice of assessment of value chain partner.

7. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The need for corrective actions did not arise as the company does not currently practice assessment of value chain partners on health and safety and working conditions.

**PRINCIPLE 4**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

Both MFSL and MLI have identified key internal and external stakeholder through regular interaction with board, senior management, employees, customers and value chain partners.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group. MFSL and MLI:

Sr. No	Stakeholder Group	Whether identified as vulnerable and marginalized group	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Customers	No	Media, Website, Social media, Customer satisfaction survey, Workshops and seminars, Annual and quarterly reports, Whatsapp and webinar	Regular	Improved customer experience, Better relationship
2	Employees	No	Team meetings, Training, webcasts, and workshops, Emails	Regular	Diversity and inclusion, Well-being and safety of employees, Enhancing knowledge of employees
3	Suppliers	No	Annual report, Quarterly report, Media and news, Workshops and seminars, Website	Regular	Long-term business partnership, Product responsibility
4	Communities and NGOs	Yes	CSR activities and initiatives, Health and wellness initiatives, Training and workshops	Regular	Restoration of livelihood and income generation, Community engagement
5	Governments and Regulators	No	Written communications, submission of reports and returns, workshop by regulators, meetings/ discussions	Frequent and need-based	Better risk management, Timely and proper reporting, Contributing to overall business development
6	Distribution partners	No	Websites, Team meetings, Emails	Frequent and need-based	Expanding business, Revenue generation



## Leadership Indicators

MFSL and MLI:

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The MD & CEO of MLI serves as the management’s representative before the board, presenting the company’s ESG matters. Any comments or actionable items provided by the board are noted, and their status is reported at the subsequent board meeting.

Through its various committee meetings, the company engages with stakeholders on economic, environmental, and social topics.

The ESG working committee chaired by Head ESG, MLI conducts regular meetings, either monthly or bi-monthly, with internal stakeholders to assist them in complying with ESG practices and to keep them updated on recent developments.

The company also has an ESG Steering committee chaired by the CEO of MLI which meets on a quarterly basis.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Certainly, the feedback received is integral to managing the company’s ESG initiatives effectively and the company has a dedicated ESG resource. Moreover, an annual ESG report is published, encompassing the company’s ESG activities and initiatives. Additionally, the business and strategic plan for FY 24 includes a distinct section on the ESG plan.

Inputs garnered from regular meetings with internal stakeholders are carefully considered, prompting the company to review its policies and procedures to ensure alignment with ESG standards.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable / marginalized stakeholder groups.

Both MFSL and MLI through its CSR initiatives provide support to vulnerable/ marginalized stakeholder groups. For details please see Principle 8.

## PRINCIPLE 5

### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

MFSL and MLI:

	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	23,135	20,981	90.69%	19,349	15,385	80%
Other than permanent	0	0	0	0	0	-
<b>Total Employees</b>	<b>23,135</b>	<b>20,981</b>	<b>90.69%</b>	<b>19,349</b>	<b>15,385</b>	<b>80%</b>

Note:

- MLI is committed to educating new hires and existing employees on maintaining a professional work environment where each one is treated with respect and dignity.
- These trainings are conducted using both virtual and face to face medium. Employees are informed about their rights and responsibilities in case they face a situation of workplace or sexual harassment. A specially designed e-module on Prevention of Sexual Harassment (POSH) of Woman at the workplace is given to all new hires, where employees complete training and are subsequently assessed on their understanding of the Policy and the POSH Act. There are tailor-made courses on Leading with Inclusion, how to reduce your unconscious bias for employees conducted on a periodic basis.
- Communications are released periodically by the Chief People Officer on workplace conduct, ethical behavioural, whistleblower policy, diversity equity and inclusion.
- Employees are also encouraged to use external training platform for self-development on the above topics and other topics as well, which foster workplace engagement and harassment free environment in the corporate workspace.

2. Details of minimum wages paid to employees and workers:

MFSL and MLI:

	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage (B)	% (B / A)	More than Minimum Wage (C)	% (C / A)	Total (A)	Equal to Minimum Wage (B)	% (B / A)	More than Minimum Wage (C)	% (C / A)
<b>Employees</b>										
Permanent	23,135	128	0.5%	23,007	99.4%	19,349	0	-	19,349	100%
Male	16,917	64	0.4%	16,853	99.6%	14,379	0	-	14,379	100%
Female	6,218	64	1%	6154	98.9%	4,970	0	-	4,970	100%
Other than Permanent	Not Applicable									
Male										
Female										
<b>Workers</b>										
Permanent	Not Applicable									
Male										
Female										
Other than Permanent										
Male										
Female										

3. Details of remuneration / salary / wages:

a) Median remuneration / wages:

MFSL:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	<a href="https://maxfinancialservices.com/static/uploads/financials/annual-return-2024.pdf">https://maxfinancialservices.com/static/uploads/financials/annual-return-2024.pdf</a>			
Key Managerial Personnel				
Employees other than BoD and KMP				
Workers				

MLI:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	<a href="https://www.maxlifeinsurance.com/content/dam/corporate/public-disclosures/2023-24/Q4-FY-23-24/Annual_Return_FY_2023-24.pdf">https://www.maxlifeinsurance.com/content/dam/corporate/public-disclosures/2023-24/Q4-FY-23-24/Annual_Return_FY_2023-24.pdf</a>			
Key Managerial Personnel				
Employees other than BoD and KMP				
Workers				

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

MFSL:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	21.0%	13.2%

MLI:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	21.7%	21.16%

4. Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Mr. V Krishnan, Principal Officer, MFSL

Mr. Shailesh Singh, Chief People Officer, MLI

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

MFSL and MLI have requisite policy for Prevention of Sexual Harassment (POSH), which is available on the website of the company. The comprehensive policy ensures gender equality and the right to work with dignity to all employees (permanent, contractual, temporary and trainees) of the company. The company has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

6. Number of Complaints on the following made by employees and workers:

MFSL

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	-	Nil	Nil	-
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour / Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

MLI

	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	28	3	Pending 3 are within statutory timeline	23	0	-
Discrimination at workplace	9	5	Pending 5 are within statutory timeline	24	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour / Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	Nil	Nil	-	Nil	Nil	-
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

MFSL and MLI:

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	28	23
Complaints on POSH as a % of female employees / workers	0.45%	0.46%
Complaints on POSH upheld	12	11

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

MFSL and MLI:

The Company maintains the highest standards of professionalism, integrity, ethical business practices. It has always promoted fairness and transparency in all its acts and its endeavour for the same is evident in the Code of Conduct, where the principles and standards that govern and guide the actions of the company and its employees are mentioned. 'Caring' is at the core of all we do and is defined by respecting people and acting with compassion. We are committed to a work environment of mutual trust and equality, in which all employees are treated with respect and dignity. We strongly believe that each individual has the right to work in a professional workspace that promotes equal opportunities and prohibits discriminatory practices, including any kind of harassment.

The Company has a robust grievance redressal mechanism for handling harassment complaints. The Workplace Anti-Harassment policy, policy for Prevention of Sexual Harassment, Whistleblower Policy entail that employees, customers, vendors, suppliers, agents, consultants associated with the Company can raise concerns without any fear of retaliation or hostile work environment. Anyone found to have retaliated against or victimized the person (s) who make a complaint or participate in any investigation in relation to alleged sexual harassment or harassment of any kind is subject to disciplinary action as per Employee Disciplinary Action Process.

The policy for Prevention of Sexual Harassment includes guidelines to prevent adverse consequences to complainants:

- Details of complaint, identity of the aggrieved woman, respondent, witnesses, any information relating to conciliation or inquiry proceedings are kept confidential
- Anyone found to have retaliated against or victimized the person (s) who make a complaint in good faith or participate in any investigation in relation to alleged sexual harassment is subject to disciplinary action as per the Service Rules of the organization
- Interim measures such as leave, work from home, change of reporting supervisor etc. are provided to the complainant until inquiry is completed

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

MFSL and MLI:

Yes, human rights are part of the business agreements and contracts.

- Owing to the nature of business, MFSL and MLI have negligible scope of services where child labour can be employed. However, there is a specific provision where the supply chain vendors are mandated to comply with the applicable laws of the country.
- The company has recently introduced a separate policy on human rights and anti-modern slavery statement.
- For discrimination at workplace, there is a business code of conduct which is part of the annexure of the agreement to ensure that supply chain vendor operates ethically.

10. Assessments for the year:

MFSL and MLI:

Assessment for the year	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	-
Forced / involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others – please specify	-

Note: For financial year, 2023-24, MFSL and MLI have not conducted assessment by third party or statutory authority. However, it complies with all the applicable laws.

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

As no external assessment has been done for point 10 above, there is no information to be provided for both MFSL and MLI.

**Leadership Indicators**

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

MFSL and MLI welcomes feedback on human rights. While we haven't received any formal grievances, we appreciate any concerns that may help us further strengthen our human rights practices.

2. Details of the scope and coverage of any human rights due-diligence conducted.

Internal audits are conducted by MFSL and MLI which ensures the due-diligence of implementation of various human rights policies.

3. Is the premise / office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The corporate offices of MFSL and MLI are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	-
Discrimination at workplace	-
Child Labour	-
Forced Labour / Involuntary Labour	-
Wages	-
Others – please specify	-

Note: Both MFSL and MLI has not conducted any assessment of value chain partners on the parameters as mentioned in the table below. However, the company aspires to conduct it in the near future.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at question 4 above.

Not applicable

**PRINCIPLE 6**

**Essential Indicators**

1. Details of total energy consumption (in Joules or multiples) and energy intensity:

MFSL and MLI:

Parameter	FY 2023-24 (MJ)	FY 2022-23 (MJ)
<b>From Renewable Sources</b>		
Total electricity consumption (A)	23,972.40	0
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	23,972.40	0
<b>From non-renewable sources</b>		
Total electricity consumption (D)	3,36,60,180.00	3,34,76,288.40
Total fuel consumption (E)	19,04,329.44	36,10,953.00
Energy consumption through other sources (F)	0	0
Total energy consumed from non-renewable sources (D+E+F)	3,55,64,509.44	3,70,87,241.40
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>3,55,88,481.84</b>	<b>3,70,87,241.40</b>
<b>Energy intensity per rupee of turnover (MJ/L INR)</b>	<b>12.0520</b>	<b>14.9052</b>
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (MJ/L INR Adjusted to PPP)</b>	<b>275.7507</b>	<b>341.0321</b>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency: Yes - Maroon Oak Technologies

Note: In our ongoing efforts to refine our sustainability reporting, we've implemented more robust data collection and monitoring processes for energy consumption in FY 2023-24. This may lead to adjustments in previously reported energy consumption figures from FY 2022-23. These changes ensure greater accuracy in our data.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If Yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken.

Not applicable

3. Provide details of the following disclosures related to water:

MFSL and MLI:

Parameter	FY 2023-24 (KL)	FY 2022-23 (KL)
<b>Water withdrawal by source</b>		
(i) Surface water	0	-
(ii) Groundwater	0	-
(iii) Third party water	381.96	-
(iv) Seawater / desalinated water	0	-
(v) Others	0	-
<b>Total volume of water withdrawal (i + ii + iii + iv + v)</b>	<b>381.96</b>	<b>-</b>
<b>Total volume of water consumption</b>	<b>381.96</b>	<b>-</b>
<b>Water intensity per rupee of turnover (L/ L INR)</b>	<b>0.1293</b>	<b>-</b>
<b>Water intensity per rupee of turnover adjusted for Purchasing Power Parity (L/ L INR Adjusted to PPP)</b>	<b>2.9595</b>	<b>-</b>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.: Yes- Maroon Oak Technologies

Note: At MFSL and MLI, water consumption has been limited to drinking, sanitation, and cleaning. Although we lacked the appropriate processes to measure water consumption in FY 2022-23, we have now implemented processes to account for our water usage in FY 2023-24.

4. Provide the following details related to water discharged:

MFSL and MLI:

Parameter	FY 2023-24 (KL)	FY 2022-23 (KL)
<b>Water discharge by destination and level of treatment</b>		
(i) To Surface water	0	0
(ii) To Groundwater	0	0
(iii) To Seawater	0	0
(iv) Sent to third-parties	0	0
(v) Others	0	0
<b>Total water discharged</b>	<b>0</b>	<b>0</b>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

Note: Due to the nature of our operations, there is no water discharge from our offices and branches.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If Yes, provide details of its coverage and implementation.

Given the nature of our business at MFSL and MLI, we primarily operate out of office spaces. We're actively collaborating with our building management teams to explore the feasibility of pursuing zero liquid discharge certification.

6. Please provide details of air emissions (other than GHG emissions) by the entity:

Parameter	Unit	FY 2023-24	FY 2022-23
NOx	-	-	-
SOx	-	-	-
Particulate matter (PM)	-	-	-
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Yes- Maroon Oak Technologies

Note: The nature of business at both MFSL and MLI does not result in the emission of air pollutants as defined by the Air (Prevention and Control of Pollution) Act, 1981, and thus does not contribute to air pollution. However, starting in FY 2023-24, MLI at its corporate office has installed indoor air quality monitoring devices to measure particulate matter in the ambient air.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:

MFSL and MLI:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions	TCO2e	141.73	265.64
Total Scope 2 emissions	TCO2e	6,694.64	6,658.06
<b>Total Scope 1 and Scope 2 emissions</b>	TCO2e	<b>6,836.36</b>	<b>6,923.70</b>
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>	TCO2e/L INR	<b>0.0023</b>	<b>0.0027</b>
<b>Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b>	TCO2e/L INR (Adjusted to PPP)	<b>0.0529</b>	<b>0.0636</b>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Yes- Maroon Oak Technologies

Note: As we continue to enhance our environmental reporting, we've implemented improved data collection and monitoring processes for greenhouse gas (GHG) emissions in FY 2023-24. This may lead to adjustments in previously reported GHG emission figures for FY 2022-23 to ensure the accuracy of our data.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Following a comprehensive analysis of our emissions and energy consumption data, MFSL and MLI implemented a multi-dimensional strategy to enhance energy efficiency and reduce carbon emissions. This resulted in an approximate reduction of 87T CO2e (~ 1.25%) in FY 2023-24 compared to FY 2022-23.

- HVAC System Upgrades: During FY 2024, we strategically replaced outdated HVAC systems in our facilities nationwide with newer, more energy-efficient models.

- Lighting Improvements: In FY 2024, we transitioned to LED lighting across our offices, further contributing to energy savings.
- Operational Optimization: We continually optimize air conditioning cooling cycles and fresh air intake to maximize energy efficiency.

9. Provide details related to waste management by the entity:

MFSL and MLI:

	FY 2023-24 (T)	FY 2022-23 (T)
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste (A)	0	0
E-waste (B)	10.794	13.63
Bio-medical waste (C)	0.115	0
Construction and demolition waste (D)	0	0
Battery waste (E)	0	2.859
Radioactive waste (F)	0	0
Other hazardous waste. Please specify, if any. (G)	0	0
Other non-hazardous waste generated (H)	0.56	NA
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>11.469</b>	<b>16.489</b>
<b>Waste intensity per rupee of turnover (Kg/ L INR)</b>	<b>0.0039</b>	<b>0.0066</b>
<b>Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (Kg/ L INR adjusted to PPP)</b>	<b>0.0889</b>	<b>0.1516</b>
<b>Waste intensity in terms of physical output</b>		
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations</b>		
<b>Category of waste</b>		E-waste
(i) Recycled	10.794	16.489
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
<b>Total</b>	<b>10.794</b>	<b>16.489</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method</b>		
<b>Category of waste</b>		Bio-medical Waste
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0.115	0
<b>Total</b>	<b>0.115</b>	<b>0</b>
<b>Category of waste</b>		Other non-hazardous waste
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0.56	0
<b>Total</b>	<b>0.56</b>	<b>0</b>

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: Yes- Maroon Oak Technologies

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

MFSL and MLI:

The Company is committed to minimizing waste generation, aligned with best practices in our industry. While the overall volume of waste we produce is relatively low, we take responsible management of all waste streams seriously.

E-waste: We have partnered with authorized third-party recyclers to ensure proper and environmentally sound disposal of electronic waste.



Biomedical Waste: Sanitary waste generated at our offices is classified as bio-medical waste. We have partnered with a qualified agency to ensure its safe and responsible disposal.

11. If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details:

Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
Nil		

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant web link
Not applicable					

13. Is the entity compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances:

Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Based on the nature of business, MFSL and MLI is in compliance with applicable environmental norms.			

### Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres). For each facility / plant located in areas of water stress, provide the following information:

- a. Name of the area  
None
- b. Nature of operations  
Not applicable
- c. Water withdrawal, consumption and discharge in the following format:

	FY 2023-24 (KL)	FY 2022-23 (KL)
<b>Water withdrawal by source</b>	Not applicable	
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater / desalinated water		
(v) Others		
<b>Total volume of water withdrawal (in kilolitres)</b>		
<b>Total volume of water consumption (in kilolitres)</b>		
<b>Water intensity per rupee of turnover (water consumed / turnover)</b>		
<b>Water discharge by destination and level of treatment</b>		
(i) Into surface water		
(ii) Into groundwater		
(iii) Into seawater		
(iv) Sent to third-parties		
(v) Others		
<b>Total water discharged</b>		

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

2. Please provide details of total Scope 3 emissions and its intensity:

Parameter	Unit	FY 2023-24	FY 2022-23
<b>Total Scope 3 emissions</b>	TCO <sub>2</sub> e	-	-
<b>Total Scope 3 emissions per rupee of turnover</b>	TCO <sub>2</sub> e/INR	-	-

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: No

Note: We did not begin calculating our Scope 3 emissions in FY 2023-24. However, we plan to start this process in a phased manner, initially focusing on selected categories.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Solar panel installation	Installation of solar panel at one of the MLI's office at 25KW	Reduction of the electricity consumption from the non-renewable source of energy
HVAC System Upgrades	During FY 2024, we strategically replaced outdated HVAC systems in our facilities nationwide with newer, more energy-efficient models.	Reduction in energy consumption and Scope 2 emissions
Energy Efficient Lighting	In FY 2024, we transitioned to LED lighting across our offices, further contributing to energy savings.	Reduction in energy consumption and Scope 2 emissions
Operational Optimization	We continually optimize air conditioning cooling cycles and fresh air intake to maximize energy efficiency without compromising occupant comfort.	Reduction in energy consumption and Scope 2 emissions

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.

Yes, MFSL and MLI has developed a robust Business Continuity Management (BCM) framework in order to ensure resilience and continuity of products and to minimise the impact of risk of business disruption and system failure.

Further, MLI has Board approved BCM policy. One of the key objectives of the Policy is to ensure that the processes and systems are sufficiently robust to withstand a range of events such as unavailability of premises, technology, people or suppliers. The Company is also committed for continuous improvement of Business Continuity Management System

MLI has been accredited with the ISO 22301:2019 certification for its business continuity management systems.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

The core business of both MFSL and MLI is to provide financial protection to consumers, without engaging in activities that negatively impact the environment. Additionally, we have not yet begun assessing our value chain for ESG factors to measure any potential adverse environmental impacts. However, we plan to initiate this assessment and subsequently develop mitigation or adaptation measures.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts

Both MFSL and MLI has not conducted any assessment of value chain partners to evaluate the environmental impact. However, the company aspires to sensitize the value chain partners about the impact of their activities on the environment.

**PRINCIPLE 7**

**Essential Indicators**

1. a) Number of affiliations with trade and industry chambers / associations.

Three

b) List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to:

MFSL and MLI:

	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations
1	Federation of Indian Chambers of Commerce and Industry	National
2	Confederation of Indian Industry	National
3	Life Insurance Council	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

There was no instance of anticompetitive conduct by the entity, thus, there is no information to be provided for the below table.

MFSL and MLI:

	Name of authority	Brief of the case	Corrective action taken
	Not applicable		

**Leadership Indicators**

1. Details of public policy positions advocated by the entity:

MFSL and MLI:

MLI is a member of trade bodies like FICCI and CII, Life Insurance Council and other such associations. MLI provides suggestions and inputs on various regulatory matters with respect to the insurance industry in general and life insurance in particular. Max Life supports the regulator and the ministry of finance in drafting policy matters and promotion of initiatives for insurance penetration, distribution and support of policyholders’ interests. Max Life is also part of various Industry Level Committees/ working groups formed by the Life Insurance Council and IRDAI.

MLI actively participates in industry associations like FICCI, CII, and the Life Insurance Council, shaping regulatory discussions for the insurance sector. We contribute expertise on both general insurance matters and life insurance specifically.

	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain?	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others)	Web Link, if available
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Please refer to the explanation above

**PRINCIPLE 8**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. MFSL and MLI:

Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency	Results communicated in public domain	Relevant Web link
<p>Teach for India (Teach to Lead) Under its Fellowship Project, Teach to Lead trains and empowers fellows to teach students of government schools to improve their learning outcomes through the best teaching methods. Teach to Lead provides high quality educational support to schools for children from low-income communities. Impact Achieved Fellows reported personal and professional growth, increased empathy and understanding of educational inequities, and a deep commitment to social change. The program led to tangible improvements in student outcomes, including academic achievement, attendance, and socioemotional development. By placing talented individuals in low-income schools and providing them with the support and resources needed to succeed, the fellowship program has contributed to narrowing the educational opportunity gap and empowering students from underserved communities. TFI fellow alumni surveyed during the impact assessment are continuing to work in the education sector or pursuing their higher studies in education itself</p>	Not applicable. We have no SIA notification number		Yes	Yes	<a href="http://www.maxlifeinsurance.com/about-us/csr">www.maxlifeinsurance.com/about-us/csr</a>
<p>The Education Alliance (TEA) Network for Quality Education Foundation Program Assistance Unit (PAU) with the Directorate of Education: The key focus of project areas is Partnership with SCERT to strengthen In-Service Teacher Training, strengthen operations of Delhi's Schools of Specialized Excellence (Souses) focused on 5 streams targeting 10,000 students. Delhi Government PMU for Foundational Literacy and Numeracy (Delhi): TEA works with MCD education department to on-board relevant partner organizations to design, implement and assess interventions focused on early grades to implement NIPUN Bharat mission for MCD. IT based Academic Process Management and Monitoring System (Madhya Pradesh): works with Rajya Shiksha Kendra in Madhya Pradesh to launch Minimum Viable Product comprising 3 priority modules for essential monitoring of the FLN program in the State. PMU for State FLN (Tripura): TEA works with the State. In 2023-24 below inputs will reach schools for FLN Grades: Teaching learning materials; Capacity development of ~9,000 FLN grade teachers; Simple to use monitoring systems to track implementation and have data-driven decisions Punjab: TEA works with Punjab Education Department and Quality and Innovation (Q&amp;I) Cell on: R&amp;D, ideation, prototyping and implementation; Leveraging technology; Developing M&amp;E techniques; Studying best practices in school education; Identification and on-boarding of potential partners Impact Achieved 1. School Quality Enhancement Program (Score on OECD Framework- 4.35 on 5) Improved levels of enrolment, engagement, extracurricular activities. Created supportive learning environment; heightened parent understanding and involvement. Brought about a noticeable shift in public perception towards govt -Enabled stakeholders to address systemic issues and drive meaningful change by collaboration and resource mobilisation 4. Manzil (Score on OECD Framework- 4.59 on 5) Significantly contributed to personal development in students, teachers and team members. Many play multiple roles within the same time-frame. Students/members have gained immensely from Manzil- setting up their own businesses/organisations/ventures</p>	Not applicable. We have no SIA notification number		Yes	Yes	<a href="http://www.maxlifeinsurance.com/about-us/csr">www.maxlifeinsurance.com/about-us/csr</a>

Note: The CSR activities at MLI and MFSL are carried out in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 issued by the Ministry of Corporate Affairs Notification No. G.S.R. 40 (E) dated 22nd January 2021.

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
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Not applicable

Note: MFSL or MLI has not undertaken any project where any Rehabilitation and Resettlement (R&R) was involved. Thus, there is no information to be provided for the below table.

3. Describe the mechanisms to receive and redress grievances of the community.

MFSL and MLI does not have a community grievance redressal mechanism under CSR as it engages through NGOs/ Implementation Agencies which have their own guidelines to receive and redress the grievances.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

MFSL and MLI:

	FY 2023-24	FY 2022-23
Directly <b>sourced</b> from MSMEs small producers	-	-
Directly from within India	-	-

\* Owing to the nature of business, this is not applicable to our business

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

MFSL and MLI:

Location	FY 2023-24	FY 2022-23
Rural	0%	0%
Semi-urban	0.02%	0%
Urban	22.28%	20.45%
Metropolitan	77.70%	79.55%

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: question 1 of Essential Indicators above).

Details of negative social impact identified	Corrective action taken
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Not applicable

Note: MLI and MFSL does not have any project where any negative social impact was observed. Further, all projects are regularly monitored and meetings and dialogues are conducted with various stakeholders to ensure alignment with on-ground need. Due to the afore-mentioned reason, there is no information to be provided for the below table.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

MFSL and MLI:

State	Aspirational District	Amount spent (In INR)
Uttar Pradesh	Varanasi	37,82,000
Uttar Pradesh	Haridwar	45,77,576
Jharkhand	East Singhbhum	34,77,576
Haryana	Gurgaon	25,00,000
Haryana	Gurgaon	22,38,276
Haryana	Gurgaon	6,91,000
Delhi (NCT)	Central Delhi	80,00,000

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups?  
No
- b) From which marginalized / vulnerable groups do you procure?  
No
- c) What percentage of total procurement (by value) does it constitute?  
No

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

Intellectual Property based on traditional knowledge	Owned/ Acquired	Benefit shared	Basis of calculating benefit share
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Nil

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
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Not applicable

6. Details of beneficiaries of CSR Projects:

MFSL and MLI:

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Financial literacy and insurance awareness	59,134	100%
Joy of Giving	60,200	100%
Max India Foundation	26,902	100%
Environment	27,024	0.63%

## PRINCIPLE 9

### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

MLI:

MLI has a robust grievance redressal process, guided by its grievance redressal policy (which can be accessed here [https://www.maxlifeinsurance.com/content/dam/neo/pdf/Grievance\\_Redressal.pdf](https://www.maxlifeinsurance.com/content/dam/neo/pdf/Grievance_Redressal.pdf)). MLI has created both robust processes and systems to receive, assess and respond to each customer complaint as part of its overall service framework, which includes specified service parameters in terms of turnaround TATs for each type of request. While the above document describes these in detail, broadly our framework for receiving customer complaints and responding to them is as below:

Steps taken to reduce customer complaints:

1. In an endeavor to reduce the number of complaints, basis a regular review of complaints received, we have revamped our customer onboarding process in the following ways to ensure that before the issuance of a policy, there is proper rechecking of the customer's understanding about the product:
  - a. Need analysis of the prospects before selling as per the Product Suitability Matrix, a tool used to assess which product will be suitable to the prospect basis the need of the prospect (customer-product fit). The Investor Risk Profiler (IRP) is used in order to facilitate the selection of suitable investment funds for ULIP products.
  - b. Delivery based on OTP verification for physical (paper) policy packs to confirm receipt of the policy pack on time.

- c. Benefit illustrations are presented with the prospect in order to explain the illustrative benefits of the policy. A copy of the benefit illustration is included in the policy pack. The policy pack sent to policyholder also contains a key features document along with a copy of the signed/authenticated proposal form. Critical information of insurance policy (payment term, premium, mode, policy maturity date) shall be made visible prominently in the policy pack in order to ensure that customers do not miss important information.
  - d. Pre-issuance verification to confirm the customer's understanding of the product. Wide range of questions covering top reasons cited in mis-selling complaints are asked.
  - e. Increased coverage of video-based verification on new business sales, including in vernacular languages.
2. We proactively track for high ageing cases at our end, without a customer complaining, that have breached service TAT thresholds and expedite these for closure as well.

#### Receiving consumer complaints:

We have a robust customer relationship management (CRM) system for receiving, registering and disposing complaints/grievances. The Company also has in place systems to receive and deal with all kinds of calls, including voice/e-mail relating to complaints/grievances from customers.

1. We have various modes by which we accept customer complaints such as email, branch, helpline, and are also working on an online form for logging complaints. The head office and each branch office of the Company have a well-defined process for receiving and registering grievances. Requisite systems are in place to receive, record and address the same at all the touchpoints.
2. We also measure our customer satisfaction scores via the NPS framework through which we also receive service detractors. Based on the detractor voices we understand the issues faced by customers and use this feedback to identify potential improvement areas.
3. Requisite processes and systems are in place to address litigations (including appeals) filed by a policyholder before any competent authority or courts, including but not limited to Insurance Ombudsman, Consumer Forums, Civil Courts and higher courts.

#### Redressal and feedback

##### 1. Acknowledgement & Resolution:

**Grievance acknowledgement:** On receipt of a Complaint/Grievance, we first assess it on the basis of its merits and nature. Thereafter, we send an acknowledgement, through SMS or email where available, to the customer within 3 working days of the receipt of the Grievance.

**Grievance resolution:** We endeavor to resolve the Complaint/Grievance within 14 calendar days of its receipt and each redressal or rejection of the issue gets conveyed vide email or letter, along with reasons. Such communication will also inform the Complainant about how the customer can pursue the Complaint/Grievance, if dissatisfied with the resolution provided. We endeavor to resolve all complaints/grievances to the satisfaction of our customers. A grievance is considered as disposed of and closed when:

- MLI has acceded to the request of the customer fully, or
- The customer has indicated in writing, acceptance of the response of the Company, or
- The customer has not responded to the Company within 8 weeks of the Company's written response to the complaint/grievance

After the resolution, if the customer approaches the Company within eight weeks, the original 'complaint/grievance' interaction will be re-opened for review of the earlier decision. Post reviewing the facts, the suitable resolution will be provided to the customer.

2. In case customers do not receive a response within the turnaround times, they can escalate the matter to the Grievance officer/Nodal officer at MLI. The List of Grievance Officers at Branch Offices is given on the website. If the customer remains dissatisfied with the resolution, she/he can further escalate the matter to Grievance Officers at Head Offices.

3. We also have created a mediation platform, internal ombudsman where customers can appeal decisions prior to raising it to insurance ombudsman or courts.
  4. If the complaint/grievance is not resolved in favor of the customer or partially resolved in favor of the customer, she/he can take up the matter before the Insurance Ombudsman.
  5. We do thorough RCAs of each complaint received to identify areas of improvement and funnel these learnings into our process and technology transformation programs. These are regularly reviewed by our management.
2. Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

	<b>As a percentage to total turnover</b>
Environmental and social parameters relevant to the product	NA
Safe and responsible usage	NA
Recycling and / or safe disposal	NA

Note: The information mentioned in the table below is not relevant for nature of work carried out by MFSL and MLI, thus there is no information to provide.

3. Number of consumer complaints in respect of the following:  
MFSL and MLI:

	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	2,085	-	-	2,535	-	-
Restrictive trade practice	-	-	-	-	-	-
Unfair trade practices	-	-	-	-	-	-
Others (Unfair business practices*)	1,442	-	-	1,904	-	-

Note: Unfair business practices are primarily allegations pertaining to policy features not explained or incorrectly explained, false returns assured, allegations pertaining to signature or documents tampering, payment misappropriation and spurious or hoax calls.

4. Details of instances of product recalls on account of safety issues:

The information mentioned in the table below is not relevant for nature of work carried out by MFSL and MLI, thus there is no information to provide.

	<b>Number</b>	<b>Reasons for recall</b>
Voluntary recalls	NA	
Forced recalls		

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes / No) If available, provide a web-link of the policy.

MFSL and MLI: It has SOPs for Network Security, Data Privacy, Data Leakage & Prevention, Business Continuity which covers all the aspects related to Data & network Security from internal & external networks: There are defined SOPs for Network & Data Privacy. There is a firewall and antivirus systems available for the protection from the outside network/Cyber. The access to the data at the company is safeguarded by secured protocols. All the user's data and financial transactions are secured with layered security controls across the three layers of authentications. The company has a Data Security Policy which is reviewed annually. The web-link of the policy is available on the intranet.



6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No complaints were received during the financial year 2023-24 on cyber security and data privacy and marketing communications.

7. Provide the following information relating to data breaches:

- a) Number of instances of data breaches:  
Nil
- b) Percentage of data breaches involving personally identifiable information of customers:  
Nil
- c) Impact, if any, of the data breaches:  
Nil

### **Leadership Indicators**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).
- Website [www.maxlifeinsurance.com](http://www.maxlifeinsurance.com): MLI provides information of all its products Information relating to products and services it's website.
  - Max Life Insurance Lite App: The products of MLI are also listed on the app which can be downloaded on the mobile.
  - Social Media
  - Customer Care Number and Email ID

2. Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.

At MLI, we believe that it is important that Indian consumers should be aware of the true purpose of life insurance. Various surveys by leading research agencies have indicated that, while the majority of Indians are aware of life insurance plans, ownership of term insurance is low, and consumers are not aware of the role life insurance can play in building a financially secure nation. MLI led the industry initiative on insurance awareness.

1. Campaign on the benefits of life insurance: MLI is working diligently to drive importance of financial protection with life insurance amongst people through varied media that include mass media campaigns, social media, public relations, knowledge articles on online portals and MLI website. We also drive insurance awareness through our proprietary researches India Protection Quotient & India Retirement Index Survey that we conduct at pre-defined intervals.
2. Campaign focusing on protection of consumers: Fraudulent activities and spurious calling to defraud life insurance consumers are a reality that the life insurance industry is tackling through individual and joint efforts. Messages on protecting oneself from such acts are disseminated to our current policyholders by including such messages into the majority of customer communication. Similar information is also shared through SMS and articles with policyholders, along with social media campaign on fraud awareness.
3. Campaign for customers: We regularly share relevant details about life insurance through direct mail to our existing customer base. Every month, we observe super customer week with an emphasis on increasing customer awareness and engagement. By communicating with consumers digitally once a month via various emails and SMSs, these sessions have assisted our customers in learning more about the benefits of life insurance.

3. Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.

MLI:

In case of any disruption / discontinuation of essential service:

1. We inform our customers via email, WhatsApp and SMS communication. Content is either static or video based.
2. Branch walk-in customers are informed by Max Life representatives.
3. Advisors/agents are also sent electronic communication who in turn inform their customers and, information is also displayed on our website and through other social media assets.

The withdrawn plans and riders of MLI can be accesses at the web-link Withdrawn Plans & Riders ([maxlifeinsurance.com](http://maxlifeinsurance.com))

4. Does the entity display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole?

Yes. MLI displays product information on the product over and above what is mandated by IRDAI. The Company takes several steps to guide the customers on how they can benefit and minimise the risk. In addition, the Company carries out feedback with respect to customer satisfaction regarding products and services.



# FINANCIAL REVIEW



# **STANDALONE FINANCIAL STATEMENT**

# INDEPENDENT AUDITOR'S REPORT

To the Members of Max Financial Services Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of Max Financial Services Limited ("the Company"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include

the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those charged with governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 these standalone financial statements.

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 standalone financial statements, 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. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability 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 financial statements 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 standalone financial statements, including the

disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

### Other Matter

The financial statements of the Company for the year ended March 31, 2023, included in these standalone financial statements, have been audited by the predecessor auditor i.e. Deloitte Haskins & Sells LLP who expressed an unmodified opinion on those statements on May 12, 2023.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors

is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 28 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 44 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 44 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

- v. No dividend has been declared or paid during the year by the Company.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software (refer Note 46 to the financial statements). Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

For **S.R. Batliboi & Co. LLP**

**Chartered Accountants**

ICAI Firm Registration Number: 301003E/E300005

per **Pikashoo Mutha**

Partner

Membership Number: 131658

UDIN: 24131658BKGDYB9853

Place of Signature: Mumbai

Date: May 07, 2024

## ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE

Re: Max Financial Services Limited (“the Company”)

The information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
  - (B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) The title deeds of all the immovable properties other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2024.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company’s business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
  - (b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
  - (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.
  - (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
  - (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
  - (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
  - (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to [companies, firms, Limited Liability Partnerships or any other parties]. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) Loans, investments, guarantees and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable have been complied with by the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the



extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

- (vi) The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, cess and other statutory dues applicable to it. According to the

information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where the dispute is pending	Remarks, if any
Customs Act, 1962	Customs Duty demand on Non fulfilment of export obligation	618.44	FY 1994-95	Directorate General of Foreign Trade	
Finance Act, 1994 (Service tax)	Service tax demand on consultancy services	201.00*	FY 1997-98 to FY 2000-01	Commissioner (Central Exercise), Chandigarh	
Finance Act, 1994 (Service tax)	Service tax demand on banking and financial services	139.58	FY 2011-12 to FY 2015-16	Joint/ Additional Commissioner, Service Tax Commissionerate Delhi - II	

\*Amount net of deposited under protest of Rs. 12 lacs.

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company did not have any outstanding loans or borrowings or interest thereon due to any lender during the year. Accordingly, the requirement to report on clause ix(a) of the Order is not applicable to the Company.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable to the Company.
- (d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.

- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a) of the Order is not applicable to the Company.
- (b) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Nidhi company as per the provisions of the Companies Act, 2013. Therefore, the

requirement to report on clause 3(xii)(b) of the Order is not applicable to the Company.

(xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

(xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

(xvi) (a) As per section 45-IA of the Reserve Bank of India Act, 1934 read with RBI / 2006-07 / 158 DNBS (PD) C.C. No. 81 / 03.05.002 / 2006-07 dated 19 October, 2006, a Company whose 50% of total assets and 50% of total income is from financial activity, as at the last audited balance sheet, is said to carry on financial activity as its principal business and hence is required to obtain registration as a Non-Bank Finance Company (NBFC).

As indicated in note 40 of standalone financial statements, the Company is of the view supported by legal opinion that the Company is an 'Unregistered Core Investment Company' ('Unregistered CIC') as laid down in the "Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016", as amended and hence the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.

(c) The Company is a Core Investment Company (CIC) as defined in the regulations made by Reserve Bank of India (RBI). The Company is exempted from registration requirement with RBI and continues to meet such criteria for non-registration.

(d) The Group does not have more than one CIC as part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

(xvii) The Company has incurred cash losses in the current year amounting to Rs. 13.07 crores. In the immediately preceding financial year, the Company had not incurred cash losses.

(xviii) The previous statutory auditors of the Company have resigned during the year and we have taken into consideration the issues, objections or concerns raised by the outgoing auditors.

(xix) On the basis of the financial ratios disclosed in note 45 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) (a) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) of the Order is not applicable to the Company.

(b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(b) of the Order is not applicable to the Company.

For **S.R. Batliboi & Co. LLP**  
**Chartered Accountants**

ICAI Firm Registration Number: 301003E/E300005

per **Pikashoo Mutha**

Partner

Membership Number: 131658

UDIN: 24131658BKGDYB9853

Place of Signature: Mumbai

Date: May 7, 2024

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAX FINANCIAL SERVICES LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to standalone financial statements of Max Financial Service Limited ("the Company") as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial

controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these standalone financial statements.

### Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements

A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk

that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by

the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Co. LLP**  
**Chartered Accountants**

ICAI Firm Registration Number: 301003E/E300005

per **Pikashoo Mutha**  
**Partner**

Membership Number: 131658

UDIN: 24131658BKGDYB9853

Place of Signature: Mumbai

Date: May 7, 2024

# STANDALONE BALANCE SHEET

AS AT MARCH 31, 2024

(Rs. in lakhs)

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
<b>A. ASSETS</b>			
<b>1. Financial Assets</b>			
(a) Cash and cash equivalents	3	18.13	39.99
(b) Bank balances other than (a) above	4	4,761.50	5,727.45
(c) Receivables - trade receivables	5	1,226.74	1,728.00
(d) Investments	6	6,69,853.31	6,69,514.00
(e) Other financial assets	7	77.04	116.83
<b>Sub Total - Financial Assets</b>		<b>6,75,936.72</b>	<b>6,77,126.27</b>
<b>2. Non Financial Assets</b>			
(a) Current tax assets (net)	8	445.16	255.08
(b) Deferred tax assets (net)	27	202.26	166.77
(c) Property, plant and equipment	9A	105.97	190.20
(d) Right-of-Use asset	9B	184.60	194.71
(e) Other non-financial assets	10	85.97	107.79
<b>Sub Total - Non-Financial Assets</b>		<b>1,023.96</b>	<b>914.55</b>
<b>Total Assets</b>		<b>6,76,960.68</b>	<b>6,78,040.82</b>
<b>B. LIABILITIES AND EQUITY</b>			
<b>I LIABILITIES</b>			
<b>1. Financial Liabilities</b>			
(a) Payable			
Trade payables			
(i) total outstanding dues of micro enterprises and small enterprises	11	6.95	34.75
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	11	390.75	328.09
(b) Lease liabilities	32	187.40	196.67
(c) Other financial liabilities	12	2.38	21.91
<b>Sub Total - Financial Liabilities</b>		<b>587.48</b>	<b>581.42</b>
<b>2. Non Financial Liabilities</b>			
(a) Provisions	13	1,096.97	1,064.19
(c) Other non-financial liabilities	14	69.15	54.81
<b>Sub Total - Non-Financial Liabilities</b>		<b>1,166.12</b>	<b>1,119.00</b>
<b>Total Liabilities</b>		<b>1,753.60</b>	<b>1,700.42</b>
<b>II EQUITY</b>			
(a) Equity share capital	15	6,902.30	6,902.30
(b) Other equity	16	6,68,304.78	6,69,438.10
<b>Total Equity</b>		<b>6,75,207.08</b>	<b>6,76,340.40</b>
<b>Total Liabilities and Equity</b>		<b>6,76,960.68</b>	<b>6,78,040.82</b>

The accompanying notes are integral part of these standalone financial statements 1 to 50

As per our report of even date attached

For **S R Batliboi & Co LLP**  
Chartered Accountants  
Firm's Registration No. 301003E/E300005

**Pikashoo Mutha**  
Partner  
Membership No. 131658

Place : Mumbai  
Date : May 7, 2024

**For and on behalf of the Board of Directors of  
Max Financial Services Limited**

**Dinesh Kumar Mittal**  
(Director)  
DIN No:00040000  
Place : Noida

**V Krishnan**  
(Manager)  
Place : Noida

**Piyush Soni**  
(Company Secretary)  
M.No. - ACS-39924  
Place : Gurugram

Date : May 7, 2024

**Sahil Vachani**  
(Director)  
DIN No:00761695  
Place : Noida

**Amrit Singh**  
(Chief Financial Officer)  
Place : Gurugram

# STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

(Rs. in lakhs)

	Note No.	Year ended 31.03.2024	Year ended 31.03.2023
<b>Revenue from operations</b>			
(a) Interest income	17	278.89	189.03
(b) Rental income	18	-	56.39
(c) Net gain on fair value changes	19	203.87	2,835.22
(d) Sale of services	20	1,660.00	2,032.20
(e) Gain on sale of investment property	21	-	669.29
<b>Total revenue from operations</b>		<b>2,142.76</b>	<b>5,782.13</b>
Other income	22	28.72	41.37
<b>Total Income (2+3)</b>		<b>2,171.48</b>	<b>5,823.50</b>
<b>Expenses</b>			
(a) Finance costs	23	10.59	10.89
(b) Employee benefits expense	24	618.05	922.92
(c) Depreciation, amortisation and impairment	25	158.57	310.35
(d) Other expenses	26	2,539.63	2,654.83
<b>Total expenses</b>		<b>3,326.84</b>	<b>3,898.99</b>
<b>Profit/(loss) before tax (4-6)</b>		<b>(1,155.36)</b>	<b>1,924.51</b>
<b>Tax expense</b>			
(a) Current tax	27	-	1,084.23
(b) Deferred tax charge/(credit)	27	(32.10)	(546.67)
<b>Total tax expense</b>		<b>(32.10)</b>	<b>537.56</b>
<b>Profit/(loss) after tax (7-9)</b>		<b>(1,123.26)</b>	<b>1,386.95</b>
<b>Other comprehensive income/(loss)</b>			
Items that will not be reclassified to Profit and Loss			
- Remeasurement gains/ (losses) on defined benefit plans		(13.45)	(7.62)
Income tax relating to items that will not be reclassified to profit or loss		3.39	1.92
<b>Total other comprehensive income/(loss)</b>		<b>(10.06)</b>	<b>(5.70)</b>
<b>Total comprehensive income/ (loss) for the year (10+12)</b>		<b>(1,133.32)</b>	<b>1,381.25</b>
<b>Earnings per equity share (EPS)</b>	31		
(Face value of Rs. 2 per share subscribed and fully paid)			
Basic (in Rs.)		(0.33)	0.40
Diluted (in Rs.)		(0.33)	0.40

The accompanying notes are integral part of these standalone financial statements 1 to 50

As per our report of even date attached

For **S R Batliboi & Co LLP**

Chartered Accountants

Firm's Registration No. 301003E/E300005

**Pikashoo Mutha**

Partner

Membership No. 131658

Place : Mumbai

Date : May 7, 2024

**For and on behalf of the Board of Directors of  
Max Financial Services Limited**

**Dinesh Kumar Mittal**

(Director)

DIN No:00040000

Place : Noida

**V Krishnan**

(Manager)

Place : Noida

**Piyush Soni**

(Company Secretary)

M.No. - ACS-39924

Place : Gurugram

Date : May 7, 2024

**Sahil Vachani**

(Director)

DIN No:00761695

Place : Noida

**Amrit Singh**

(Chief Financial Officer)

Place : Gurugram

# STANDALONE STATEMENT OF CASH FLOW

FOR YEAR ENDED MARCH 31, 2024

(Rs. in lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>A. Cash flow from operating activities</b>		
Profit / (loss) before tax	(1,155.36)	1,924.51
Adjustments for :		
Depreciation, amortisation and impairment	158.57	310.35
Finance cost	10.59	10.89
Net loss / (profit) on sale / disposal of property, plant and equipment	2.94	0.05
Gain on sale of investment property	-	(669.29)
Net loss/ (gain) on fair value changes on investments in mutual funds	(203.87)	(2,835.22)
Liabilities/provisions no longer required written back	(2.84)	(37.01)
<b>Operating profit/(loss) before working capital changes</b>	<b>(1,189.97)</b>	<b>(1,295.72)</b>
Changes in working capital:		
<u>Adjustments for (increase)/ decrease in operating assets:</u>		
Trade receivables	501.26	(220.44)
Other financial assets	39.79	(38.44)
Other non-financial assets	21.82	(18.49)
<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
Trade payables	37.70	(437.97)
Other financial liabilities	(19.53)	(30.99)
Provisions	19.33	(148.35)
Other non-financial liabilities	14.34	(72.91)
<b>Cash generated from operations</b>	<b>(575.26)</b>	<b>(2,263.31)</b>
Net income tax (paid) / refunds	(190.08)	(1,144.09)
<b>Net cash flow from / (used in) operating activities (A)</b>	<b>(765.34)</b>	<b>(3,407.40)</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on property, plant and equipment including capital advances	(5.24)	(18.11)
Proceeds from sale of property, plant and equipment	32.48	4.30
Proceeds from sale of investment property	-	2,350.00
Bank balances not considered as cash and cash equivalents with maturity more than 3 months and less than 12 months	965.95	(2,665.73)
Investments in mutual funds		
- Purchased	(4,816.75)	(45,443.73)
- Proceeds from sale	4,681.31	1,33,624.66
Investments in equity shares of subsidiary company		
- Purchased	-	(84,266.09)
<b>Net cash flow from / (used in) investing activities (B)</b>	<b>857.75</b>	<b>3,585.30</b>
<b>C. Cash flow from financing activities</b>		
Payment of principal portion of lease liabilities	(103.68)	(165.46)
Interest paid on lease liabilities	(10.59)	(10.89)
<b>Net cash (used in) financing activities (C)</b>	<b>(114.27)</b>	<b>(176.35)</b>
Net (decrease)/increase in cash and cash equivalents <b>(A+B+C)</b>	<b>(21.86)</b>	<b>1.55</b>
Cash and cash equivalents as at the beginning of the year	39.99	38.44
<b>Cash and cash equivalents as at the end of the year (See note 3)*</b>	<b>18.13</b>	<b>39.99</b>
a. Cash on hand	0.34	0.24
b. Balance with scheduled banks		
- in current accounts	17.79	39.75
	<b>18.13</b>	<b>39.99</b>

**Changes in liabilities arising from financing activities and non-cash financing and investing activities**  
**FY 2023-24**

(Rs. in lakhs)

Particulars	01.04.23	Cash flows	Other	31.03.2024
Current lease liabilities (note 32)	95.07	(103.68)	95.95	87.34
Non-current lease liabilities (note 32)	101.60		(1.54)	100.06
<b>Total liabilities from financing activities</b>	<b>196.67</b>	<b>(103.68)</b>	94.41	<b>187.40</b>

**FY 2022-23**

Particulars	01.04.22	Cash flows	Other	31.03.2023
Current lease liabilities (note 32)	125.48	(165.46)	135.05	95.07
Non-current lease liabilities (note 32)	28.99		72.61	101.60
<b>Total liabilities from financing activities</b>	<b>154.47</b>	<b>(165.46)</b>	207.66	<b>196.67</b>

**Non-cash financing and investing activities**

	Note No.	Year ended 31.03.2024	Year ended 31.03.2023
Acquisition of Right-of-use assets	9B	94.41	207.66

The accompanying notes are integral part of these standalone financial statements 1 to 50

As per our report of even date attached

For **S R Batliboi & Co LLP**

Chartered Accountants

Firm's Registration No. 301003E/E300005

**Pikashoo Mutha**

Partner

Membership No. 131658

Place : Mumbai

Date : May 7, 2024

**For and on behalf of the Board of Directors of  
Max Financial Services Limited**

**Dinesh Kumar Mittal**

(Director)

DIN No:00040000

Place : Noida

**V Krishnan**

(Manager)

Place : Noida

**Piyush Soni**

(Company Secretary)

M.No. - ACS-39924

Place : Gurugram

Date : May 7, 2024

**Sahil Vachani**

(Director)

DIN No:00761695

Place : Noida

**Amrit Singh**

(Chief Financial Officer)

Place : Gurugram



# STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

## A. Equity share capital

For the year ended 31 March 2024

Particulars	Number of shares	Amount
<b>Equity shares of Rs. 2 each issued, subscribed and fully paid</b>		
<b>Balance at April 1, 2023</b>	34,51,14,771	<b>6,902.30</b>
Changes in equity share capital during the year	-	-
Issue of equity shares	-	-
<b>Balance at March 31, 2024</b>	<b>34,51,14,771</b>	<b>6,902.30</b>

For the year ended 31 March 2023

Particulars	Number of shares	Amount
<b>Equity shares of Rs. 2 each issued, subscribed and fully paid</b>		
<b>Balance at April 1, 2022</b>	34,51,14,771	<b>6,902.30</b>
Changes in equity share capital during the year	-	-
Issue of equity shares	-	-
<b>Balance at March 31, 2023</b>	<b>34,51,14,771</b>	<b>6,902.30</b>

## B. Other equity

For the year ended 31 March 2024

Particulars	Reserves and Surplus			Total
	Securities premium	General reserve	Retained earnings	
<b>Balance at April 1, 2023</b>	<b>4,68,045.21</b>	<b>16,418.22</b>	<b>1,84,974.67</b>	<b>6,69,438.10</b>
Loss for the year	-	-	(1,123.26)	(1,123.26)
Other comprehensive income/(loss) for the year (net of income tax)	-	-	(10.06)	(10.06)
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>(1,133.32)</b>	<b>(1,133.32)</b>
<b>Balance at March 31, 2024</b>	<b>4,68,045.21</b>	<b>16,418.22</b>	<b>1,83,841.35</b>	<b>6,68,304.78</b>

For the year ended 31 March 2023

Particulars	Reserves and Surplus			Total
	Securities premium	General reserve	Retained earnings	
<b>Balance at April 1, 2022</b>	<b>4,68,045.21</b>	<b>16,418.22</b>	<b>1,83,593.42</b>	<b>6,68,056.85</b>
Profit for the year	-	-	1,386.95	1,386.95
Other comprehensive income/(loss) for the year (net of income tax)	-	-	(5.70)	(5.70)
<b>Total comprehensive income/(loss) for the year</b>	<b>-</b>	<b>-</b>	<b>1,381.25</b>	<b>1,381.25</b>
<b>Balance at March 31, 2023</b>	<b>4,68,045.21</b>	<b>16,418.22</b>	<b>1,84,974.67</b>	<b>6,69,438.10</b>

The accompanying notes are integral part of these standalone financial statements 1 to 50

As per our report of even date attached

For **S R Batliboi & Co LLP**

Chartered Accountants

Firm's Registration No. 301003E/E300005

**Pikashoo Mutha**

Partner

Membership No. 131658

**For and on behalf of the Board of Directors of  
Max Financial Services Limited**

**Dinesh Kumar Mittal**

(Director)

DIN No:00040000

Place : Noida

**V Krishnan**

(Manager)

Place : Noida

**Piyush Soni**

(Company Secretary)

M.No. - ACS-39924

Place : Gurugram

**Sahil Vachani**

(Director)

DIN No:00761695

Place : Noida

**Amrit Singh**

(Chief Financial Officer)

Place : Gurugram

Date : May 7, 2024

Place : Mumbai  
Date : May 7, 2024

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

**1. CORPORATE INFORMATION**

Max Financial Services Limited ("the Company") is a public limited company domiciled in India and incorporated on 24 February, 1988 under the provisions of the Companies Act, 1956. The shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company is primarily engaged in the business of growing and nurturing business investments and providing management advisory services to group companies in India. The registered address of the Company is Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144533

**2. MATERIAL ACCOUNTING POLICIES**

**2A. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION**

**(i) Statement of Compliance**

The standalone financial statements 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.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy thereto in use.

**(ii) Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for

measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

**2B. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

**(i) Cash and cash equivalents**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**(ii) Cash flow statement**

Cash flows are reported using indirect method, whereby Profit/(loss) before tax reported under Statement of Profit and loss is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

**(iii) Property, plant and equipment**

All the items of property, plant and equipment are stated at historical cost net of cenvat credit less

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful life is taken in accordance with Schedule II to the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

<b>Asset Type</b>	<b>Estimated Useful Life (In Years)</b>
Building	60 years
Furniture and Fixtures	10 years
Office Equipment	3-5 years
IT Equipment (End user devices)	3-5 years
Vehicles	3-8 years
Leasehold Improvement	Amortised over the period of lease

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**(iv) Impairment of tangible assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If

any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

**(v) Revenue recognition**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Income from services

Revenue from shared services contracts are recognised over the period of the contract as and when services are rendered.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

### (vi) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### Investment in subsidiary

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Investments in subsidiary are carried at cost less impairment. Cost comprises price paid to acquire the investment and directly attributable cost.

#### Impairment of investments

The Company reviews its carrying value of investments carried at cost annually, or more

frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the Statement of Profit and Loss.

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in Statement of Profit or Loss.

#### Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

**Investments in equity instruments at FVTOCI**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses

arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

**Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables and other contractual rights to receive cash or other financial assets and financial guarantees not designated as at FVTPL.

For trade receivables or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount

and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

### (vii) Financial liabilities and equity instruments (including derivative contracts)

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

#### a) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement

or recognition inconsistency that would otherwise arise;

- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

#### b) Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

d) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as

an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**(viii) Employee benefit costs**

Employee benefits include provident fund, gratuity fund and compensated absences.

**Retirement benefits costs and termination benefits**

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or



**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

surplus in the Company’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

**Short-term and other long-term employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

**(ix) Segment information**

The Company determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Company’s performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

**(x) Leases**

The Company’s lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time

in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

presented in the balance sheet and lease payments have been classified as financing cash flows.

**(xi) Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for employee share options and bonus shares, if any, as appropriate.

**(xii) Taxation**

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax (refer note 27)

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for those matters for which the tax determination is uncertain but it is considered

probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

**(xiii) Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**(xiv) Goods and services tax input credit**

Input tax credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits. The Company reviews the input tax credit at each balance sheet date to assess the recoverability of these balances.

**(xv) Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

**2C CRITICAL ESTIMATES AND JUDGEMENTS**

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates,

judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate change in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Contingent liabilities**

Assessment of whether outflow embodying economic benefits is probable, possible or remote. (See note 28)

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period, that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are discussed below.

**a. Income taxes**

The recognition of a Deferred Tax Assets (DTA) is based on whether it is probable that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be utilised. The Company has recognised DTA on carried forward tax losses, unabsorbed depreciation in the current year to the extent of estimated future profits and timing against which tax deductions represented by the DTAs can be offset.

**b. Employee Benefits**

Defined employee benefit assets / liabilities determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**
**c. Property Plant and Equipment**

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

For expected useful life of asset refer point (iii) of accounting policy 2B.

**2D NEW AND AMENDED STANDARDS**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

**(i) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company's standalone financial statements.

**(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's financial statements.

**(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2022.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

**3. CASH AND CASH EQUIVALENTS**

		As at 31.03.2024	As at 31.03.2023
(i)	Cash in hand	0.34	0.24
(ii)	Balance with banks		
	- in current accounts	17.79	39.75
<b>Total</b>		<b>18.13</b>	<b>39.99</b>

**4. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

		As at 31.03.2024	As at 31.03.2023
(i)	Balances in earmarked accounts		
	- Unpaid dividend accounts (See note 12)	-	19.53
	- Balances held as margin money against guarantee	-	11.20
(ii)	Balances in fixed deposit accounts (maturity of more than three months)	4,761.50	5,696.72
<b>Total</b>		<b>4,761.50</b>	<b>5,727.45</b>

**5. RECEIVABLES**

		As at 31.03.2024	As at 31.03.2023
Unsecured, considered good			
	- Trade receivables	1,226.74	1,728.00
<b>Total</b>		<b>1,226.74</b>	<b>1,728.00</b>

**Note:**

Trade receivables pertains to amounts recoverable from group companies(refer note 33).

For balances from related parties, there are no indicators at the period end for default of payments. Accordingly the company does not take anticipate risk of recovery and expected credit loss in respect thereof.

**Trade Receivables - Ageing as at 31.03.2024**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	513.94	712.80	-	-	-	1,226.74
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	<b>513.94</b>	<b>712.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,226.74</b>

**Trade Receivables - Ageing as at 31.03.2023**

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	756.00	972.00	-	-	-	1,728.00
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	<b>756.00</b>	<b>972.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,728.00</b>

**6. INVESTMENTS**

Particulars	Quantity	As at 31.03.2024	Quantity	As at 31.03.2023
<b>A. Unquoted investments in equity shares (all fully paid) of subsidiary company (Carried at cost)</b>				
Max Life Insurance Company Limited (face value of Rs 10 per share)	1,66,93,66,686	6,68,767.03	1,66,93,66,686	6,68,767.03
<b>Total (A)</b>		<b>6,68,767.03</b>		<b>6,68,767.03</b>
<b>B. Investment in mutual funds (unquoted) Carried at FVTPL</b>				
(a) Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan - Face value Rs. 100 per unit	1,39,797.76	476.42	-	-
(b) Kotak Money Market Scheme - (Growth) - Direct - Face value Rs. 1000 per unit	-	-	19,511.52	746.97
(c) Axis Money Market Fund - Direct Plan Growth- Face value Rs. 1000 per unit	4,024.71	52.80	-	-
(d) UTI Money Market Fund - Institutional Plan - Direct Plan Growth- Face value Rs. 1,000 per unit	19,634.13	557.06	-	-
<b>Total (B)</b>		<b>1,086.28</b>		<b>746.97</b>
<b>Total aggregate unquoted investments (A+B)</b>		<b>6,69,853.31</b>		<b>6,69,514.00</b>

**7. OTHER FINANCIAL ASSETS**

Particulars	As at 31.03.2024	As at 31.03.2023
(i) Security deposits	55.89	78.43
(ii) Interest accrued on deposits	19.43	6.63
(iii) Other receivables from related parties (Refer Note 33)		
- Reimbursement of expenses	1.72	31.77
<b>Total</b>	<b>77.04</b>	<b>116.83</b>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

**8. INCOME TAX ASSETS (NET)**

Particulars		As at 31.03.2024	As at 31.03.2023
(i)	Advance income tax (net of provision)		
	Advance tax including tax deducted at source	43,837.54	43,647.46
	Less: Provision for income tax	[43,392.38]	[43,392.38]
	<b>Total</b>	<b>445.16</b>	<b>255.08</b>

**9A PROPERTY, PLANT AND EQUIPMENT**

	Buildings [See note (i)]	Office equipment	Computers	Furniture and fixtures	Vehicles	Leasehold improvements	Total
<b>Gross carrying value</b>							
Balance at April 1, 2022	29.07	93.07	28.20	165.10	192.35	118.03	625.82
Additions	-	14.87	2.22	-	1.03	-	18.12
Disposals	-	9.92	3.42	6.96	-	-	20.30
<b>Balance at March 31, 2023</b>	<b>29.07</b>	<b>98.02</b>	<b>27.00</b>	<b>158.14</b>	<b>193.38</b>	<b>118.03</b>	<b>623.64</b>
Additions	-	3.11	2.13	-	-	-	5.24
Disposals	-	22.11	0.96	24.17	-	118.03	165.27
<b>Balance at March 31, 2024</b>	<b>29.07</b>	<b>79.02</b>	<b>28.17</b>	<b>133.97</b>	<b>193.38</b>	<b>-</b>	<b>463.61</b>
<b>Accumulated depreciation</b>							
Balance at April 1, 2022	4.00	68.69	16.37	103.89	110.21	40.14	343.30
Depreciation expense	0.80	8.30	3.81	27.48	33.50	32.20	106.09
Elimination on disposals of assets	-	8.92	2.27	4.76	0.00	-	15.95
<b>Balance at March 31, 2023</b>	<b>4.80</b>	<b>68.07</b>	<b>17.91</b>	<b>126.61</b>	<b>143.71</b>	<b>72.34</b>	<b>433.44</b>
Depreciation expense	0.80	6.51	3.79	4.50	14.19	24.26	54.05
Elimination on disposals of assets	-	20.45	0.88	11.92	-	96.60	129.85
<b>Balance at March 31, 2024</b>	<b>5.60</b>	<b>54.13</b>	<b>20.82</b>	<b>119.19</b>	<b>157.90</b>	<b>-</b>	<b>357.64</b>
<b>Carrying amount</b>							
Balance at April 1, 2022	25.07	24.38	11.83	61.21	82.14	77.89	282.52
Additions	-	14.87	2.22	-	1.03	-	18.12
Disposals	-	1.00	1.15	2.20	-	-	4.35
Depreciation expense	0.80	8.30	3.81	27.48	33.50	32.20	106.09
<b>Net carrying value as at March 31, 2023</b>	<b>24.27</b>	<b>29.95</b>	<b>9.09</b>	<b>31.53</b>	<b>49.67</b>	<b>45.69</b>	<b>190.20</b>
Additions	-	3.11	2.13	-	-	-	5.24
Disposals	-	1.66	0.08	12.25	-	21.43	35.42
Depreciation expense	0.80	6.51	3.79	4.50	14.19	24.26	54.05
<b>Net carrying value as at March 31, 2024</b>	<b>23.47</b>	<b>24.89</b>	<b>7.35</b>	<b>14.78</b>	<b>35.48</b>	<b>-</b>	<b>105.97</b>

Note (i)

The title deeds of all immovable properties, other than the immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the company disclosed in the standalone financial statements included in property, plant and equipment are held in the name of the company as at the balance sheet date.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

**9B RIGHT-OF-USE ASSETS**

	As at 31.03.2024	As at 31.03.2023
<b>Carrying amounts of :</b>		
Right-of-use assets (See note 32)	184.60	194.71
	<b>184.60</b>	<b>194.71</b>
	Right-of-use assets	Total
<b>Gross carrying value</b>		
Balance at April 1, 2022	712.90	712.90
Additions	207.66	207.66
Disposals	486.57	486.57
<b>Balance at March 31, 2023</b>	<b>433.99</b>	<b>433.99</b>
Additions	94.41	94.41
Disposals	226.33	226.33
<b>Balance at March 31, 2024</b>	<b>302.07</b>	<b>302.07</b>
<b>Accumulated depreciation</b>		
Balance at April 1, 2022	<b>564.37</b>	<b>564.37</b>
Depreciation expense	161.48	161.48
Disposals	486.57	486.57
<b>Balance at March 31, 2023</b>	<b>239.28</b>	<b>239.28</b>
Depreciation expense	104.52	104.52
Disposals	226.33	226.33
<b>Balance at March 31, 2024</b>	<b>117.47</b>	<b>117.47</b>
<b>Net carrying value as at March 31, 2023</b>	<b>194.71</b>	<b>194.71</b>
<b>Net carrying value as at March 31, 2024</b>	<b>184.60</b>	<b>184.60</b>

**10. OTHER NON FINANCIAL ASSETS**

	As at 31.03.2024	As at 31.03.2023
(i) Prepaid expenses	30.16	40.28
(ii) Deposits under protest (see note 28)	12.00	12.00
(iii) Advances recoverable in cash or kind		
- Receivables considered good - unsecured	0.24	0.39
- Receivables - credit impaired	303.00	303.00
Less: Loss allowance for credit impaired receivables	(303.00)	(303.00)
	<b>0.24</b>	<b>0.39</b>
(iv) Balances with government authorities - input tax credit receivable		
- Receivables considered good - unsecured	43.57	55.12
<b>Total</b>	<b>85.97</b>	<b>107.79</b>

**11. TRADE PAYABLES**

	As at 31.03.2024	As at 31.03.2023
Trade payables - Other than acceptances		
- total outstanding dues of micro enterprises and small enterprises (See note 42)	6.95	34.75
- total outstanding dues of creditors other than micro enterprises and small enterprises	390.75	328.09
<b>Total</b>	<b>397.70</b>	<b>362.84</b>



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

**Trade payables - Ageing as at 31.03.2024**

Particulars	Outstanding for following periods from due date of payment					
	Unbilled and not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises (MSME)		6.95	-	-	-	6.95
(ii) Total outstanding dues of creditors other than MSME	148.64	242.11	-	-	-	390.75
(iii) Disputed dues of MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>148.64</b>	<b>249.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>397.70</b>

**Trade payables - Ageing as at 31.03.2023**

Particulars	Outstanding for following periods from due date of payment					
	Unbilled and not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises (MSME)	5.85	28.90	-	-	-	34.75
(ii) Total outstanding dues of creditors other than MSME	142.79	185.30	-	-	-	328.09
(iii) Disputed dues of MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
<b>Total</b>	<b>148.64</b>	<b>214.20</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>362.84</b>

**12. OTHER FINANCIAL LIABILITIES**

Particulars	As at 31.03.2024	As at 31.03.2023
(i) Security deposits received	2.30	2.30
(ii) Unclaimed/unpaid dividends (See note 4)	-	19.53
(iii) Retention money	0.08	0.08
<b>Total</b>	<b>2.38</b>	<b>21.91</b>

**13. PROVISIONS**

Particulars	As at 31.03.2024	As at 31.03.2023
(i) Provision for compensated absences	31.80	30.39
(ii) Provision for gratuity (See note 30)	143.02	114.39
(iii) Provisions for Contingencies (See note below)	922.15	919.41
<b>Total</b>	<b>1,096.97</b>	<b>1,064.19</b>

**Note:** Provision for contingencies (See note below)

Particulars	As at 31.03.2024	As at 31.03.2023
Opening balances	919.41	916.66
Add: Provisions made during the year	2.74	2.75
<b>Closing balance</b>	<b>922.15</b>	<b>919.41</b>

The Company had created provision for claims received in previous years with respect to principal, interest and penalties under custom duty and related regulations, which is contested by the Company. The provision will be settled on conclusion of the matter.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

**14. OTHER NON-FINANCIAL LIABILITIES**

Particulars	As at 31.03.2024	As at 31.03.2023
Statutory remittances (Contribution to PF, GST, TDS)	69.15	54.81
<b>Total</b>	<b>69.15</b>	<b>54.81</b>

**15. EQUITY SHARE CAPITAL**

Particulars	As at 31.03.2024	As at 31.03.2023
Equity share capital	6,902.30	6,902.30
	<b>6,902.30</b>	<b>6,902.30</b>
<b>Authorised share capital:</b>		
350,000,000 (As at March 31, 2023 : 350,000,000) equity shares of Rs. 2 each with voting rights	7,000.00	7,000.00
<b>Issued and subscribed capital comprises:</b>		
345,114,771 (As at 31 March, 2023, 345,114,771) equity shares of Rs. 2 each fully paid up with voting rights	6,902.30	6,902.30

Fully paid equity shares:	Number of shares	Share capital
<b>Balance at April 1, 2022</b>	34,51,14,771	6,902.30
Add: Issue of shares	-	-
<b>Balance at March 31, 2023</b>	<b>34,51,14,771</b>	<b>6,902.30</b>
Add: Issue of shares	-	-
<b>Balance at March 31, 2024</b>	<b>34,51,14,771</b>	<b>6,902.30</b>

**Refer notes (i) to (v) below**

(i) The Company has only one class of equity shares having a par value of Rs. 2 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

**(ii) Details of shares held by each shareholder holding more than 5% shares:**

Name of Shareholder	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Fully paid equity shares with voting rights:</b>				
- Mitsui Sumitomo Insurance Company Limited	7,54,58,088	21.86%	7,54,58,088	21.86%
- Max Ventures Investment Holdings Private Limited	2,20,95,923	6.40%	3,45,95,923	10.02%
- HDFC Mutual Fund-HDFC Nifty Midcap 150-Index Fund	2,37,48,773	6.88%	1,36,29,914	3.95%
- Nippon Life India Trustee Limited - A/c Nippon (Erstwhile Reliance Capital Trustee Co Limited)	2,02,23,979	5.86%	1,06,48,122	3.09%
- Mirae Asset Mutual Fund	1,69,77,429	4.92%	1,88,87,002	5.47%

**(iii) Shareholding of Promoters**

Promoter name	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	% of total shares	No. of Shares	% of total shares
- Max Ventures Investment Holdings Private Limited	2,20,95,923	6.40%	3,45,95,923	10.02%
- Analjit Singh	1,10,000	0.03%	1,10,000	0.03%
- Neelu Analjit Singh	1,00,000	0.03%	1,00,000	0.03%
- Piya Singh	1,10,333	0.03%	1,10,333	0.03%
- Tara Singh Vachani	1,00,000	0.03%	1,00,000	0.03%

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

**(iv) Shares held by promoters at the end of the year**

Promoters name	No of Shares	% of total shares	% Change during the year
- Max Ventures Investment Holdings Private Limited *	2,20,95,923	6.40%	(3.62%)
- Neelu Analjit Singh	1,10,000	0.03%	-
- Analjit Singh	1,00,000	0.03%	-
- Piya Singh	1,10,333	0.03%	-
- Tara Singh Vachani	1,00,000	0.03%	-

\* During the year Max ventures Investment Holdings Private Limited has sold 1,25,00,000 equity shares of the Company.

- (v)** The Company has issued 270,904 shares (As at 31 March, 2023 : 1,272,656) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the ESOP plan wherein part consideration was received in the form of employee services.

**16. OTHER EQUITY**

Particulars	As at 31.03.2024	As at 31.03.2023
a. Securities premium	4,68,045.21	4,68,045.21
b. General reserve	16,418.22	16,418.22
c. Surplus in Statement of Profit and Loss	1,83,841.35	1,84,974.67
<b>Total</b>	<b>6,68,304.78</b>	<b>6,69,438.10</b>

**a. Securities premium**

Particulars	As at 31.03.2024	As at 31.03.2023
i. Opening balance	4,68,045.21	4,68,045.21
ii. Add : Premium on shares issued during the year (other than above)	-	-
iii. Closing balance (A)	<b>4,68,045.21</b>	<b>4,68,045.21</b>

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**b. General reserve**

Particulars	As at 31.03.2024	As at 31.03.2023
i. Opening balance	16,418.22	16,418.22
ii. Add : Addition	-	-
iii. Closing balance (B)	<b>16,418.22</b>	<b>16,418.22</b>

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

## c. Surplus in Statement of Profit and Loss

Particulars	As at 31.03.2024	As at 31.03.2023
i. Opening balance	1,84,974.67	1,83,593.42
ii. Add: Profit / (loss) for the year	(1,123.26)	1,386.95
iii. Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	(10.06)	(5.70)
iv. Closing balance (C)	<b>1,83,841.35</b>	<b>1,84,974.67</b>
<b>(A+B+C)</b>	<b>6,68,304.78</b>	<b>6,69,438.10</b>

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

## 17. INTEREST INCOME

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
On financial assets measured at Amortised cost		
Interest on deposits with banks	278.89	189.03
<b>Total</b>	<b>278.89</b>	<b>189.03</b>

## 18. RENTAL INCOME

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Rental income on investment property	-	56.39
<b>Total</b>	<b>-</b>	<b>56.39</b>

## 19. NET GAIN ON FAIR VALUE CHANGES

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Net gain on financial instruments at fair value through profit or loss		
on investments in mutual funds	203.87	2,835.22
<b>Total</b>	<b>203.87</b>	<b>2,835.22</b>

## 20. SALE OF SERVICES

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Income from shared services	1,660.00	2,032.20
<b>Total</b>	<b>1,660.00</b>	<b>2,032.20</b>

## 21. GAIN ON SALE OF INVESTMENT PROPERTY

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Net profit/(loss) on sale of investment property	-	669.29
<b>Total</b>	<b>-</b>	<b>669.29</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

**22. OTHER INCOME**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(a) Interest on income tax refund	1.03	-
(b) Interest on security deposit	1.24	2.56
(c) Rental income	1.80	1.80
(d) Liabilities / provisions no longer required written back	2.84	37.01
(e) Miscellaneous Income	21.81	-
<b>Total</b>	<b>28.72</b>	<b>41.37</b>

**23. FINANCE COSTS**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Interest on lease liability	10.59	10.89
<b>Total</b>	<b>10.59</b>	<b>10.89</b>

**24. EMPLOYEE BENEFITS EXPENSE**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(a) Salaries and wages	571.96	859.24
(b) Gratuity expense (See note 30)	17.27	20.81
(c) Contribution to provident and other funds (See note 30)	16.36	30.98
(d) Staff welfare expenses	12.46	11.89
<b>Total</b>	<b>618.05</b>	<b>922.92</b>

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 the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. 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. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

**25. DEPRECIATION, AMORTISATION AND IMPAIRMENT**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(a) Depreciation of investment property	-	42.78
(b) Depreciation of property, plant and equipment (See note 9A)	54.05	106.09
(c) Depreciation of right-of-use assets (See note 9B)	104.52	161.48
<b>Total</b>	<b>158.57</b>	<b>310.35</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

## 26. OTHER EXPENSES

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(a) Recruitment and training expenses	49.94	0.07
(b) Rent including lease rentals [See note 32]	147.53	100.66
(c) Insurance	23.13	27.65
(d) Rates and taxes	3.91	10.70
(e) Repairs and maintenance - others	189.53	219.54
(f) Power and fuel	23.22	26.32
(g) Printing and stationary	5.82	6.15
(h) Travelling and conveyance	132.69	150.00
(i) Communication	16.80	12.65
(j) Director's sitting fees	75.00	78.00
(k) Director's remuneration [See note 33]	120.00	350.00
(l) Auditor's fees and expenses	34.29	33.24
(m) Legal and Professional charges	1,584.73	1,529.90
(n) Business promotion	2.07	4.57
(o) Advertisement expenses	9.03	8.86
(p) Net loss on sale / disposal of property, plant and equipment	2.94	0.05
(q) Charity and donation	0.11	0.11
(r) Provision for contingencies [See note 13]	2.74	2.75
(s) Miscellaneous expenses	116.15	93.61
<b>Total</b>	<b>2,539.63</b>	<b>2,654.83</b>

## 27. INCOME TAXES

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>A Income tax recognised in Statement of Profit and Loss</b>		
<b>(a) Current tax Expense</b>		
In respect of current year	-	1,084.23
	-	<b>1,084.23</b>
<b>(b) Deferred tax charge / (credit)</b>		
In respect of current year	(32.10)	(546.67)
<b>Total tax expense charged/(credited) in Statement of Profit and Loss</b>	<b>(32.10)</b>	<b>537.56</b>
<b>(c) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit/(loss) before tax	(1,155.36)	1,924.51
Applicable tax rate	25.17%	25.17%
Income tax expense calculated	(290.78)	484.36
Effect of expenses that are not deductible in determining taxable profit	258.68	53.20
<b>Total tax expense charged/(credited) in Statement of Profit and Loss</b>	<b>(32.10)</b>	<b>537.56</b>
<b>(d) Income tax recognised in Other Comprehensive Income</b>		
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income		
- Remeasurement of defined benefit obligation	(3.39)	(1.92)
	<b>(3.39)</b>	<b>(1.92)</b>

**27. INCOME TAXES (CONTD.)**

**B Movement in deferred tax asset / (liability)**

**(i) Movement of deferred tax asset / (liability) for the year ended March 31, 2024**

Particulars	Opening balance as on April 1, 2023	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as on March 31, 2024
<u>Tax effect of items constituting deferred tax liabilities</u>				
Fair value of Financial Instruments measured at FVTPL	(16.37)	2.65	-	(13.72)
	<b>(16.37)</b>	<b>2.65</b>		<b>(13.72)</b>
<u>Tax effect of items constituting deferred tax assets</u>				
Property, plant and equipment	74.96	3.65	-	78.61
Provision for employee benefit expenses	-	(3.39)	3.39	-
Carry forward business loss to be adjusted in future years	108.18	29.19	-	137.37
	<b>183.14</b>	<b>29.45</b>	<b>3.39</b>	<b>215.98</b>
<b>Deferred tax asset / (liability) (net)</b>	<b>166.77</b>	<b>32.10</b>	<b>3.39</b>	<b>202.26</b>

**(ii) Movement of deferred tax asset / (liability) for the year ended March 31, 2023**

Particulars	Opening balance as on April 1, 2022	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as on March 31, 2023
<u>Tax effect of items constituting deferred tax liabilities</u>				
Fair value of Financial Instruments measured at FVTPL	(719.81)	703.44	-	(16.37)
	<b>(719.81)</b>	<b>703.44</b>	<b>-</b>	<b>(16.37)</b>
<u>Tax effect of items constituting deferred tax assets</u>				
Property, plant and equipment	83.43	(8.47)	-	74.96
Provision for employee benefit expenses	-	(1.92)	1.92	-
Carry forward business loss to be adjusted in future years	254.56	(146.38)	-	108.18
	<b>337.99</b>	<b>(156.77)</b>	<b>1.92</b>	<b>183.14</b>
<b>Deferred tax assets/(liabilities) (net)</b>	<b>(381.82)</b>	<b>546.67</b>	<b>1.92</b>	<b>166.77</b>

**28. COMMITMENTS AND CONTINGENT LIABILITIES**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>A. Capital commitments</b>		
Estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances)	-	-
<b>B. Contingent liabilities</b>		
<b>Claims against the Company not acknowledged as debts#</b>		
(i) Demands raised by custom authorities (See note a. below)	496.29	485.12
(ii) Demands raised by service tax authorities * (See note b(i) and b(ii) below)	352.58	352.58
* Amount deposited under protest	12.00	12.00

**Notes :**

- a. The liability of non fulfilment of export obligation is on account of non availability of original documents (photocopies are available). The company has however made the relevant exports. Since the documentation as required by the authorities has not yet been fully complied with. No further demand against these licenses have received by the Company.
  - b (i). Service tax demand of Rs. 213.00 lakhs on account of royalty and right to use fees under consulting engineer services provided to Max GB Limited during July 1997 to June 2000. The matter is pending in CESTAT, Chandigarh.
  - b (ii). Service tax demand of Rs. 139.58 lakhs raised during Service Tax Audit for the period FY 2011-12 to FY 2015-16 for provision of Corporate Guarantee by the Company to Export Import Bank of India on behalf of its subsidiary Company. The matter has been kept in abeyance, as an identical issue which is filed by the department is pending before Hon`ble Apex Court
- # No provision considered necessary since the Company expects a favourable decisions.

**29. SEGMENT INFORMATION**

The Company is primarily engaged in the business of growing and nurturing business investments and providing management advisory services to group companies in India. The Board of Directors of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company’s performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore there is no reportable segment for the Company, in accordance with the requirements of Ind AS 108- ‘Operating Segment Reporting’, notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended.

**30. EMPLOYEE BENEFIT PLANS**

**(i) Defined contribution plans**

The Company makes National Pension Scheme contributions which is defined contribution plan for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Employers contribution to National Pension Scheme	4.16	3.83

**(ii) Defined benefit plans**

**A Gratuity:**

The Company makes annual contribution to the Max Financial Services Limited Employees Group Gratuity Fund of the Life Insurance Corporation of India, a funded defined benefit plan for eligible employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

The gratuity plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the bond interest rate will increase the plan liability.



## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

## Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability

## Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees

In respect of the plan in India, the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31, 2024 by Manohar Lal Sodhi, Consulting Actuary, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(a) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Discount rate(s)	7.00%	7.20%
Expected return on plan assets	7.20%	7.35%
Salary escalation	10.00%	10.00%
Retirement age	58-65 years	58-65 years
Mortality tables	IALM (2012 - 14) ult.	IALM (2012 - 14)
Attrition (%) - All ages	3.49% p.a.	8.29% p.a.
Estimate of amount of contribution in the immediate next year (Rs. in lakhs)	92.23	15.94

The following tables set out the funded status of the defined benefit scheme and amounts recognised in the Company's standalone financial statements as at March 31, 2024:

(b) Amounts recognised in Standalone Statement of Profit and Loss in respect of these defined benefit plans are as follows:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Service cost		
- Current service cost	9.03	8.06
- Reduction due to difference identified in the plan assets at the beginning of the period	-	(0.02)
Interest cost (net)	8.24	12.77
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>17.27</b>	<b>20.81</b>
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amounts included in net interest expense)	-	(0.14)
- Actuarial (gains) / losses arising from changes in demographic assumptions	3.45	2.97
- Actuarial (gains) / losses arising from changes in financial assumptions	1.06	1.92
- Actuarial (gains) / losses arising from experience adjustments	8.94	2.87
<b>Components of defined benefit costs recognised in other comprehensive income / (loss)</b>	<b>13.45</b>	<b>7.62</b>
<b>Total</b>	<b>30.72</b>	<b>28.43</b>

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

The current service cost and the net interest expense for the year are included in the employee benefits expense line item in the Statement of Profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

- (c) The amount included in the Standalone Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows as computed by the Actuarial:

Particulars	As at 31.03.2024	As at 31.03.2023
Present value of defined benefit obligation	(152.92)	(123.62)
Fair value of plan assets	9.90	9.23
<b>Net liability arising from defined benefit obligation</b>	<b>(143.02)</b>	<b>(114.39)</b>

- (d) Movements in the present value of the defined benefit obligation are as follows:

Particulars	As at 31.03.2024	As at 31.03.2023
Opening defined benefit obligation	123.62	232.59
Current service cost	9.03	8.06
Interest cost	8.91	13.26
Liability transferred to Max India Limited from the enterprise	-	(4.92)
Remeasurement (gains)/losses:		
- Actuarial (gains) / losses arising from changes in demographic assumptions	3.45	2.97
- Actuarial (gains) / losses arising from changes in financial assumptions	1.06	1.92
- Actuarial (gains) / losses arising from experience adjustments	8.94	2.86
Benefit paid - Paid by the Enterprise	(2.09)	(133.12)
<b>Closing defined benefit obligation</b>	<b>152.92</b>	<b>123.62</b>

- (e) Movements in the present value of the plan assets are as follows:

Particulars	As at 31.03.2024	As at 31.03.2023
Plan assets at beginning of the year	9.23	8.58
Reduction due to difference identified in the plan assets at the beginning of the period	-	0.02
Interest Income	0.67	0.49
Return on plan assets (excluding amounts including in net interest expense)	-	0.14
<b>Plan assets at the end of the year</b>	<b>9.90</b>	<b>9.23</b>

- (f) Disaggregation of plan assets into classes:

Particulars	As at 31.03.2024	As at 31.03.2023
Assets Invested in Insurance Scheme with the insurer	100%	100%

A quantitative sensitivity analysis for significant assumption as at 31 March 2024 is as shown below:

Assumptions	31-Mar-24	31-Mar-24	31-Mar-24	31-Mar-24
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(5.08)	5.72	5.50	(4.99)

Assumptions	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
	Discount rate		Future salary increases	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(4.11)	4.49	4.33	(4.04)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

- (h) The average duration of the benefit obligation represents average duration for active members at March 31, 2024: 10.50 years (as at March 31, 2023: 9.73 years).

**B Provident Fund:**

The Company is contributing in a provident fund trust "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max Group companies. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan.

The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by employer. The actuary has accordingly provided a valuation for "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for the Group.

The details of fund and plan asset position as per the actuarial valuation of active members are as follows:

Particulars	As at 31.03.2024	As at 31.03.2023
Plan assets at year end at fair value	747.24	674.53
Present value of defined benefit obligation at year end	745.74	670.99
Surplus as per actuarial certificate	1.50	3.54
<b>Shortfall recognised in balance sheet</b>	<b>-</b>	<b>-</b>
Active members as at year end (Nos)	9	9

Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Discount rate	7.20%	7.20%
Yield on existing funds	8.25%	8.15%
Expected guaranteed interest rate	8.25%	8.15%

Contribution to Defined benefit Plan, recognised as expense for the year is as under:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Employer's Contribution towards Provident Fund (PF)	16.36	30.98
<b>Total</b>	<b>16.36</b>	<b>30.98</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

**C. Compensated absences**

Liability for compensated absence for employees is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuation are:

Actuarial Assumptions:	31.03.2024	31.03.2023
Discount Rate (per annum)*	7.20%	7.20%
Rate of increase in compensation levels**	10.00%	10.00%

\* The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

\*\* Future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

**31. CALCULATION OF EARNINGS PER SHARE (EPS) - BASIC AND DILUTED**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>Basic EPS</b>		
Profit / (loss) attributable to shareholders (Rs. in lakhs)	(1,123.26)	1,386.95
Weighted average number of equity shares outstanding during the year (Nos.)	34,51,14,771	34,51,14,771
Face value per equity share (Rs.)	2.00	2.00
<b>Basic Earnings Per Share (Rs.)</b>	<b>(0.33)</b>	<b>0.40</b>
<b>Diluted EPS</b>		
Equivalent weighted average number of employee stock options outstanding (Nos)	-	-
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	34,51,14,771	34,51,14,771
<b>Diluted Earnings Per Share (Rs.)</b>	<b>(0.33)</b>	<b>0.40</b>

**32. LEASES**

The Company's lease assets primarily consists of lease of Buildings.

**Company as a Lessee****a. Following are the changes in the carrying value of right of use assets**

Particulars	Category of ROU assets
	<b>Building</b>
Balance as on 1 April, 2022	148.53
Additions	207.66
Depreciation	161.48
<b>Balance as at March 31, 2023</b>	<b>194.71</b>
Additions	94.41
Depreciation	104.52
<b>Balance as at March 31, 2024</b>	<b>184.60</b>

## NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

## b. The following is the break-up of current and non-current lease liabilities:

Particulars	As at 31.03.2024	As at 31.03.2023
Current liabilities	87.34	95.07
Non-current liabilities	100.06	101.60
<b>Total</b>	<b>187.40</b>	<b>196.67</b>

## c. The following is the movement in lease liabilities during the year:

Particulars	31.03.2024	31.03.2023
Opening balance	196.67	154.47
Additions	92.83	207.66
Finance cost accrued	10.59	10.89
Repayment of lease liabilities	112.69	176.35
<b>Closing balance</b>	<b>187.40</b>	<b>196.67</b>

## d. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

Particulars	As at 31.03.2024	As at 31.03.2023
Less than one year	87.34	95.07
One to five years	103.20	104.74
More than five years	-	-
<b>Total</b>	<b>190.54</b>	<b>199.81</b>

**Company as a Lessor**

The Company has entered into agreements of leasing out the properties. These are in the nature of operating leases and lease arrangements contain provisions for renewal. The total lease income in respect of such lease recognised in Statement of Profit and Loss for the year ended March 31, 2024 is Rs. 1.80 lakhs (March 31, 2023: Rs. 58.19 lakhs).

Future minimum rentals receivable under non-cancellable operating leases as at 31 March are as follows

Particulars	As at 31.03.2024	As at 31.03.2023
Within one year	1.80	1.80
Between one and two years	0.85	2.65
<b>Total</b>	<b>2.65</b>	<b>4.45</b>

**33. RELATED PARTY DISCLOSURES**

**A. List of related parties**

<b>Subsidiary company</b>	-	Max Life Insurance Company Limited
<b>Step down subsidiary</b>	-	Max Life Pension Fund Management Limited (w.e.f. February 28, 2022)
<b>Names of other related parties with whom transactions have taken place during the year</b>		
<b>Entity/person having significant influence/control upon the Company</b>	-	Max Ventures Investment Holdings Private Limited
	-	Mitsui Sumitomo Insurance Company Limited, Japan
	-	Mr. Analjit Singh (Chairman)
<b>Key Management Personnel (KMP)</b>	-	Mr. Analjit Singh (Chairman & Non-executive Director)
	-	Mr. Aman Mehta (Director)
	-	Mr. D.K. Mittal (Director)
	-	Mr. Sahil Vachani (Director)
	-	Mr. Jai Arya (Director)
	-	Mr. Charles Richard Vernon Stagg (Director)
	-	Mr. Hideaki Nomura (Director)
	-	Mr. Mitsuru Yasuda (Director)
	-	Mr. K Narasimha Murthy (Director)
	-	Mrs. Gauri Padmanabhan (Director) (w.e.f. August 25, 2022)
	-	Mr. V Krishnan (Manager designated as Principal Officer) (w.e.f. July 01, 2023)
	-	Mr. Amrit Singh (Chief Financial Officer) (w.e.f. May 01, 2022)
	-	Mr. Piyush Soni (Company Secretary) (w.e.f. July 01, 2023)
	-	Mrs. Naina Lal Kidwai (Director) (till May 31, 2022)
	-	Mr. Mohit Talwar (Managing Director till January 14, 2023)
	-	Mr. Mandeep Mehta (Chief Financial Officer) (w.e.f. October 01, 2021 till April 30, 2022)
-	Mr. V Krishnan (Company Secretary) (till June 30, 2023)	
<b>Enterprises owned or significantly influenced by key management personnel or their relatives (with whom transactions have taken place during the year)</b>	-	Max India Limited
	-	Max Estates Limited (Erstwhile Max Ventures and Industries Limited)
	-	Antara Purukul Senior Living Limited
	-	Antara Senior Living Limited
	-	Antara Assisted Care Services Limited
	-	Max Assets Services Limited
	-	Max UK Limited
	-	Delhi Guest House Private Limited
	-	New Delhi House Services Limited
	-	Forum I Aviation Private Limited (till January 25, 2024)
	-	SKA Diagnostic Private Limited
<b>Employee benefit funds</b>	-	Max Financial Services Limited Employees' Provident Fund Trust
	-	Max Financial Employees Welfare Trust (w.e.f. May 11, 2022)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

- B.** The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Nature of transaction	Name of related party	Year ended 31.03.2024	Year ended 31.03.2023
Sale of services	Max Life Insurance Company Limited	1,160.00	1,600.00
	Max India Limited	500.00	432.20
Rental income	Max India Limited	1.80	1.80
Reimbursement of expenses (received from)	Max Estates Limited	16.76	25.96
	Max India Limited	16.76	25.96
Reimbursement of expenses (paid to)	Max India Limited	4.77	11.89
	Max Life Insurance Company Limited	23.73	-
Repairs and maintenance - others	New Delhi House Services Limited	145.07	146.04
	Max Assets Services Limited	23.46	26.14
Miscellaneous expense	New Delhi House Services Limited	104.76	87.37
Contribution to provident fund	Max Financial Services Limited Employees' Provident Fund Trust	16.36	30.98
Miscellaneous income (Recovery of term insurance)	Max India Limited	21.81	-
Insurance expense	Max Life Insurance Company Limited	2.38	5.86
Legal and professional expenses	Max India Limited	649.75	700.00
	Max UK Limited	96.00	96.00
Lease rental / electricity payments	Delhi Guest House Private Limited	113.68	114.06
	Max India Limited	74.14	87.48
	SKA Diagnostic Private Limited	75.00	76.78
Travelling and conveyance	Forum I Aviation Private Limited	-	19.16
Security deposit paid	Delhi Guest House Private Limited	-	4.92
	Max Assets Services Limited	-	5.03
Security deposit refunded	SKA Diagnostic Private Limited	-	6.25
	Max India Limited	13.34	-
	Max Assets Services Limited	3.55	-
Transfer (out) of fixed assets	Max India Limited	32.39	0.62
	Max Estates Limited	-	0.97
Purchase of investment in subsidiary	Mitsui Sumitomo Insurance Company Limited	-	84,266.09

- C.** Transactions with the key management personnel during the year:

Name of key management personnel	Nature of transaction (Note 1)	Year ended 31.03.2024	Year ended 31.03.2023
Mr. Mohit Talwar	Remuneration	-	697.48
Mr. V Krishnan	Remuneration	181.86	139.15
Mr. Amrit Pal Singh	Remuneration	18.00	16.50
Mr. Mandeep Mehta	Remuneration	-	1.50
Mr. Piyush Soni	Secondment charges	23.73	-
Mr. Analjit Singh	Remuneration (See Note 2)	-	350.00
Mr. Analjit Singh	Director sitting fees	6.00	6.00
Mr. Aman Mehta		15.00	16.00
Mr. D.K. Mittal		14.00	15.00
Mrs. Naina Lal Kidwai		-	8.00
Mr. Sahil Vachani		6.00	7.00

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Name of key management personnel	Nature of transaction (Note 1)	Year ended 31.03.2024	Year ended 31.03.2023
Mr. Jai Arya	Director sitting fees	11.00	11.00
Mr. Charles Richard Vernon Stagg		8.00	4.00
Mrs. Gauri Padmanabhan		5.00	2.00
Mr. K Narasimha Murthy		10.00	9.00
Mr. Analjit Singh	Commission	-	100.00
Mr. Aman Mehta		-	20.00
Mr. D.K. Mittal		-	20.00
Mrs. Naina Lal Kidwai		-	20.00
Mr. Jai Arya		-	20.00
Mr. Charles Richard Vernon Stagg		-	20.00
Mr. K Narasimha Murthy		-	20.00

Notes:

- As the future liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above. The figures do not include accrual recorded for Employee Share Based Payments.
- Payments made to Mr. Analjit Singh in previous year on his extensive involvement in the strategic developments at the Company are with the approval of shareholders

D. The following table provides the year end balances with related parties for the relevant financial year :

Particulars	Name of related party	As at 31.03.2024	As at 31.03.2023
Trade receivables	Max Life Insurance Company Limited	1,226.74	1,728.00
Other receivables	Max Estates Limited	1.72	31.77
Security deposits	Delhi Guest House Private Limited	27.74	27.74
	SKA Diagnostic Private Limited	18.75	18.75
	Max India Limited	8.08	21.87
	Max Assets Services Limited	1.48	5.03
Trade payables	New Delhi House Services Limited	20.80	23.31
	Max UK Limited	46.01	96.00
	Max Assets Services Limited	8.48	2.90
	Delhi Guest House Private Limited	12.59	0.30
	Max India Limited	0.99	-
	Forum I Aviation Private Limited	-	18.84
Investment in subsidiary	Max Life Insurance Company Limited	6,68,767.03	6,68,767.03

E. Terms and conditions of transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

34. DISCLOSURE OF SECTION 186 (4) OF THE COMPANIES ACT 2013

Name of the Investee	As at 01.04.2023	Investment made during the year	Investment sold during the year	As at 31.03.2024	Purpose
<b>Investment in equity shares of</b>					
Max Life Insurance Company Limited	6,68,767.03	-	-	6,68,767.03	Strategic investment



NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

Name of the Investee	As at 01.04.2022	Investment made during the year	Investment sold during the year	As at 31.03.2023	Purpose
<b>Investment in equity shares of</b>					
Max Life Insurance Company Limited	5,84,500.94	84,266.09	-	6,68,767.03	Strategic investment

**35. FINANCIAL INSTRUMENTS**

**(a) Capital management**

The capital management objectives of the Company are:

- to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ability and healthy capital ratios
- to ensure the ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the capital requirements of the Company in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

**35 FINANCIAL INSTRUMENTS (CONT'D.)**

**(b) Financial risk management objective and policies**

**Financial assets and liabilities:**

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

**As at March 31, 2024**

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	18.13	-	-	18.13
Bank balances other than cash and cash equivalents	4,761.50	-	-	4,761.50
Trade receivables	1,226.74	-	-	1,226.74
Investments	-	-	1,086.28	1,086.28
Other financial assets	77.04	-	-	77.04
	<b>6,083.41</b>	<b>-</b>	<b>1,086.28</b>	<b>7,169.69</b>
Investment in equity shares of subsidiary carried at cost less impairment				6,68,767.03
<b>Total financial assets</b>				<b>6,75,936.72</b>

Financial liabilities	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Trade payables	397.70	-	-	397.70
Lease liabilities	187.40	-	-	187.40
Other financial liabilities	2.38	-	-	2.38
	<b>587.48</b>	<b>-</b>	<b>-</b>	<b>587.48</b>

**As at March 31, 2023**

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	39.99	-	-	39.99
Bank balances other than cash and cash equivalents	5,727.45	-	-	5,727.45
Trade receivables	1,728.00	-	-	1,728.00
Investments	-	-	746.97	746.97
Other financial assets	116.83	-	-	116.83
	<b>7,612.27</b>	<b>-</b>	<b>746.97</b>	<b>8,359.24</b>
Investment in equity shares of subsidiary carried at cost less impairment				6,68,767.03
<b>Total financial assets</b>				<b>6,77,126.27</b>

Financial liabilities	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Trade payables	362.84	-	-	362.84
Lease liabilities	196.67	-	-	196.67
Other financial liabilities	21.91	-	-	21.91
	<b>581.42</b>	<b>-</b>	<b>-</b>	<b>581.42</b>

**(c) Risk management framework**

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The objective of the Company's risk management framework is to manage the above risks and aims to :

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- provide management with reliable information on the Company's risk exposure
- improve financial returns

**(i) Market risk**

Market risk is the risk that the fair value of financial instrument will fluctuate because of change in market price.

The Company's activities expose it primarily to interest rate risk, currency risk and other price risk such as equity price risk. The financial instruments affected by market risk includes : Fixed deposits, current investments, borrowings and other current financial liabilities.

**(ii) Liquidity risk**

The Company requires funds both for short-term operational needs as well as for long-term investment needs.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company (other than derivative financial liability and lease liabilities).

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

**As at March 31, 2024**

	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Trade payables	397.70	-	-	-	397.70
Lease liabilities	187.40	-	-	-	187.40
Other financial liabilities	2.38	-	-	-	2.38
<b>Total</b>	<b>587.48</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>587.48</b>

**As at March 31, 2023**

	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Trade payables	362.84	-	-	-	362.84
Lease liabilities	196.67	-	-	-	196.67
Other financial liabilities	21.91	-	-	-	21.91
<b>Total</b>	<b>581.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>581.42</b>

**(iii) Foreign currency risk**

Foreign exchange risk comprises of risk that may arise to the Company because of fluctuations in foreign currency exchange rates. Fluctuations in foreign currency exchange rates may have an impact on the Statement of Profit and Loss. As at the year end, the Company was exposed to foreign exchange risk arising from foreign currency payables.

**(iv) Interest rate risk**

The Company is exposed to interest rate risk on fixed deposits outstanding as at the year end. The Company invests in fixed deposits to achieve the Company's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

**(v) Other price risk**

The Company is exposed to price risks arising from fair valuation of Company's investment in mutual funds. The investments in mutual fund are held for short term purposes.

**(vi) Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primarily arises from trade receivables, balances with banks and security deposits. The credit risk on bank balances is limited because the counterparties are banks with good credit ratings. The Company's exposure and credit worthiness of its counterparties are continuously monitored.

**As at March 31, 2024**

	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Trade receivables	1,226.74	-	-	-	1,226.74
Other financial assets	21.15	55.89	-	-	77.04
<b>Total</b>	<b>1,247.89</b>	<b>55.89</b>	<b>-</b>	<b>-</b>	<b>1,303.78</b>

**As at March 31, 2023**

	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Trade receivables	1,728.00	-	-	-	1,728.00
Other financial assets	116.83	-	-	-	116.83
<b>Total</b>	<b>1,844.83</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,844.83</b>

**(vii) Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company’s performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company’s policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

**36. FAIR VALUE MEASUREMENT**

i) Financial assets and financial liabilities that are not measured at fair value are as under:

Particulars	As at 31.03.2024		As at 31.03.2023	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Cash and cash equivalents	18.13	18.13	39.99	39.99
Bank balances other than cash and cash equivalents	4,761.50	4,761.50	5,727.45	5,727.45
Trade receivables	1,226.74	1,226.74	1,728.00	1,728.00
Investment - Investment in equity shares of subsidiary company	6,68,767.03	6,68,767.03	6,68,767.03	6,68,767.03
Other financial assets	77.04	77.04	116.83	116.83
<b>Financial liabilities</b>				
Trade payables	397.70	397.70	362.84	362.84
Lease liabilities	187.40	187.40	196.67	196.67
Other financial liabilities	2.38	2.38	21.91	21.91

**Note :** The carrying value of the above financial assets and financial liabilities carried at amortised cost approximate these fair value.

ii) Financial assets and liabilities measured at fair value as at March 31, 2024 and March 31, 2023 is as follows:

Particulars	As at 31.03.2024	Fair value measurement at end of the reporting period using			Valuation techniques
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Investment in mutual funds	1,086.28	1,086.28	-	-	Based on the NAV report issued by the fund manager
<b>Total</b>	<b>1,086.28</b>	<b>1,086.28</b>	-	-	

Particulars	As at 31.03.2023	Fair value measurement at end of the reporting period using			Valuation techniques
		Level 1	Level 2	Level 3	
<b>Financial assets</b>					
Investment in mutual funds	746.97	746.97	-	-	Based on the NAV report issued by the fund manager
<b>Total</b>	<b>746.97</b>	<b>746.97</b>	-	-	

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Rs. in lakhs)

**37. MATURITY ANALYSIS OF ASSETS AND LIABILITIES**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	As at 31.03.2024			As at 31.03.2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>A. ASSETS</b>						
<b>1. Financial Assets</b>						
(a) Cash and cash equivalents	18.13	-	18.13	39.99	-	39.99
(b) Bank balance other than (a) above	4,761.50	-	4,761.50	5,716.25	11.20	5,727.45
(c) Receivables - Trade receivables	1,226.74	-	1,226.74	1,728.00	-	1,728.00
(d) Investments	1,086.28	6,68,767.03	6,69,853.31	746.97	6,68,767.03	6,69,514.00
(e) Other financial assets	21.15	55.89	77.04	38.40	78.43	116.83
<b>Total financial assets</b>	<b>7,113.80</b>	<b>6,68,822.92</b>	<b>6,75,936.72</b>	<b>8,269.61</b>	<b>6,68,856.66</b>	<b>6,77,126.27</b>
<b>2. Non financial Assets</b>						
(a) Current tax assets (Net)	-	445.16	445.16	-	255.08	255.08
(b) Deferred tax assets (net)	-	202.26	202.26	-	166.77	166.77
(c) Property, plant and equipment	-	105.97	105.97	-	190.20	190.20
(d) Right-of-Use asset	-	184.60	184.60	-	194.71	194.71
(e) Other non-financial assets	73.97	12.00	85.97	95.79	12.00	107.79
<b>Total non-financial assets</b>	<b>73.97</b>	<b>949.99</b>	<b>1,023.96</b>	<b>95.79</b>	<b>818.76</b>	<b>914.55</b>
<b>TOTAL Assets</b>	<b>7,187.77</b>	<b>6,69,772.91</b>	<b>6,76,960.68</b>	<b>8,365.40</b>	<b>6,69,675.42</b>	<b>6,78,040.82</b>
<b>B. LIABILITIES AND EQUITY</b>						
<b>1. Financial liabilities</b>						
(a) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	6.95	-	6.95	34.75	-	34.75
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	390.75	-	390.75	328.09	-	328.09
(b) Lease liabilities	87.34	100.06	187.40	95.07	101.60	196.67
(c) Other financial liabilities	2.38	-	2.38	21.91	-	21.91
<b>Total financial liabilities</b>	<b>487.42</b>	<b>100.06</b>	<b>587.48</b>	<b>479.82</b>	<b>101.60</b>	<b>581.42</b>
<b>2. Non-financial liabilities</b>						
(a) Provisions	174.82	922.15	1,096.97	144.78	919.41	1,064.19
(b) Other non-financial liabilities	69.15	-	69.15	54.81	-	54.81
<b>Total non-financial liabilities</b>	<b>243.97</b>	<b>922.15</b>	<b>1,166.12</b>	<b>199.59</b>	<b>919.41</b>	<b>1,119.00</b>
<b>3. Equity</b>						
(a) Equity share capital	-	6,902.30	6,902.30	-	6,902.30	6,902.30
(b) Other equity	-	6,68,304.78	6,68,304.78	-	6,69,438.10	6,69,438.10
<b>Total equity</b>	<b>-</b>	<b>6,75,207.08</b>	<b>6,75,207.08</b>	<b>-</b>	<b>6,76,340.40</b>	<b>6,76,340.40</b>
<b>Total liabilities and equity</b>	<b>731.39</b>	<b>6,76,229.29</b>	<b>6,76,960.68</b>	<b>679.41</b>	<b>6,77,361.41</b>	<b>6,78,040.82</b>

38. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

39. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

40. The Company is primarily engaged in the business of growing and nurturing business investments in its subsidiary. The investments (financial assets) and dividend income (financial income) on the same has resulted in financial income to be in excess of 50% of its total income and its financial assets to be more than 50% of total assets. The management is of the view supported by legal opinion that the Company is an Unregistered Core Investment Company (Unregistered CIC) as laid down in the "Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016", as amended. Hence, registration under Section 45-IA of the Reserve Bank of India Act, 1934 is not required.

41. Payment to auditors (excluding Goods and Services Tax) (See note 26 (l))

Particulars	For the year ended 31.03.2024	For the year ended 31.03.2023
<b>To statutory auditor:</b>		
For audit (Including limited reviews)	31.00	31.00
Reimbursement of expenses	3.29	2.24
<b>Total</b>	<b>34.29</b>	<b>33.24</b>

42. Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Particulars	As at 31.03.2024	As at 31.03.2023
(i) Amounts payable to suppliers under MSME Development Act, 2006 (suppliers) as at year end		
- Principal	6.95	34.75
- Interest due thereon	-	-
(ii) Payments made to suppliers beyond the appointed day during the year		
- Principal	-	-
- Interest paid thereon	-	-
(iii) Amount of Interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSME Development Act, 2006	-	-
(iv) Amount of interest accrued and remaining unpaid as on last day	-	-
(v) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

43. 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 Insurance Company Limited ("MLIC"), 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, MLIC, 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 MLIC ("Agreements"). Pursuant to receipt of all approvals, Axis Bank had acquired 9.002% of the equity share capital of MLIC and Axis Bank subsidiaries acquired 3% of the share capital of MLIC as per Rule 11UA valuation of the Income-tax Rules, 1962 upto March 31, 2022.

On January 9, 2023 the Company executed revised agreements with the parties in terms of which Axis Entities have the right to purchase the balance 7% equity stake of MLIC from the Company at Fair Market Value using Discounted Cash Flows

**NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS**

(Rs. in lakhs)

instead of valuation as per Rule 11UA of the Income Tax Rules, 1962. This revision in valuation methodology has been done consequent to the guidance received by MLIC from IRDAI.

The Board of Directors of the Company in its meeting held on August 9, 2023 took note of MLIC's proposal to raise further capital by way of a preferential issue of equity shares to Axis Bank, for an aggregate investment of up to Rs. 1,612 crores in MLIC, at fair market value determined basis DCF methodology ("Proposed Infusion"). This revision from secondary sale of transfer of shares to primary issuance of MLIC shares to Axis Bank has been done consequent to the MLIC funding requirements.

In this regard, the shareholders of the Company approved the transaction on September 27, 2023. Max Life has received approval from IRDAI vide its letter dated February 6, 2024 for the Proposed infusion. Axis Bank has received approval from Competition Commission of India (CCI) vide its letter dated April 2, 2024 for the Proposed infusion. Pursuant to receipt of all regulatory approvals, Axis Bank had subscribed to 6.02% of the equity share capital of MLIC on April 17, 2024. On completion of the Proposed Infusion, Axis Entities collectively hold 19.02% of the equity share capital of Max Life and the Company's shareholding in Max Life stood reduced to 80.98% of the equity share capital of Max Life effective April 17, 2024.

In addition, the Axis Entities would have the right to purchase 0.98% of the equity share capital of MLIC from the Company within the timeframe which was earlier agreed between the parties (i.e., 42 months from April 6, 2021). Pending receipt of requisite regulatory approvals, the said transaction cannot be considered concluded at the current date and hence no adjustments have been made in the financial statements.

**44. OTHER STATUTORY INFORMATION**

- i) The title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- ii) The Company does not have any transactions with struck off Companies under section 248 or section 560 of Companies Act, 2013.
- iii) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Company is not declared wilful defaulter any bank or financial institutions or lender during the year.
- vi) The Company has not created any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii) The Company has not advanced or loaned or invested funds to any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- ix) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(Rs. in lakhs)

**45. ADDITIONAL REGULATORY INFORMATION**

Ratio	Numerator	Denominator	As at 31.03.2024	As at 31.03.2023	Variance
Current Ratio (In times)	Current assets (Financial assets less Investment in subsidiary and investment property)	Current liabilities	12.20	14.38	-15%
Debt – Equity Ratio (In times)	Debt	Shareholder’s Equity	NA	NA	NA
Debt Service Coverage Ratio (In times)	EBITDA	Debt	NA	NA	NA
Return on Equity (ROE) (In %)	Net Profit after taxes	Average Shareholder’s Equity	-0.17%	0.21%	-179%
Trade receivables turnover ratio (In times)	Shared service revenue	Average Trade Receivable	1.12	1.26	-11%
Trade payables turnover ratio (In times)	Other expenses	Average Trade Payables	6.68	4.49	49%
Net capital turnover ratio (In times)	Revenue	Working Capital	0.33	0.75	-56%
Net profit ratio (In %)	Net Profit	Revenue	-52.19%	23.72%	-320%
Return on capital employed (ROCE) (In %)	Earning before interest and taxes	Capital employed	-0.17%	0.28%	-161%
Return on Investment(ROI) (In %)	Income generated from invested funds	Average invested funds in treasury investments	22.24%	6.53%	241%

**Reason for variance:**

**Return on Equity (ROE)** - lower due to decrease in revenue

**Trade payable turnover ratio** - higher due to decrease in other expenses

**Net capital turnover ratio** - lower due to decrease in net working capital and revenue

**Net profit ratio** - lower due to higher % decline in revenue

**Return on capital employed (ROCE)** - Lower due to decrease in revenue during the current year.

**Return on investments (ROI)** - higher due to average decrease in reversal of fair value during the current year.

- 46.** The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, there are no instance of audit trail feature being tampered with.
- 47.** Pursuant to sections 135(5) of Companies Act, 2013 and rule made thereunder, the Company need to ensure that at least 2% of average net profit of the preceding three financial years is spent on CSR activities. The Company does not have turnover of rupees one thousand crore or more or a net profit of rupees five crore or more as computed under section 135 of the Act during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year.
- 48.** The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
- 49.** There are no standards that are notified and not yet effective as on the date.
- 50.** The standalone financial statements were approved for issue by the Board of Directors on May 7, 2024.

As per our report of even date attached

For **S R Batliboi & Co LLP**  
Chartered Accountants  
Firm’s Registration No. 301003E/E300005

**Pikashoo Mutha**  
Partner  
Membership No. 131658

Place : Mumbai  
Date : May 7, 2024

**For and on behalf of the Board of Directors of  
Max Financial Services Limited**

**Dinesh Kumar Mittal**  
(Director)  
DIN No:00040000  
Place : Noida

**V Krishnan**  
(Manager)  
Place : Noida

**Piyush Soni**  
(Company Secretary)  
M.No. - ACS-39924  
Place : Gurugram

Date : May 7, 2024

**Sahil Vachani**  
(Director)  
DIN No:00761695  
Place : Noida

**Amrit Singh**  
(Chief Financial Officer)  
Place : Gurugram





# FINANCIAL REVIEW

The background features a large orange circle on the left side, partially overlapping a white area. Below the circle, there is a light orange triangle pointing downwards. The text is positioned to the right of the circle.

# **CONSOLIDATED FINANCIAL STATEMENT**

# INDEPENDENT AUDITOR'S REPORT

To the Members of Max Financial Services Limited

## Report on the Audit of the Consolidated Financial Statements

### Opinion

We have audited the accompanying consolidated financial statements of Max Financial Services Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities

under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>IT Systems and controls</b></p> <p>The financial accounting and reporting systems of the Company are highly dependent on IT systems and IT controls which process significant volume of transactions.</p> <p>Automated accounting systems and IT controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are critical for ensuring correct processing and integrity of the information underpinning the preparation of financial statements.</p>	<p>The procedures included the following with support from IT system specialist:</p> <ul style="list-style-type: none"> <li>• Tested the design and operating effectiveness of IT controls over the information systems that are relevant to financial reporting and relevant interfaces, configurations and other identified application controls.</li> <li>• Tested IT general controls including controls over program development and changes, access to programs and data and IT operations. Tested that requests for access to systems were appropriately reviewed and authorized.</li> </ul>

Key audit matters	How our audit addressed the key audit matter
<p>Therefore, due to the pervasive nature, and inherent complexities in the IT environment, the assessment of above components of general IT controls and the application controls specific to the accounting and preparation of the financial statements is considered to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>• Tested the Company’s periodic review of access rights. Inspected requests of changes to systems for appropriate approval and authorization.</li> <li>• Tested the design and operating effectiveness of certain automated and IT dependent manual controls that were considered as key internal controls over financial reporting.</li> <li>• Tested the design and operating effectiveness compensating controls in case deficiencies were identified.</li> </ul>
<p><b>Valuation of Investments</b></p> <p>Due to the regulatory prescriptions applicable to recognition, measurement and disclosure of Investments including the assumptions used in the valuation of Investments, (Schedule 8, 8A and 8B to the financial statements) we have considered this as a key audit matter.</p> <p>The valuation of all investments should be as per the investment policy framed by the Company which in turn should be in line with IRDAI Investment Regulations, which has been assessed for compliance by the management.</p> <p>The valuation of unquoted investments and thinly traded investments continues to be an area of inherent risk because of market volatility, unavailability of reliable prices and macroeconomic uncertainty.</p> <p>The Company performs an impairment review of its investments and recognizes diminution in value of investments other than temporary decline when the investments meet the trigger/s for impairment as per the criteria set out in the investment policy. Further, the assessment of impairment involves significant management judgement.</p>	<p>To ensure that the valuation of investments and impairment provision considered in the financial statements is adequate, the procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessed Valuation Methodologies with reference to investment regulations issued by IRDAI and the Company’s board approved investment policy.</li> <li>• Evaluated the Company’s Internal controls viz a viz the implementation of Investment Risk management System and processes.</li> <li>• Tested the management oversight and controls over valuation of investments.</li> <li>• Independently test-checked valuation of quoted and unquoted investments.</li> <li>• Performed audit procedures over the Fair Value Change Account for specific investments.</li> <li>• Substantive testing of transactions relating to Investments, evaluated and assessed the adequacy with respect to management assessment of identification of non-performing investments and impairment charge on such investments outstanding at the year end.</li> </ul>

**Information Other than the Financial Statements and Auditor’s Report Thereon**

The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company’s Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 of the assets of their respective company(ies) 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 consolidated financial statements 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 the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective company(ies) to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective company(ies).

**Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 these consolidated financial statements.

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 consolidated financial statements, 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. Under section 143(3)(i) of

the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s 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 statements 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose financial statements include total assets of Rs 184.66 crores as at March 31, 2024, and total revenues of Rs 13.67 crores and net cash inflows of Rs 0.73 crores for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the report(s) of such other auditors.
- (b) In respect of MLIC, subsidiary company, determination of the following as at and for the year ended March 31, 2024 is the responsibility of the subsidiary company's Appointed Actuary.
- a. 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, 2024 is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). 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 March 31, 2024 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; and
  - b. As confirmed by the Appointed Actuary, required adjustments were made to comply with Indian Accounting Standard 104 Insurance Contracts.

The auditors' of MLIC have relied upon the certificate of the Appointed Actuary in this regard for forming their opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists.

- (c) The consolidated financial statements of the Holding Company for the year ended March 31, 2024, included in these consolidated financial statements, have been audited by the predecessor auditor i.e. Deloitte Haskins & Sells LLP who expressed an unmodified opinion on those statements on May 7, 2024.
- (d) Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of the subsidiary companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiaries, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies, none of the directors of the Group's companies, incorporated in India, is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiary companies, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries, the managerial remuneration for the year ended March 31, 2024 has been paid / provided by the Holding Company, its subsidiaries, incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated financial statements – Refer Note 36 to the consolidated financial statements;
  - ii. The liability for insurance contracts, is determined by the Appointed Actuary of MLIC as and is covered by the Appointed Actuary's certificate, referred to in Other Matter paragraph above, on which joint auditors of the subsidiary company have placed reliance. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2024;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries incorporated in India during the year ended March 31, 2024.
- iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the note 63 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, other than as disclosed in the note 63 to the consolidated financial statements, no funds have been received by the respective Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the

Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- (v) No dividend has been declared or paid during the year by the Holding Company, its subsidiaries companies, incorporated in India.
- (vi) Based on our examination which included test checks and that performed by the respective auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, the Holding Company and subsidiaries have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions

recorded in the software. Further, during the course of audit, we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with.

For **S.R. Batliboi & Co. LLP**  
**Chartered Accountants**

ICAI Firm Registration Number: 301003E/E300005

per **Pikashoo Mutha**  
Partner

Membership Number: 131658

UDIN: 24131658BKGDYD3556

Place of Signature: Mumbai

Date: May 07, 2024

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## **ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE**

Re: Max Financial Services Limited ("the Company")

The information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (xxi) With respect to the matters specified in Clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the audit report under section 143 issued by us and the auditors of respective companies included in the consolidated financial statements, as provided to us by the Management of the Holding company, we report that CARO is applicable only to the Holding company and not to any other company included in the consolidated financial statements. We have not reported any qualification or adverse remark in the CARO report of the Holding company. Accordingly, the requirement to report on clause 3(xxii) of the Order is not applicable to the Holding Company.



## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAX FINANCIAL SERVICES LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of Max Financial Services Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2024, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial

statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

### Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition

of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and based on the consideration of reports of the other auditors referred to in the Other Matters paragraph below, the Group, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively

as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **Other Matters**

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements of the Holding Company, in so far as it relates to one subsidiary, which are companies incorporated in India, is based on the corresponding reports of the auditor of such subsidiary incorporated in India.

Our opinion is not modified in respect of the above matter.

For **S.R. Batliboi & Co. LLP**

**Chartered Accountants**

ICAI Firm Registration Number: 301003E/E300005

per **Pikashoo Mutha**

Partner

Membership Number: 131658

UDIN: 24131658BKGDYD3556

Place of Signature: Mumbai

Date: May 07, 2024

# CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2024

(Rs. in lakhs)

Particulars	Note No.	As at 31.03.2024	As at 31.03.2023
<b>A. ASSETS</b>			
<b>1. Financial Assets</b>			
(a) Cash and cash equivalents	3	85,811.77	1,12,037.35
(b) Bank balance other than (a) above	4	4,781.50	5,747.45
(c) Trade receivables	5	4.92	-
(d) Investments	6	5,88,067.99	5,43,087.66
(e) Other financial assets	7	17,256.65	22,048.46
(f) Financial assets of Life Insurance Policyholders' Fund	8	1,53,47,799.69	1,22,78,298.92
<b>Sub Total - Financial Assets</b>		<b>1,60,43,722.52</b>	<b>1,29,61,219.84</b>
<b>2. Non-Financial Assets</b>			
(a) Current tax assets (net)	9	1,761.12	1,577.66
(b) Deferred tax assets (net)	23	233.81	385.68
(c) Investment Property	10A	8,381.71	8,534.44
(d) Property, plant and equipment	10B	105.97	190.20
(e) Goodwill	10D	52,525.44	52,525.44
(f) Other Intangible assets	10C	34.57	-
(g) Right of use assets	11	184.60	194.71
(h) Other non-financial assets	12	33,082.88	26,698.58
(i) Non-financial assets of Life Insurance Policyholders' Fund	13	1,37,314.24	1,31,051.56
<b>Sub Total - Non-Financial Assets</b>		<b>2,33,624.34</b>	<b>2,21,158.27</b>
<b>Total Assets</b>		<b>1,62,77,346.86</b>	<b>1,31,82,378.11</b>
<b>B. LIABILITIES AND EQUITY</b>			
<b>I. LIABILITIES</b>			
<b>1. Financial Liabilities</b>			
(a) Payables	14		
(i) Trade Payables			
(ii) Total outstanding dues of micro enterprises and small enterprises		20.00	187.28
(iii) Total outstanding dues of creditors other than micro enterprises and small enterprises		1,46,031.49	1,69,843.19
(b) Non-Convertible Subordinated Debentures (including interest accrued)	15	52,069.84	52,066.41
(c) Lease liabilities	41	187.40	196.67
(d) Other financial liabilities	16	78,194.42	85,528.92
(e) Financial liabilities of Life Insurance Policyholders' Fund	17	1,54,75,144.28	1,23,93,432.57
<b>Sub Total - Financial Liabilities</b>		<b>1,57,51,647.43</b>	<b>1,27,01,255.04</b>
<b>2. Non-Financial Liabilities</b>			
(a) Provisions	18	5,869.21	4,836.04
(b) Deferred tax liabilities (net)	23	587.70	1.41
(c) Other non-financial liabilities	19	81,589.57	78,551.29
(d) Non-financial liabilities of Life Insurance Policyholders' Fund	20	698.91	884.67
<b>Sub Total - Non-Financial Liabilities</b>		<b>88,745.39</b>	<b>84,273.41</b>
<b>Total Liabilities</b>		<b>1,58,40,392.82</b>	<b>1,27,85,528.45</b>
<b>II. EQUITY</b>			
(a) Equity share capital	21	6,872.51	6,872.21
(b) Other equity	22	3,79,720.06	3,44,951.65
<b>Equity attributable to owners of the Company</b>		<b>3,86,592.57</b>	<b>3,51,823.86</b>
Non Controlling Interest		50,361.47	45,025.80
<b>Total Equity</b>		<b>4,36,954.04</b>	<b>3,96,849.66</b>
<b>Total Liabilities and Equity</b>		<b>1,62,77,346.86</b>	<b>1,31,82,378.11</b>

The accompanying notes are integral part of these consolidated financial statements 1 to 69

As per our report of even date attached

For **S R Batliboi & Co LLP**  
Chartered Accountants  
Firm's Registration No. 301003E/E300005

**Pikashoo Mutha**  
Partner  
Membership No. 131658

Place : Mumbai  
Date : May 7, 2024

**For and on behalf of the Board of Directors of  
Max Financial Services Limited**

**Dinesh Kumar Mittal**  
(Director)  
DIN No:00040000  
Place : Noida

**V Krishnan**  
(Manager)  
Place : Noida

**Piyush Soni**  
(Company Secretary)  
M.No. - ACS-39924  
Place : Gurugram

Date : May 7, 2024

**Sahil Vachani**  
(Director)  
DIN No:00761695  
Place : Noida

**Amrit Singh**  
(Chief Financial Officer)  
Place : Gurugram

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2024

(Rs. in lakhs)

Particulars	Note No.	Year ended 31.03.2024	Year ended 31.03.2023
<b>1 Revenue from operations</b>			
(a) Interest Income	24	37,029.47	30,211.85
(b) Dividend Income	25	319.49	310.39
(c) Rental Income	26	674.77	645.88
(d) Net gain on fair value changes	27	7,355.95	3,933.78
(e) Policyholders' Income from Life Insurance operations	28	46,11,682.63	31,05,062.16
(f) Sale of services	29	560.33	433.83
(g) Gain on sale of investment property		-	669.29
<b>2 Total revenue from operations</b>		<b>46,57,622.64</b>	<b>31,41,267.18</b>
3 Other income	30	4,209.36	1,838.50
<b>4 Total income (2+3)</b>		<b>46,61,832.00</b>	<b>31,43,105.68</b>
<b>5 Expenses</b>			
(a) Finance costs	31	4,363.89	3,745.67
(b) Impairment on financial instruments		(491.79)	(58.51)
(c) Employee benefits expenses	32	3,504.55	2,922.51
(d) Depreciation, amortisation and impairment	33	318.91	462.67
(e) Policyholders' Expenses from Life Insurance operations	34	46,07,511.57	30,78,875.07
(f) Other expenses	35	5,141.12	4,437.56
<b>6 Total expenses</b>		<b>46,20,348.25</b>	<b>30,90,384.97</b>
<b>7 Profit before tax (4-6)</b>		<b>41,483.75</b>	<b>52,720.71</b>
<b>8 Tax expense</b>			
<b>Relating to other than revenue account of Life Insurance policyholders</b>			
Current tax	23	4,945.55	8,078.82
Deferred tax	23	703.14	(499.51)
Adjustment of tax relating to earlier periods	23	(3,425.48)	(48.00)
<b>Total tax expense</b>		<b>2,223.21</b>	<b>7,531.31</b>
<b>9 Profit for the year from continuing operations(7-8)</b>		<b>39,260.54</b>	<b>45,189.40</b>
<b>10 Other Comprehensive Income (OCI)</b>			
<b>Relating to revenue account of Life Insurance Policyholders'</b>			
(i) Items that will not be reclassified to profit or loss in subsequent periods			
- Remeasurement gains/ (losses) on defined benefit plans		(733.62)	(605.68)
Less: Transferred to Policyholders' Fund in the Balance Sheet		733.62	605.68
<b>Subtotal (A)</b>		<b>-</b>	<b>-</b>
(ii) Items that will be reclassified to profit or loss in subsequent periods			
- Changes in fair values of FVTOCI debt instruments		1,77,843.44	(1,50,599.67)
- Cash flow hedge		49,709.31	11,457.29
- Impairment loss (including reversals)		(214.00)	(26.38)
Less: Transferred to Policyholders' Fund in the Balance Sheet		(2,27,338.75)	1,39,168.76
<b>Subtotal (B)</b>		<b>-</b>	<b>-</b>
<b>Relating to Others</b>			
(i) Items that will not be reclassified to profit or loss in subsequent periods			
- Remeasurement of defined benefit obligations		(13.45)	(7.62)
- Income tax relating to items that will not be reclassified to profit or loss		3.38	1.92

(Rs. in lakhs)

Particulars	Note No.	Year ended 31.03.2024	Year ended 31.03.2023
<b>Subtotal (C)</b>		<b>(10.07)</b>	<b>(5.70)</b>
(ii) Items that will be reclassified to profit or loss in subsequent periods			
- Changes in fair values of FVTOCI debt instruments		258.79	(930.23)
- Impairment loss (including reversals)		0.58	4.23
- Income tax relating to items that will be reclassified to profit or loss		(37.76)	134.83
<b>Subtotal (D)</b>		<b>221.61</b>	<b>(791.17)</b>
<b>11 Other Comprehensive Income for the year (A+B+C+D)</b>		<b>211.54</b>	<b>(796.87)</b>
<b>12 Total Comprehensive Income (9+11)</b>		<b>39,472.08</b>	<b>44,392.53</b>
<b>Profit for the year attributable to</b>			
Owners of the Company		34,010.71	37,848.60
Non-controlling interests		5,249.83	7,340.80
<b>Other Comprehensive Income attributable to</b>			
Owners of the Company		182.73	(635.39)
Non-controlling interests		28.81	(161.48)
<b>Total Comprehensive Income attributable to</b>			
Owners of the Company		34,193.44	37,213.21
Non-controlling interests		5,278.64	7,179.32
<b>Earnings per share (EPS) (Rs.)</b>	39		
(a) Basic EPS		9.85	10.97
(b) Diluted EPS		9.85	10.97

The accompanying notes are integral part of these consolidated financial statements 1 to 69

As per our report of even date attached

For **S R Batliboi & Co LLP**

Chartered Accountants

Firm's Registration No. 301003E/E300005

**Pikashoo Mutha**

Partner

Membership No. 131658

Place : Mumbai

Date : May 7, 2024

**For and on behalf of the Board of Directors of  
Max Financial Services Limited**

**Dinesh Kumar Mittal**

(Director)

DIN No:00040000

Place : Noida

**V Krishnan**

(Manager)

Place : Noida

**Piyush Soni**

(Company Secretary)

M.No. - ACS-39924

Place : Gurugram

Date : May 7, 2024

**Sahil Vachani**

(Director)

DIN No:00761695

Place : Noida

**Amrit Singh**

(Chief Financial Officer)

Place : Gurugram

# CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH 2024

(Rs. in lakhs)

Particulars		Year ended 31.03.2024	Year ended 31.03.2023
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before tax	41,483.75	52,720.71
	Adjustments for:		
	Depreciation, amortisation and impairment	21,291.17	17,777.67
	Interest Expense	5,978.59	2,971.94
	Interest and Dividend income from investments	(7,70,770.72)	(6,44,154.92)
	Rent Income	(7,592.00)	(7,080.18)
	Net loss / (profit) on sale / disposal of property, plant and equipments	(93.06)	(30.52)
	Net (gain)/loss on fair value changes	(12,38,424.27)	(7,849.66)
	Gain on sale of investment property	-	(669.29)
	Provision for diminution in value of long term investment	(706.00)	(84.51)
	Liabilities/provisions no longer required written back	(2.84)	(37.01)
	Provision for doubtful debts and bad-debts written off	20.00	886.00
	Expense on employee stock option scheme	338.52	418.00
	Change in policyholder reserves (including funds for future appropriation)	25,98,596.00	15,02,999.00
	<b>Operating Profit before working capital changes</b>	<b>6,50,119.14</b>	<b>9,17,867.23</b>
	Changes in working capital:		
	Adjustments for (increase)/ decrease in operating assets:		
	Trade receivables	(24,127.00)	(2,356.84)
	Other financial assets	5,598.32	18,299.06
	Other non financial assets	(1,213.98)	(3,234.82)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	(19,244.95)	30,678.18
	Other financial liabilities	(4,671.06)	4,371.88
	Provisions	1,019.49	(79.51)
	Insurance contract liabilities	1,662.98	36,081.02
	Other non financial liabilities	2,854.50	114.07
	<b>Cash generated from operations</b>	<b>6,11,997.44</b>	<b>10,01,740.27</b>
	Net income tax (paid) / refunds	(1,304.51)	(9,511.68)
	<b>Net cash flow from/(used in) operating activities (A)</b>	<b>6,10,692.93</b>	<b>9,92,228.59</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Capital expenditure on property, plant and equipment including capital advances	(22,289.24)	(17,393.13)
	Proceeds from sale of property, plant and equipment	178.23	210.86
	Proceeds from sale of investment property	-	2,350.00
	Bank balances not considered as Cash and cash equivalents with maturity more than 3 months and less than 12 months	965.95	(2,685.73)
	Investments		
	- Purchased	(1,13,95,562.96)	(1,19,31,010.96)
	- Proceeds from sale	1,01,52,413.03	1,02,39,648.31
	Investments in equity shares of subsidiary company		
	- Purchased	-	(84,266.09)
	Proceeds from loan against policies	(13,885.00)	(13,684.59)
	Interest, Rent and Dividend Received	7,77,791.15	6,51,325.97
	<b>Net cash from/(used in) investing activities (B)</b>	<b>(5,00,388.84)</b>	<b>(11,55,505.36)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Payment of principal portion of Lease liabilities	(8,173.25)	(7,369.60)
	Payment for purchase of treasury shares	(543.86)	(12,186.89)
	Proceeds from sale of treasury shares	749.21	-
	Interest/dividends paid	(3,730.59)	(3,720.00)
	<b>Net cash flow from/(used in) used in financing activities (C)</b>	<b>(11,698.49)</b>	<b>(23,276.49)</b>
<b>D</b>	<b>Net increase / (decrease) in cash and cash equivalents (A+B+C)</b>	<b>98,605.60</b>	<b>(1,86,553.26)</b>
<b>E</b>	<b>Cash and cash equivalents as at the beginning of the year</b>	<b>9,83,600.18</b>	<b>11,70,153.44</b>
	<b>Cash and cash equivalents as at the end of the year *</b>	<b>10,82,205.78</b>	<b>9,83,600.18</b>

(Rs. in lakhs)

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
* Components of Cash and Cash Equivalents:		
Cash on hand	118.00	115.41
Balances with scheduled banks		
- On current accounts	1,42,399.40	89,586.23
- Deposits with original maturity of upto 3 months	16,011.84	20,049.06
- Cheques/drafts in Hand	11,233.54	12,839.48
- Money Market Instruments & other short term liquid investments	9,12,443.00	8,61,010.00
<b>Total cash and cash equivalents (See note 3 and note 8A)</b>	<b>10,82,205.78</b>	<b>9,83,600.18</b>
<b>Reconciliation of Cash and Cash Equivalents with Cash and Bank Balances</b>		
Cash and cash equivalents	10,82,205.78	9,83,600.18
Less: Money Market Instruments & other short term liquid investments	9,12,443.00	8,61,010.00
<b>Total Cash and Bank Balances</b>	<b>1,69,762.78</b>	<b>1,22,590.18</b>

The above consolidated cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7- Statement of Cash Flows.

**Changes in liabilities arising from financing activities and non-cash financing and investing activities  
FY 2023-24**

Particulars	01.04.2023	Cash flows	Other	31.03.2024
Current lease liabilities (note 41)	5,399.89	(8,173.25)	8,577.02	5,803.66
Non-current lease liabilities (note 41)	24,651.87	-	1,096.98	25,748.85
<b>Total liabilities from financing activities</b>	<b>30,051.76</b>	<b>(8,173.25)</b>	<b>9,674.00</b>	<b>31,552.51</b>

**FY 2022-23**

Particulars	01.04.2022	Cash flows	Other	31.03.2023
Current lease liabilities (note 41)	5,206.45	(7,369.60)	7,563.04	5,399.89
Non-current lease liabilities (note 41)	19,538.02	-	5,113.85	24,651.87
<b>Total liabilities from financing activities</b>	<b>24,744.47</b>	<b>(7,369.60)</b>	<b>12,676.89</b>	<b>30,051.76</b>

Note: Other includes New Lease, finance cost and movement from Non-Current lease liabilities to Current lease liabilities.

	Note No	Year ended 31.03.2024	Year ended 31.03.2023
Acquisition of Right-of-use assets	11 & 13D	7,426.19	13,435.53

The accompanying notes are integral part of these consolidated financial statements 1 to 69

As per our report of even date attached

For **S R Batliboi & Co LLP**  
Chartered Accountants  
Firm's Registration No. 301003E/E300005

**Pikashoo Mutha**  
Partner  
Membership No. 131658

Place : Mumbai  
Date : May 7, 2024

**For and on behalf of the Board of Directors of  
Max Financial Services Limited**

**Dinesh Kumar Mittal**  
(Director)  
DIN No:00040000  
Place : Noida

**V Krishnan**  
(Manager)  
Place : Noida

**Piyush Soni**  
(Company Secretary)  
M.No. - ACS-39924  
Place : Gurugram

Date : May 7, 2024

**Sahil Vachani**  
(Director)  
DIN No:00761695  
Place : Noida

**Amrit Singh**  
(Chief Financial Officer)  
Place : Gurugram

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2024

## A) EQUITY SHARE CAPITAL

For the year ended 31 March 2024

(Rs. in lakhs)

Particulars	Number of shares	Amount
<b>Equity shares of INR 2 each issued, subscribed and fully paid</b>		
<b>Balance at April 1, 2023</b>	34,36,10,151	6,872.21
Changes in equity share capital during the year	-	-
Issue of equity shares [See note 21]	15,070	0.30
<b>Balance at March 31, 2024</b>	<b>34,36,25,221</b>	<b>6,872.51</b>

For the year ended 31 March 2023

Particulars	Number of shares	Amount
<b>Equity shares of INR 2 each issued, subscribed and fully paid</b>		
<b>Balance at April 1, 2022</b>	34,51,14,771	6,902.30
Changes in equity share capital during the year	-	-
Issue of equity shares [See note 21]	[15,04,620]	[30.09]
<b>Balance at March 31, 2023</b>	<b>34,36,10,151</b>	<b>6,872.21</b>

## B) OTHER EQUITY

For the year ended 31 March 2024

Particulars	Reserves and Surplus							Items of OCI FVTOCI Reserve	Attributable to owners of the Company	Attributable to Non controlling interest	Total other equity
	Securities premium	Capital Redemption Reserve	Share option outstanding account	Surplus in the statement of profit and loss	General Reserve	Debenture Redemption Reserve	Treasury shares				
<b>As at 31 March, 2023</b>	4,68,045.21	2,587.84	364.08	[1,31,243.03]	15,358.07	1,984.00	[12,156.80]	12.28	3,44,951.65	45,025.80	3,89,977.45
Profit for the year	-	-	-	33,018.73	-	992.00	-	-	34,010.73	5,249.83	39,260.56
Other comprehensive income/ (loss)	-	-	-	[10.06]	-	-	-	192.79	182.73	28.81	211.54
<b>Total comprehensive income</b>	-	-	-	<b>33,008.67</b>	-	<b>992.00</b>	-	<b>192.79</b>	<b>34,193.46</b>	<b>5,278.64</b>	<b>39,472.10</b>
Other equity	-	-	381.67	-	-	-	-	-	381.67	57.03	438.70
Impact of ESOP trust consolidation	-	-	-	-	-	-	193.27	-	193.27	-	193.27
Transferred to General Reserve on exercise of options	-	-	[100.19]	-	100.19	-	-	-	-	-	-
<b>As at 31 March, 2024</b>	<b>4,68,045.21</b>	<b>2,587.84</b>	<b>645.56</b>	<b>[98,234.36]</b>	<b>15,458.26</b>	<b>2,976.00</b>	<b>[11,963.53]</b>	<b>205.07</b>	<b>3,79,720.06</b>	<b>50,361.47</b>	<b>4,30,081.53</b>

For the year ended 31 March 2023

Particulars	Reserves and Surplus							Items of OCI FVTOCI Reserve	Attributable to owners of the Company	Attributable to Non controlling interest	Total other equity
	Securities premium	Capital Redemption Reserve	Share option outstanding account	Surplus in the statement of profit and loss	General Reserve	Debenture Redemption Reserve	Treasury shares				
<b>Balance as at 01 April, 2022</b>	4,68,045.21	2,587.84	-	[1,01,066.11]	15,358.07	992.00	-	641.97	3,86,558.98	55,030.35	4,41,589.33
Profit for the year	-	-	-	36,856.59	-	992.00	-	-	37,848.59	7,340.80	45,189.39
Other comprehensive income/ (loss)	-	-	-	[5.70]	-	-	-	[629.69]	[635.39]	[161.48]	[796.87]
<b>Total comprehensive income</b>	-	-	-	<b>36,850.89</b>	-	<b>992.00</b>	-	<b>[629.69]</b>	<b>37,213.20</b>	<b>7,179.32</b>	<b>44,392.52</b>
Share-based payments to employees [See note 22]	-	-	364.08	-	-	-	-	-	364.08	54.40	418.48
Impact of ESOP trust consolidation	-	-	-	-	-	-	[12,156.80]	-	[12,156.80]	-	[12,156.80]
Transfer to non-controlling interest	-	-	-	-	-	-	-	-	-	[17,238.27]	[17,238.27]
Gain/ (loss) on stake change in subsidiary without loss of control [See Note 60 and 61]	-	-	-	[67,027.81]	-	-	-	-	[67,027.81]	-	[67,027.81]
<b>As at 31 March, 2023</b>	<b>4,68,045.21</b>	<b>2,587.84</b>	<b>364.08</b>	<b>[1,31,243.03]</b>	<b>15,358.07</b>	<b>1,984.00</b>	<b>[12,156.80]</b>	<b>12.28</b>	<b>3,44,951.65</b>	<b>45,025.80</b>	<b>3,89,977.45</b>

The accompanying notes are integral part of these consolidated financial statements 1 to 69

As per our report of even date attached

For **S R Battliboi & Co LLP**  
Chartered Accountants  
Firm's Registration No. 301003E/E300005

**Pikashoo Mutha**  
Partner  
Membership No. 131658

Place : Mumbai  
Date : May 7, 2024

**For and on behalf of the Board of Directors of  
Max Financial Services Limited**

**Dinesh Kumar Mittal**  
(Director)  
DIN No:00040000  
Place : Noida

**V Krishnan**  
(Manager)  
Place : Noida

**Piyush Soni**  
(Company Secretary)  
M.No. - ACS-39924

Place : Gurugram  
Date : May 7, 2024

**Sahil Vachani**  
(Director)  
DIN No:00761695  
Place : Noida

**Amrit Singh**  
(Chief Financial Officer)  
Place : Gurugram



**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

**1. CORPORATE INFORMATION**

Max Financial Services Limited ('the Company'/the Parent') is a public limited company domiciled in India and incorporated on February 24, 1988 under the provisions of the Companies Act, 1956. The shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company is primarily engaged in the business of growing and nurturing business investments and providing management advisory services to group companies in India. The registered address of the Company is Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144533

Max Life Insurance Company Limited ('the Subsidiary Company') was incorporated on July 11, 2000 as a public limited company under the Companies Act, 1956 to undertake and carry on the business of life insurance and annuity. The Subsidiary Company obtained a license from the Insurance Regulatory and Development Authority of India ('IRDAI') for carrying on life insurance business on November 15, 2000. The Subsidiary Company offers a range of participating, non-participating and linked products covering life insurance, pension and health benefits including riders for individual and group segments. These products are distributed by individual agents, corporate agents, banks, brokers and other channels.

Max Life Pension Fund Management Limited is a wholly owned subsidiary of Max Life Insurance Company Limited. The Company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on February 28, 2022 with Registration Number U66020HR2022PLC101655 with specific purpose of managing pension fund business. Pension Fund Regulatory and Development Authority ("PFRDA") has granted Certificate of Registration vide a letter dated April 20, 2022 (bearing registration No.: PFRDA/ PF/2022/02) to Max Life Pension Fund Management Limited to act as pension fund under National Pension System (NPS)

**2. MATERIAL ACCOUNTING POLICIES**

**2.01 BASIS OF PREPARATION**

**(i) Statement of compliance**

The consolidated financial statements of the Company and the Subsidiary Company (collectively referred to as the 'Group') 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 Group presents its financial statements to comply with Division III of Schedule III to the Companies Act, 2013 which provides general instructions for the preparation of financial statements of a non-banking financial company (NBFC to comply with Ind AS) and the requirements of Ind AS.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy thereto in use.

**(ii) Basis of preparation and presentation**

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

As permitted by Ind AS 104 Insurance Contracts, the Subsidiary Company continues to apply the existing accounting policies that were applied prior to the adoption of Ind AS, with certain modifications allowed by the standard subsequent to adoption for its insurance contracts and investment contracts with a discretionary participation feature (DPF).

The financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

As per the Insurance Act, 1938, (as amended by Insurance Laws (Amendment) Act, 2015) (the "Insurance Act"):

- i. A life insurer is required to carry all receipts due in respect of such business, into a separate fund to be called the life insurance fund. The assets of the life insurance fund are required to be kept distinct and separate from all other assets of the insurer and the deposit made by the insurer in respect of life insurance business is deemed to be part of the assets of such fund. [Section 10(2)].
- ii. The life insurance fund is absolutely the security of the life policyholders as though it belonged to an insurer carrying on no other business than life insurance business. The life insurance fund would not be liable for any contracts of the insurer for which it would

not have been liable had the business of the insurer been only that of life insurance. Also, the life insurance fund is not to be applied directly or indirectly for any purposes other than those of the life insurance business of the insurer [Section 10(3)].

On account of the above regulatory restrictions on transfer of surplus / funds from the life insurance fund to shareholders, no proportion of the surplus relating to life insurance fund (including in respect of contracts without discretionary participating features) arising out of the adjustments due to application of Ind AS principles can be attributed to shareholders. Under the Previous GAAP fair valuation changes relating to the life insurance fund assets is accumulated within the liability group "Policyholders' Funds" in a line item labelled "Credit/ (Debit) Fair Value Change Account" separately from "Policy Liabilities", "Insurance Reserves" and "Provision for Linked Liabilities". Therefore the differences arising from the application of the Ind AS principles to the assets and liabilities of the life insurance fund be retained within the "Life Insurance Policyholders' Fund" liability group as "Fair Valuation Differences of Policyholders' Investments", "Measurement difference of Ind AS 104 Adjustments" and "Measurement difference – Other Adjustments".

Further all assets, liabilities, income and expenses pertaining to the life insurance fund have been grouped under "Assets of life insurance fund", "Liabilities of Life insurance fund", "Income from life insurance operations" and "Expense of the life insurance operations" respectively.

## 2.02 PRINCIPLES OF CONSOLIDATION

The Consolidated financial statements comprise the financial statements of the Company and its subsidiary as at March 31, 2024. The Company has two Subsidiaries Companies in India, Max Life Insurance Company Limited and Max Life Pension Fund Management Limited. Further, the Company has one special purpose entity Max Financial Employees Welfare Trust. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a. Power over the investee (i.e. existing rights that give

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

- at the current ability to direct the relevant activities of the investee)
- b. Exposure, or rights, to variable returns from its involvement with the investee, and
  - c. The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements. The accounting policies of the subsidiary are, in all material respects, in line with accounting policies of the Company.

The financial statements of the Subsidiary Companies for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on March 31, 2024.

Consolidation procedures:

- a. The financial statements of the Company and its subsidiary company are consolidated on line-by-line basis adding together the book value of assets, liabilities, equity, income, expenses and cash flows of the parent with its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements as at the acquisition date.
- b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.
- c. Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory

and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- a. Derecognises the assets (including goodwill) and liabilities of the subsidiary.
- b. Derecognises the carrying amount of any non-controlling interests.
- c. Derecognises the cumulative translation differences recorded in equity.
- d. Recognises the fair value of the consideration received.
- e. Recognises the fair value of any investment retained.
- f. Recognises any surplus or deficit in profit or loss.
- g. Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

### 2.03 PRODUCT CLASSIFICATION

Insurance contracts are those contracts when the Group has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

insured event) adversely affects the policyholders. The Group determines whether the contract has significant insurance risk, by comparing benefits payable on death is higher by at least 5% of the fund value at any time during the term of the contract for unit linked products or higher by at least 5% of the premium at any time during the term of the contract for other than unit linked products. Investment contracts are those contracts that transfer significant financial risk and which do not carry significant insurance risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts are further classified as being either with or without discretionary participation features (DPF). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- Likely to be a significant portion of the total contractual benefits,
- The amount or timing of which is contractually at the discretion of the issuer, and
- That are contractually based on the:
  - o performance of a specified pool of contracts or a specified type of contract,
  - o realised and/or unrealised investment returns on a specified pool of assets held by the issuer, or
  - o the profit or loss of the company, fund or other entity that issues the contract.

For financial options and guarantees which are not closely related to the host insurance contract and/or investment contract with DPF, bifurcation is required to measure these embedded financial derivatives separately at fair value through the income statement. However, bifurcation is not required if the embedded derivative is itself an insurance contract and/or investment contract with DPF, or if the host insurance contract and/or investment

contract itself is measured at fair value through the income statement. The Group has considered the probable embedded derivatives in the products offered and have calculated the value for embedded derivative separately for reporting under Ind AS 104 as at March 31, 2024.

**2.04 PREMIUM INCOME**

The premium income for insurance contract and investment contract with discretionary participation feature (DPF) is recognised as revenue when due from policyholders. For linked business, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated. Top-up premiums are recognised as single premium.

For investment contract without DPF, deposit accounting in accordance with Ind AS 104 and Ind AS 109 is followed. Consequently only to the extent of charges and fees collected from such investment contract is accounted as income in statement of profit and loss.

**2.05 INCOME FROM LINKED POLICIES**

Income on linked policies including fund management charges, policy administration charges, surrender penalty charges, mortality charges, and other charges, wherever applicable, are recovered from the linked fund and recognised when due in accordance with the terms and conditions mentioned in the policies.

**2.06 REINSURANCE PREMIUM CEDED**

Reinsurance premium ceded is accounted for at the time of recognition of premium income in accordance with the treaty or in-principle arrangement with the reinsurer.

**2.07 INCOME FROM SERVICES**

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue from contracts with customers is recognised when the Company satisfies a performance obligation by transferring promised services to a its customer in accordance with terms of relevant contracts. Revenue is measured based on the consideration specified in a contract with a customer.

For allocating the transaction price, the Company has

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The Company has assessed that it is primarily responsible for fulfilling the performance obligation and has no agency relationships. Accordingly the revenue has been recognized at the gross amount.

**2.08 ACQUISITION COSTS**

Acquisition costs include expenses which are incurred to solicit and underwrite insurance contracts such as commission, medical fee, policy printing expenses, etc. These costs are expensed in the year in which they are incurred for insurance contract and investment contract with DPF. In case of investment contact without DPF, the acquisition costs are deferred as per policy mentioned in Note 2.13. Claw back of the commission paid, if any, is accounted for in the year in which it becomes recoverable.

**2.09 BENEFITS AND CLAIMS**

Gross benefits and claims for life insurance contracts and for investment contracts with DPF include the cost of all claims arising during the period including settlement of claims and policyholder bonuses declared. Death claims and surrenders are recorded on the basis of intimation received. Maturities and annuity payments are recorded when due.

**2.10 REINSURANCE CLAIMS**

Reinsurance claims is accounted for in the same period as the related claim and also in accordance with the treaty or in- principle arrangement with the reinsurer.

**2.11 LIFE INSURANCE CONTRACT LIABILITY (INCLUDING INVESTMENT CONTRACT LIABILITIES WITH DPF)**

The actuarial liability for policies in-force as at the valuation date is determined using appropriate methods and assumptions that conform to the regulations issued by the IRDAI and the Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India (IAI). Specifically, the key principles considered for the valuation relate to the IRDA (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016 and the APS 1, APS 2 and APS 7 issued by the IAI.

The liability, valued on a policy by policy basis, is so calculated that together with future premium payments and investment income, the Group is able to meet all future claims (including bonus entitlements to policyholders, if applicable) and expenses, on the basis of actuarial estimates.

A brief description of the methodology used for valuing

key categories of products is provided below:

1. The liability for individual non-linked business is valued using gross premium reserving methodology. For participating business, a reference is also made to the asset share of the policies as at the valuation date in order to appropriately allow for policyholders' reasonable expectations. The liability is floored to zero or the surrender value payable under the policies, if any.
2. The liability for individual (and group) unit linked business comprises of two parts a unit reserve and a non-unit reserve. Unit reserve represents the value of units using the net asset value at the valuation date. Non-unit reserve is calculated using a discounted cash-flow method and is similar to gross premium reserves.
3. The liability for group one year renewable term business is calculated using an unearned premium approach where the premium representing the unexpired policy term is held as a liability. For longer term group business, gross premium reserving methodology is used.
4. The liability for riders attached to a policy is calculated as higher of gross premium reserves and unearned premium reserves.

The liabilities above also allow (either explicitly or implicitly) for any cost of guarantees/options inherent in the products.

The regulations also require the insurers to hold certain additional reserves. The key additional reserves cover the following sources of liability:

1. Additional source of liability for policies which are lapsed as at the valuation date but represent a potential source of future liability if they revive within their revival period (generally termed as lapse revival reserves). The reserves are calculated using an assumption of revival probability, based on Group experience.
2. Additional source of liability for policies which may exercise their option of cancelling the policy within the free look period offered (generally termed as free look cancellation reserves). The reserves are calculated using an assumption of free look cancellation, based on Group experience.
3. Liability against policies for which the insured

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

event has already occurred but the claim has not been reported to the Group (generally termed as Incurred but Not Reported reserves).

**2.12 VALUATION OF INVESTMENT CONTRACT LIABILITIES WITHOUT DPF:**

Unitised investment contract fair values are determined by reference to the values of the assets backing the liabilities, which are based on the value of the unit-linked fund.

**2.13 DEFERRED ACQUISITION COST (DAC)/ DEFERMENT ORIGINATION FEES (DOF)**

Certain incremental acquisition costs that are directly attributable to securing an investment contract without DPF are deferred and recorded in deferred expenses. These deferred costs are amortised over the period in which the service is provided. The DAC has following components:

- I. Initial (1st, 2nd and 3rd year) commission is higher than the remaining year's commission for these products. The differences between these commissions are spread over the whole term of the policy and the commission for unexpired term of the policy as on Balance sheet date is considered.
- II. First year distribution allowance is spread over the whole term of the policy and the allowance for the unexpired term of the policy as on Balance sheet date is considered.

DAC are derecognised when the related contracts are either settled or disposed off.

Similar to above calculation the Group has also calculated Deferment Origination Fees (DOF) to be taken as liability.

The DOF for the same products has following component:

- I. Initial (1st, 2nd and 3rd year) allocation charges are higher than the remaining year's allocation charges for these products. The difference between these charges are spread over the whole term of the policy and the charges for the unexpired term of the policy as on Balance sheet date is considered.

DOF are derecognised when the related contracts are either settled or disposed off.

**2.14 REINSURANCE ASSET**

The reinsurance credit taken, i.e. difference between gross reserves and net reserves, while calculating statutory reserves is held as reinsurance asset.

The Group cedes insurance risk in the normal course of business for all of its businesses.

**2.15 LIABILITY ADEQUACY TEST (LAT)**

For liability reporting as at 31 March 2024 under Ind AS 104, the gross liability would be same as gross liability used for statutory reporting. These liabilities as calculated on Gross Premium Valuation basis using Margin for Adverse Deviation (MAD) on best estimate assumptions which are equal to or on higher side than prescribed by the regulations/professional guidance hence there is no need to perform Liability Adequacy Test separately as at 31 March 2024.

The Group applies MAD for the following key assumptions in actuarial valuation of liabilities:

- I. Mortality/Morbidity/Longevity
- II. Lapse/Surrender/Reduced/Paid-up/Partial-Withdrawal
- III. Interest rate
- IV. Expenses

**2.16 INCOME FROM INVESTMENTS**

Interest income on investments is recognized on accrual basis. Amortization of discount/ premium relating to the debt securities and money market securities is recognized over the remaining maturity period on an Effective Interest Rate (EIR) method. Dividend income is recognized on ex-date and when right to receive payment is established.

The realised profit/loss on debt/money market securities for amortised security is the difference between the net sale consideration and the amortised cost of securities.

Profit or loss on sale/redemption of securities classified as Fair value through other comprehensive income is recognized on trade date basis and includes effects of accumulated fair value changes, previously recognized and credited to other comprehensive income, for investments sold/redeemed during the period.

Profit or loss on sale/redemption of securities classified as Fair value through profit or loss is recognized on trade date basis and includes effects of accumulated fair value changes for investments sold/redeemed during the period.

**2.17 INCOME EARNED ON LOANS**

Interest income on loans is recognised on an accrual basis are per Effective Interest Rate (EIR). Fees and charges also include policy reinstatement fees and loan processing fees which are recognised on receipt basis.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

Interest income on policy reinstatement

Income on policy reinstatement is accounted for on receipt basis.

**2.18 INCOME ON INVESTMENT PROPERTY**

Lease rentals on investment property is recognised on accrual basis and include only the realisable rent. Costs related to operating and maintenance of investment property are recognised as expense in the Profit and Loss

**2.19 FINANCIAL INSTRUMENT - INVESTMENTS**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in three categories:

**i. Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. Expected Credit losses (ECL) are recognised in the statement of profit or loss when the investments are impaired.

**ii. Debt instruments at fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

- a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals in the profit or loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to profit or loss. Interest earned on FVTOCI debt instrument is reported as interest income using the EIR method.

**iii. Financial instruments at fair value through profit or loss (FVTPL)**

Items at fair value through profit or loss comprise:

- a. items held for trading;
- b. debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss is initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

**De-recognition of Financial Assets**

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity / "Non financial liabilities of the life insurance fund" is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial assets.

**2.20 IMPAIRMENT OF FINANCIAL ASSETS:**

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost except for government security as no credit exposure is considered for such securities.
- b. Financial assets that are debt instruments and are measured as at FVTOCI except for government security as no credit exposure is considered for such securities.

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Statement of Profit and Loss. This amount is reflected under the head 'Impairment on financial instruments' in the Statement of Profit and Loss.

**2.21 FINANCIAL LIABILITIES**

**a. Gross obligation over written put options issued to the non-controlling interests:**

The Parent Company has issued written put option to non-controlling interests in its subsidiary in accordance with the terms of underlying shareholders agreement. Should the option be exercised, the Parent Company has to settle such liability by payment of cash.

**Initial recognition:**

The amount that may become payable under the option on exercise is recognised as a financial

liability at its present value with a corresponding charge directly to the shareholders' equity.

**Subsequent measurement:**

In the absence of any mandatorily applicable accounting guidance, the Group has elected an accounting policy to recognise changes on subsequent measurement of the liability in shareholders' equity.

**b. Other financial liabilities**

**Initial recognition and measurement**

The Group's financial liabilities include investment contracts without DPF and trade and other payables. Financial liabilities are classified at initial recognition, as financial liabilities at FVTPL or payables. All financial liabilities are recognised initially at fair value.

**Subsequent measurement - Financial liabilities at FVTPL**

Financial liabilities at FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

**Subsequent measurement - Trade and other payables**

After initial recognition, trade and other payables are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognized.

**De-recognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

**2.22 OFFSETTING OF FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 2.23 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets, liabilities and equity items for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation

(based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 2.24 CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purpose of cash flow statement includes cash in hand, bank balances, deposits with banks, other short-term highly liquid investments with original maturities of upto three months and which are subject to insignificant risk of change in value.

Receipts and Payments account is prepared and reported using the Indirect method in accordance with Indian Accounting Standard (Ind AS) 7, "Statements of Cash Flow".

### 2.25 CASH FLOW STATEMENT

Cash flows are reported using indirect method, whereby Profit/(loss) before tax reported under Statement of Profit and loss is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

### 2.26 SEGMENT INFORMATION

The Group determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

The Group allocates geographical revenue on the basis of location of the customers and non-current assets on the basis of the location of the assets.

### 2.27 EARNINGS PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity

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shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for employee share options and bonus shares, if any, as appropriate.

**2.28 LEASES**
**Group as a lessee**

The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Group has applied Ind AS 116 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. As a result, the comparative information has not been restated.

The Group's lease asset classes primarily consist of leases for buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) The contract involves the use of an identified asset
- (ii) The Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases.

For these short-term and low-value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

**Group as a lessor**

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group general policy on borrowing costs.

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**2.29 PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS:**

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Assets individually costing upto rupees five thousand and not as part of a composite contract are fully depreciated in the month of acquisition. Fixed assets at third party locations and not under direct physical control of the Group are fully depreciated over twelve months from the month of purchase.

Gains or losses arising from de-recognition of fixed assets and intangibles are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss when the asset is derecognized.

Assets	Estimated useful life
Furniture and Fixtures	10 years
Office Equipment	5 years

Depreciation on Property, plant and equipment has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 in respect of the following categories of assets

Depreciation on Property, plant and equipment, in respect of the following categories of assets, has been provided on the straight-line method as per the useful life of the assets which has been assessed taking into account the nature of the asset, the estimated usage of the assets the operating conditions of the asset, past history of replacement, etc.:

The management believes that the useful lives as mentioned below best represent the useful life of these respective assets, however these are different from those prescribed under part C of schedule II of the Companies Act, 2013:

Assets	Estimated useful life
Vehicles	5 years
Handheld devices	1 year

IT equipment including servers and networks	5 years
Laptops	3 - 4 years
Desktops	3 - 5 years

Leasehold land is amortised over the renewable period of respective leases subject to a maximum of 10 years.

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit or loss in the year in which the expenditure is incurred.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Assets	Estimated useful life
Software (excluding Policy Administration System and Satellite systems)	4 years
Policy Administration System and Satellite systems	6 years

The residual values, useful lives and methods of depreciation of property, plant and equipment and intangibles are reviewed at each financial year end and adjusted prospectively, if appropriate.

**Impairment of Assets**

The management assesses as at balance sheet date, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost. Such reversal is reflected in the statement of profit and loss.

**2.30 Retirement and other employee benefits:**

**a. Short Term Employee Benefits**

All employees' benefits payable within twelve months including salaries & bonuses, short

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term compensated absences and other benefits like insurance for employees are accounted on undiscounted basis during the accounting period in which the related services are rendered.

**b. Post-Employment Benefits**
**Defined contribution plans**

Employee's State Insurance:

The Group makes contribution to Employee's State Insurance, National Pension Scheme (Company contribution) and Labour Welfare Fund, being defined contribution plans, is charged to the Statement of Profit and Loss in the year the contribution is made. The Group does not have any further obligation beyond the contributions made to the funds.

**Defined benefit plans**

Provident Fund:

The Group contributes to the employee provident trust "Max Financial Services Limited Employees' Provident Fund Trust" which is managed by the holding company and as per guidance on Ind AS-19, Employee Benefits, provident funds set up by employers, which requires interest shortfall to be met by the employer, which is a defined benefit plan. Both the employees and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Contributions and shortfall, if any, is charged to the Statement of Profit and Loss.

Gratuity:

The Group's liability towards Gratuity, Long Term Incentive Plan and Compensated Absences being defined benefit plans, is accounted for on the basis of independent actuarial valuations carried out as per 'Projected Unit Credit Method' at the balance sheet date. The discount rate used for actuarial valuation is based on the yield of Government Securities. The Company contributes the net ascertained liabilities under the plan to the Max Life Insurance Company Limited Employees Group Gratuity Plan.

The Group recognises the net defined benefit obligation of the gratuity plan, taking into consideration the defined benefit obligation using actuarial valuation and the fair value of plan assets at the Balance Sheet date, in accordance with Indian Accounting Standard (Ind AS) 19, "Employee Benefits". Actuarial gains or losses, if any, due to

experience adjustments and the effects of changes in actuarial assumptions are recognized in the other comprehensive income (OCI).

**c. Other Long Term Employee Benefits**

Other long term employee benefits includes accumulated long term compensated absences and long term incentive plans. Accumulated long term compensated absences are entitled to be carried forward for future encashment or availment, at the option of the employee subject to Group's policies. Accumulated long term compensated absences are accounted for based on actuarial valuation determined using the projected unit credit method. Long term incentive plans are subject to fulfillment of criteria prescribed by the Group and is accounted for on the basis of independent actuarial valuations at the balance sheet date.

**2.31 SHARE-BASED PAYMENT ARRANGEMENTS**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based transactions are set out in note 37. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

**2.32 TREASURY SHARES**

The group has created an Employee Welfare Trust (EWT). The group uses EWT as a vehicle for distributing shares to employees under the employee stock option schemes. The Trust buys shares of the Company from the market, for giving shares to employees. The group treats EWT as its extension and shares held by EWT are treated as treasury shares.

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**2.33** Own equity instruments that are held by the trust are recognised at cost and deducted from equity. No gain or loss is recognised in consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in other equity

**Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liability is disclosed in the case of:

- a. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation
- b. A present obligation arising from past events, when no reliable estimate is possible
- c. A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date.

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

**2.34 REAL ESTATE-INVESTMENT PROPERTY**

The investment property is measured at historical cost. The Group assess at each balance sheet date whether any impairment of the investment property has occurred. Any impairment loss is recognised in the Statement of Profit and Loss.

Investment property is amortised over their estimated useful life on straight line method as follows:

Assets	Estimated useful life
Buildings	60 years

**2.35 VALUATION OF DERIVATIVE INSTRUMENT**

Interest rate swaps are contractual agreements between two parties to exchange fixed rate and floating rate interest by means of periodic payments, calculated on a specified notional amount and defined interest rates. Interest payments are netted against each other, with the difference between the fixed and floating rate payments paid by one party.

Forward Rate Agreements (FRA) is an agreement between two parties to pay or receive the difference (called settlement money) between an agreed fixed rate (FRA rate) and the interest rate prevailing on stipulated future date (the fixing date) based on a notional amount for an agreed period (the contract period).

For cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect Profit or loss.

At the inception of the transaction, the Group documents the relationship between the hedging instrument and the hedged item, as well as the risk management objective and the strategy for undertaking the hedge transaction. The Group also documents its assessment of whether the hedge is expected to be, and has been, highly effective in offsetting the risk in the hedged item, both at inception and on an ongoing basis.

Hedge effectiveness is the degree to which changes in cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The portion of fair value gain/loss on the Interest Rate Derivative that is determined to be an effective hedge is recognised in Other Comprehensive Income and the ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss in the period in which they arise. If the hedging relationship ceases to be effective or it becomes probable that the expected forecast transaction will no longer occur, hedge accounting is discontinued and accumulated gains or losses that were recognised directly in the Hedge Fluctuation Reserve are reclassified into Statement of Profit and Loss.

All derivatives are initially recognised in the Balance

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sheet at their fair value, which usually represents their cost. They are subsequently re-measured at their fair value, with the method of recognising movements in this value depending on whether they are designated as hedging instruments and, if so, the nature of the item being hedged. Fair values are computed using quoted market yields. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

**2.36 TAXATION**

Income tax expense represents the sum of the tax currently payable and deferred tax.

**Direct Taxes**

Income Tax expense comprises of current tax and deferred tax charge or credit, as applicable. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Section 44 of the Income Tax Act, 1961 read with Rules contained in the First Schedule and other relevant provisions of the Income Tax Act, 1961 as applicable to a subsidiary company carrying on life insurance business.

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to the fair value re-measurement of financial assets classified as FVOCI and the net movement on cash flow hedges, which are charged or credited to OCI. These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Group only off-sets its deferred

tax assets against liabilities when there is both a legal enforceable right to offset and it is the Group's intention to settle on a net basis.

**Indirect Taxes**

The Group claims credit of Goods and Service Tax (GST) on input goods and services, which is set off against tax on output services/goods. As a matter of prudence, unutilized credits towards Goods and Service Tax/Service Tax on input services/goods are carried forward under Advances & Other Assets wherever there is reasonable certainty of utilization.

**2.37 LOANS**

Loans against policies are valued at amortised cost i.e. aggregate of book values (net of repayments) plus capitalized interest, subject to provision for impairment, if any.

**2.38 FOREIGN EXCHANGE TRANSACTIONS**

At the time of Initial recognition, foreign currency transactions are recorded in Indian Rupees at the rate of exchange prevailing on the date of the transaction. Exchange gain & losses are recognised in the period in which they arise in the Profit & Loss Account.

**2.39 SIGNIFICANT ACCOUNTING JUDGMENT AND ESTIMATES**

The preparation of the financial statements is in conformity with the Ind AS that requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances upto and as of the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

In the process of applying the accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**a. Business model assessment**

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the

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business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

**b. Fair value of financial instruments**

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility

**c. Effective Interest Rate (EIR) method**

The Group's EIR methodology recognises interest income / expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given / taken and recognises the effect of potentially

different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments.

**d. Provisions and other contingent liabilities**

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the outflow of resources embodying economic benefits is not probable and the amount of obligation cannot be measured with sufficient reliability a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

**e. Subsequent measurement of gross obligations over written put options issued to the non-controlling interests**

The Parent Company has issued written put options to the non-controlling interests of its subsidiary in accordance with the terms of underlying shareholders agreement. In respect of accounting for subsequent measurement of gross obligation on such written put options issued by the Parent Company, the Group has elected an accounting policy choice to recognize changes on subsequent measurement of the liability in shareholders' equity, in the absence of any mandatorily applicable accounting guidance under Ind AS.

**f. Lease Accounting**

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

#### 2.40 RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

Ind AS 1 - Presentation of Financial Statements - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information,

together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - The amendments will help companies to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its financial statement.



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**3. CASH AND CASH EQUIVALENTS**

Particulars	As at 31.03.2024	As at 31.03.2023
Cash on hand	118.00	115.41
Balances with banks		
- Current accounts	73,459.49	89,039.36
- Deposits with original maturity of less than three months	1,000.74	10,043.10
Cheques/drafts in Hand	11,233.54	12,839.48
<b>Total</b>	<b>85,811.77</b>	<b>1,12,037.35</b>

\*Above does not include cash and cash equivalents pertaining to life insurance fund and disclosed in 8A.

**4. BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	As at 31.03.2024	As at 31.03.2023
Balances in earmarked accounts		
- Unpaid dividend accounts (see note 16)	-	19.53
- Balances held as margin money against guarantee*	20.00	31.20
Balances in fixed deposit accounts (maturity of more than three months)	4,761.50	5,696.72
<b>Total</b>	<b>4,781.50</b>	<b>5,747.45</b>

\* Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date

**5. RECEIVABLES**

Particulars	As at 31.03.2024	As at 31.03.2023
Trade receivables	4.92	-
<b>Total</b>	<b>4.92</b>	<b>-</b>

\*Above does not include trade receivables pertaining to life insurance fund and disclosed in 8C and for aging schedule kindly refer note 52

**6. INVESTMENTS**

Particulars	As at 31.03.2024				As at 31.03.2023			
	Amortised cost	At Fair Value		Total	Amortised cost	At Fair Value		Total
		Through Other Comprehensive Income	Through profit or loss			Through Other Comprehensive Income	Through profit or loss	
<b>Debt Securities:</b>								
Government securities	1,58,012.54	39,143.00	-	1,97,155.54	1,33,746.65	34,766.82	-	1,68,513.47
Debt securities	2,13,068.92	92,550.00	-	3,05,618.92	2,00,909.86	1,06,478.21	-	3,07,388.07
Fixed Deposits	-	19,270.00	-	19,270.00	-	5,092.00	-	5,092.00
Reverse Repo	-	22,758.00	-	22,758.00	-	908.83	-	908.83
<b>Shares</b>								
Equity instruments	-	-	42,931.00	42,931.00	-	-	24,026.58	24,026.58
Mutual Funds	-	-	1,311.30	1,311.30	-	-	37,819.30	37,819.30
Others	192.23	-	-	192.23	-	-	-	-
<b>Total</b>	<b>3,71,273.69</b>	<b>1,73,721.00</b>	<b>44,242.30</b>	<b>5,89,236.99</b>	<b>3,34,656.51</b>	<b>1,47,245.86</b>	<b>61,845.88</b>	<b>5,43,748.25</b>
Less: Allowance for impairment	(1,169.00)	-	-	(1,169.00)	(660.59)	-	-	(660.59)

Particulars	As at 31.03.2024				As at 31.03.2023			
	Amortised cost	At Fair Value		Total	Amortised cost	At Fair Value		Total
		Through Other Comprehensive Income	Through profit or loss			Through Other Comprehensive Income	Through profit or loss	
<b>Total</b>	<b>3,70,104.69</b>	<b>1,73,721.00</b>	<b>44,242.30</b>	<b>5,88,067.99</b>	<b>3,33,995.92</b>	<b>1,47,245.86</b>	<b>61,845.88</b>	<b>5,43,087.66</b>
Overseas Investments	-	-	-	-	-	-	-	-
Investments in India	3,71,273.69	1,73,721.00	44,242.30	5,89,236.99	3,34,656.51	1,47,245.86	61,845.88	5,43,748.25
<b>Sub total</b>	<b>3,71,273.69</b>	<b>1,73,721.00</b>	<b>44,242.30</b>	<b>5,89,236.99</b>	<b>3,34,656.51</b>	<b>1,47,245.86</b>	<b>61,845.88</b>	<b>5,43,748.25</b>
Less: Allowance for impairment	(1,169.00)	-	-	(1,169.00)	(660.59)	-	-	(660.59)
<b>Total</b>	<b>3,70,104.69</b>	<b>1,73,721.00</b>	<b>44,242.30</b>	<b>5,88,067.99</b>	<b>3,33,995.92</b>	<b>1,47,245.86</b>	<b>61,845.88</b>	<b>5,43,087.66</b>

Above does not include investments pertaining to life insurance fund and disclosed in Note 8E.

## 7. OTHER FINANCIAL ASSETS

Particulars	As at 31.03.2024	As at 31.03.2023
Security deposits	4,046.77	3,489.39
Interest accrued on deposits	160.48	93.89
Due from subsidiaries	-	106.05
Employees Advance	632.67	680.00
Less: Provisions made	(398.48)	(372.00)
Derivative margin money investment	-	26.78
Application money for investments	1.72	31.77
Due from reinsurers	12,310.86	18,529.00
Less: Provision for due from reinsurers	(124.00)	(854.00)
Due from Insurance agents, Insurance Intermediaries.	1,023.79	670.00
Less: provision on Insurance agents, Insurance Intermediaries	(397.16)	(353.00)
Other financial assets	-	0.58
<b>Total</b>	<b>17,256.65</b>	<b>22,048.46</b>

\*Above does not include other financial assets pertaining to life insurance fund and disclosed in 8F.

## 8. FINANCIAL ASSETS OF LIFE INSURANCE POLICYHOLDERS' FUND

Particulars		As at 31.03.2024	As at 31.03.2023
Cash and cash equivalents	<b>Note 8A</b>	83,951.01	10,552.83
Derivative financial instruments	<b>Note 8B</b>	40,952.32	7,617.26
Trade receivables	<b>Note 8C</b>	91,520.73	68,123.82
Loans	<b>Note 8D</b>	94,115.02	80,292.59
Investments	<b>Note 8E</b>	1,47,12,964.00	1,17,92,458.39
Other financial assets	<b>Note 8F</b>	3,24,296.61	3,19,254.03
<b>Total</b>		<b>1,53,47,799.69</b>	<b>1,22,78,298.92</b>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**8A. CASH AND CASH EQUIVALENTS (POLICYHOLDERS)**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Cash and cash equivalents</b>		
Balances with banks - Current accounts	68,939.91	546.87
Deposits with original maturity of less than three months	15,011.10	10,005.96
<b>Total</b>	<b>83,951.01</b>	<b>10,552.83</b>

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Cash and cash equivalents</b>		
Balances with banks:		
- In current accounts	68,939.91	546.87
- In Deposits with original maturity of less than three months	15,011.10	10,005.96
<b>Total</b>	<b>83,951.01</b>	<b>10,552.83</b>

**8B. DERIVATIVE FINANCIAL INSTRUMENTS - ASSETS (POLICYHOLDERS)**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Carried at fair value through profit or loss</b>		
Forward rate agreements (See note 45)	40,952.32	7,617.26
	<b>40,952.32</b>	<b>7,617.26</b>
* Included in above are derivatives held for hedging and risk management purposes as follows:		
- Cash flow hedging	40,952.32	7,617.26

**8C. TRADE RECEIVABLES (POLICYHOLDERS)**

Particulars	As at 31.03.2024	As at 31.03.2023
Trade receivables		
Unsecured, considered good	91,520.73	68,123.82
<b>Total</b>	<b>91,520.73</b>	<b>68,123.82</b>

\*For aging schedule kindly refer note 52

**8D. LOANS (CARRIED AT AMORTISED COST) (POLICYHOLDERS)**

Particulars	As at 31.03.2024	As at 31.03.2023
Loans against policies	94,115.02	80,292.59
<b>Total</b>	<b>94,115.02</b>	<b>80,292.59</b>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**8E. INVESTMENTS (POLICYHOLDERS)**

Particulars	As at 31.03.2024				As at 31.03.2023			
	Amor- tised cost	At Fair Value		Total	Amor- tised cost	At Fair Value		Total
		Through Other Com- prehensive Income	Through profit or loss			Through Other Com- prehensive Income	Through prof- it or loss	
<b>Investments of unit linked insurance contracts - Policyholders'</b>								
<b>Debt Securities:</b>								
Government Securities	-	-	9,15,508.00	9,15,508.00	-	-	8,52,132.89	8,52,132.89
Debt Securities	-	-	4,44,228.00	4,44,228.00	-	-	5,67,853.89	5,67,853.89
Reverse Repo	-	-	83,125.00	83,125.00	-	-	90,140.46	90,140.46
<b>Shares:</b>								
Equity Instruments	-	-	27,61,003.00	27,61,003.00	-	-	19,62,127.96	19,62,127.96
Mutual funds	-	-	1,84,622.00	1,84,622.00	-	-	72,246.03	72,246.03
<b>Total (A)</b>	-	-	<b>43,88,486.00</b>	<b>43,88,486.00</b>	-	-	<b>35,44,501.23</b>	<b>35,44,501.23</b>
<b>Investments of other insurance contracts - Policyholders'</b>								
<b>Debt Securities:</b>								
Government Securities	-	67,57,035.00	-	67,57,035.00	-	54,68,571.89	-	54,68,571.89
Debt Securities	-	18,77,281.00	-	18,77,281.00	-	14,09,342.12	-	14,09,342.12
Fixed Deposits	-	10,200.00	-	10,200.00	-	-	-	-
Reverse Repo	-	84,258.00	-	84,258.00	-	2,64,200.48	-	2,64,200.48
<b>Shares:</b>								
Equity Instruments	-	-	14,73,329.00	14,73,329.00	-	-	10,56,793.44	10,56,793.44
Mutual funds	-	-	55,072.00	55,072.00	-	-	10,006.93	10,006.93
Alternate Investment Fund	-	-	34,004.00	34,004.00	-	-	23,090.05	23,090.05
Additional Tier 1 Bonds	-	-	-	-	-	-	-	-
Infrastructure Investment Trusts	-	-	33,299.00	33,299.00	-	-	15,952.25	15,952.25
<b>Total (B)</b>	-	<b>87,28,774.00</b>	<b>15,95,704.00</b>	<b>1,03,24,478.00</b>	-	<b>71,42,114.49</b>	<b>11,05,842.67</b>	<b>82,47,957.16</b>
<b>Total (C=A+B)</b>	-	<b>87,28,774.00</b>	<b>59,84,190.00</b>	<b>1,47,12,964.00</b>	-	<b>71,42,114.49</b>	<b>46,50,343.90</b>	<b>1,17,92,458.39</b>
Less: Allowance for Impairment loss (D)	-	-	-	-	-	-	-	-
<b>Total E = (C) - (D)</b>	-	<b>87,28,774.00</b>	<b>59,84,190.00</b>	<b>1,47,12,964.00</b>	-	<b>71,42,114.49</b>	<b>46,50,343.90</b>	<b>1,17,92,458.39</b>
Overseas Investments	-	-	-	-	-	-	-	-
Investments in India	-	87,28,774.00	59,84,190.00	1,47,12,964.00	-	71,42,114.49	46,50,343.90	1,17,92,458.39
<b>Total (E)</b>	-	<b>87,28,774.00</b>	<b>59,84,190.00</b>	<b>1,47,12,964.00</b>	-	<b>71,42,114.49</b>	<b>46,50,343.90</b>	<b>1,17,92,458.39</b>
Less: Allowance for Impairment loss	-	-	-	-	-	-	-	-
<b>Total</b>	-	<b>87,28,774.00</b>	<b>59,84,190.00</b>	<b>1,47,12,964.00</b>	-	<b>71,42,114.49</b>	<b>46,50,343.90</b>	<b>1,17,92,458.39</b>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**8F. OTHER FINANCIAL ASSETS (POLICYHOLDERS)**

Particulars	As at 31.03.2024	As at 31.03.2023
Dividend receivables	518.84	86.88
Lease rent receivables	217.35	146.23
Security deposit	532.20	533.00
Outstanding trades - Investment	244.71	3,565.77
Derivative margin money investment	119.70	13,706.74
Application money for investments	57.16	-
Reinsurance assets	2,26,979.22	2,49,975.00
Others	95,627.43	51,240.41
<b>Total</b>	<b>3,24,296.61</b>	<b>3,19,254.03</b>

**9. CURRENT TAX ASSETS (NET)**

Particulars	As at 31.03.2024	As at 31.03.2023
Advance income tax (net of provision)		
Advance tax including tax deducted at source	45,153.50	44,972.24
Less: Provision for income tax	(43,392.38)	(43,394.58)
<b>Total</b>	<b>1,761.12</b>	<b>1,577.66</b>

**10A INVESTMENT PROPERTY**

	Investment Property	Total
<b>Gross carrying value</b>		
<b>As at 01 April, 2022</b>	9,139.13	9,139.13
Additions	-	-
<b>As at 31 March, 2023</b>	9,139.13	9,139.13
Additions	-	-
<b>As at 31 March, 2024</b>	<b>9,139.13</b>	<b>9,139.13</b>
<b>Accumulated Depreciation</b>		
<b>As at 01 April, 2022</b>	452.37	452.37
Depreciation expense	152.32	152.32
<b>As at 31 March, 2023</b>	604.69	604.69
Depreciation expense	152.74	152.74
<b>As at 31 March, 2024</b>	<b>757.42</b>	<b>757.42</b>
<b>Net block</b>		
<b>As at 31 March, 2023</b>	<b>8,534.44</b>	<b>8,534.44</b>
<b>As at 31 March, 2024</b>	<b>8,381.71</b>	<b>8,381.71</b>

\*Above does not include Investment property pertaining to life insurance fund and disclosed in Note 13A.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**10B PROPERTY, PLANT AND EQUIPMENT**

	Buildings	Office equipment	Computers	Furniture and fixtures	Vehicles	Leasehold improvements	Total
<b>Gross carrying value</b>							
<b>As at 01 April, 2022</b>	<b>29.07</b>	<b>93.07</b>	<b>28.20</b>	<b>165.10</b>	<b>192.35</b>	<b>118.03</b>	<b>625.82</b>
Additions	-	14.87	2.22	-	1.03	-	18.12
Disposals	-	9.92	3.42	6.96	-	-	20.30
<b>As at 31 March, 2023</b>	<b>29.07</b>	<b>98.02</b>	<b>27.00</b>	<b>158.14</b>	<b>193.38</b>	<b>118.03</b>	<b>623.64</b>
Additions	-	3.11	2.13	-	-	-	5.24
Disposals	-	22.11	0.96	24.17	-	118.03	165.27
<b>As at 31 March, 2024</b>	<b>29.07</b>	<b>79.02</b>	<b>28.17</b>	<b>133.97</b>	<b>193.38</b>	<b>-</b>	<b>463.61</b>
<b>Accumulated depreciation</b>							
<b>As at 01 April, 2022</b>	<b>4.00</b>	<b>68.69</b>	<b>16.37</b>	<b>103.89</b>	<b>110.21</b>	<b>40.14</b>	<b>343.30</b>
Depreciation expense	0.80	8.30	3.81	27.48	33.50	32.20	106.09
Elimination on disposals of assets	-	8.92	2.27	4.76	0.00	-	15.95
<b>As at 31 March, 2023</b>	<b>4.80</b>	<b>68.07</b>	<b>17.91</b>	<b>126.61</b>	<b>143.71</b>	<b>72.34</b>	<b>433.44</b>
Depreciation expense	0.80	6.51	3.79	4.50	14.19	24.26	54.05
Elimination on disposals of assets	-	20.45	0.88	11.92	-	96.60	129.85
<b>As at 31 March, 2024</b>	<b>5.60</b>	<b>54.13</b>	<b>20.82</b>	<b>119.19</b>	<b>157.90</b>	<b>-</b>	<b>357.64</b>
<b>As at 31 March, 2023</b>	<b>24.27</b>	<b>29.95</b>	<b>9.09</b>	<b>31.53</b>	<b>49.67</b>	<b>45.69</b>	<b>190.20</b>
<b>As at 31 March, 2024</b>	<b>23.47</b>	<b>24.89</b>	<b>7.35</b>	<b>14.78</b>	<b>35.48</b>	<b>-</b>	<b>105.97</b>

\*Above does not include property, plant and equipment pertaining to life insurance fund and disclosed in Note 13B.

**10C OTHER INTANGIBLE ASSETS**

Particulars	Computer Software	Total
<b>Gross carrying value</b>		
<b>Balance at 1 April, 2022</b>	-	-
Additions	-	-
Disposals	-	-
<b>Balance at 31 March, 2023</b>	-	-
Additions	42.17	42.17
Disposals	-	-
<b>Balance at 31 March, 2024</b>	<b>42.17</b>	<b>42.17</b>
<b>Accumulated depreciation</b>		
<b>Balance at 1 April, 2022</b>	-	-
Amortisation expense	-	-
Disposals	-	-
<b>Balance at 31 March, 2023</b>	-	-
Amortisation expense	7.60	7.60
Disposals	-	-
<b>Balance at 31 March, 2024</b>	<b>7.60</b>	<b>7.60</b>
<b>Carrying amount</b>		
<b>Balance at 31 March, 2023</b>	-	-
<b>Balance at 31 March, 2024</b>	<b>34.57</b>	<b>34.57</b>

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(Rs. in lakhs)

**10D GOODWILL**

Particulars	Amount	Total
<b>As at 01 April, 2022</b>	52,525.44	52,525.44
Impairment of Goodwill	-	-
<b>As at 31 March, 2023</b>	<b>52,525.44</b>	<b>52,525.44</b>
Impairment of Goodwill	-	-
<b>As at 31 March, 2024</b>	<b>52,525.44</b>	<b>52,525.44</b>

Goodwill represents excess of consideration paid over the net assets acquired of Max Life Insurance Company Limited (MLIC) as on date of acquisition which is tested annually for impairment. The recoverable amount of cash generating unit was based on its value in use/ estimated recoverable value. The carrying value of Goodwill as on 31 March 2024 is Rs. 52,525.44 Lakhs (31 March 2023 is Rs. 52,525.44 Lakhs). Taking into account of current business valuation of the subsidiary Company which significantly exceeds the carrying value of goodwill recorded upon acquisition, there is no impairment.

**11A RIGHT OF USE ASSETS**

Particulars	Amount	Total
<b>Gross carrying value</b>		
<b>As at April 1, 2022</b>	<b>712.90</b>	<b>712.90</b>
Additions	207.66	207.66
Disposals	486.57	486.57
<b>As at March 31, 2023</b>	<b>433.99</b>	<b>433.99</b>
Additions	94.41	94.41
Disposals	226.33	226.33
<b>As at 31 March, 2024</b>	<b>302.07</b>	<b>302.07</b>
<b>Accumulated depreciation</b>		
<b>As at April 1, 2022</b>	<b>564.37</b>	<b>564.37</b>
Depreciation expense	161.48	161.48
Disposals	486.57	486.57
<b>As at March 31, 2023</b>	<b>239.28</b>	<b>239.28</b>
Depreciation expense	104.52	104.52
Disposals	226.33	226.33
<b>As at 31 March, 2024</b>	<b>117.47</b>	<b>117.47</b>
<b>Carrying amount</b>		
<b>As at March 31, 2023</b>	<b>194.71</b>	<b>194.71</b>
<b>As at 31 March, 2024</b>	<b>184.60</b>	<b>184.60</b>

\*Above does not Right of use assets pertaining to life insurance fund and disclosed in Note 13D.

**12. OTHER NON-FINANCIAL ASSETS**

	As at 31.03.2024	As at 31.03.2023
Prepaid expenses	2,644.38	1,461.30
Deposits under protest	12.00	12.00
Receivable from UL Fund	14,769.12	10,043.68
<b>Advances recoverable in cash or kind</b>		
- Receivables Considered good- unsecured	7,638.07	7,998.93
- Receivables Credit impaired	1,148.14	1,421.94
Less: Loss allowance for credit impaired receivables	(1,148.14)	(1,421.94)
	7,638.07	7,998.93
Stamps in hand	430.04	439.43
Deferred Lease expenses	834.76	842.43
Service Tax Deposits	49.71	111.19
<b>Balances with government authorities - input tax credit receivable</b>		
- Receivables Considered good- unsecured	169.70	83.62
- Receivables Credit impaired	-	-
Less: Loss allowance for credit impaired receivables	-	-
	169.70	83.62
Advance tax paid and taxes deducted at source (Net of provision for taxation)	2,114.36	2,513.42
Income Tax Deposits	4,420.74	3,192.58
Advance tax paid and taxes deducted at source (Net of provision for taxation)	6,535.10	5,706.00
<b>Total</b>	<b>33,082.88</b>	<b>26,698.58</b>

\*Above does not include other non financial assets pertaining to life insurance fund and disclosed in 13E.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**13. NON-FINANCIAL ASSETS OF LIFE INSURANCE POLICYHOLDERS' FUND**

Particulars		As at 31.03.2024	As at 31.03.2023
Investment property	<b>Note 13A</b>	67,846.31	69,157.64
Property, plant and equipment	<b>Note 13B</b>	12,343.23	10,764.95
Capital work in progress	<b>Note 13B</b>	197.59	81.10
Intangible assets	<b>Note 13C</b>	23,322.70	19,808.45
Intangible assets under development	<b>Note 13C</b>	5,668.12	3,862.59
Right of use asset	<b>Note 13D</b>	27,909.73	27,340.10
Other non- financial assets	<b>Note 13E</b>	26.56	36.73
<b>Total</b>		<b>1,37,314.24</b>	<b>1,31,051.56</b>

**13A: INVESTMENT PROPERTY (POLICYHOLDERS - SEE NOTE 47)**

Particulars	Investment Property	Total
<b>Gross carrying value</b>		
<b>As at 01 April, 2022</b>	<b>73,612.34</b>	<b>73,612.34</b>
Additions	-	-
<b>As at 31 March, 2023</b>	<b>73,612.34</b>	<b>73,612.34</b>
Additions	-	-
<b>As at 31 March, 2024</b>	<b>73,612.34</b>	<b>73,612.34</b>
<b>Accumulated Depreciation</b>		
<b>As at 01 April, 2022</b>	<b>3,146.26</b>	<b>3,146.26</b>
Depreciation expense	1,308.44	1,308.44
<b>As at 31 March, 2023</b>	<b>4,454.70</b>	<b>4,454.70</b>
Depreciation expense	1,311.33	1,311.33
<b>As at 31 March, 2024</b>	<b>5,766.03</b>	<b>5,766.03</b>
<b>Net block</b>		
<b>As at 31 March, 2023</b>	<b>69,157.64</b>	<b>69,157.64</b>
<b>As at 31 March, 2024</b>	<b>67,846.31</b>	<b>67,846.31</b>

**13B: PROPERTY, PLANT & EQUIPMENT (POLICYHOLDERS)**

Particulars	Computers	Office equipments	Furniture & Fixtures	Vehicles	Capital Work in progress	Leasehold Improvements	Total
<b>Gross carrying value</b>							
<b>As at 01 April, 2022</b>	<b>8,962.00</b>	<b>3,273.00</b>	<b>2,044.00</b>	<b>337.00</b>	<b>159.24</b>	<b>6,457.00</b>	<b>21,232.24</b>
Additions	3,753.18	764.57	242.02	215.30	-	996.93	5,972.00
Disposals	21.44	26.96	68.24	19.09	78.14	40.26	254.13
<b>As at 31 March, 2023</b>	<b>12,693.74</b>	<b>4,010.61</b>	<b>2,217.78</b>	<b>533.21</b>	<b>81.10</b>	<b>7,413.67</b>	<b>26,950.11</b>
Additions	2,336.19	1,181.69	602.38	310.00	116.49	1,354.30	5,901.05
Disposals	16.93	9.00	11.00	10.00	-	1.81	48.74
<b>As at 31 March, 2024</b>	<b>15,013.00</b>	<b>5,183.30</b>	<b>2,809.16</b>	<b>833.21</b>	<b>197.59</b>	<b>8,766.16</b>	<b>32,802.42</b>
<b>Accumulated Depreciation</b>							
<b>As at 01 April, 2022</b>	<b>5,823.00</b>	<b>2,198.00</b>	<b>1,210.00</b>	<b>188.00</b>	-	<b>3,153.00</b>	<b>12,572.00</b>
Depreciation expense	1,545.74	574.14	281.18	60.58	-	1,070.42	3,532.06
<b>As at 31 March, 2023</b>	<b>7,368.74</b>	<b>2,772.14</b>	<b>1,491.18</b>	<b>248.58</b>	-	<b>4,223.42</b>	<b>16,104.06</b>
Depreciation expense	1,940.00	693.00	392.00	101.00	-	1,031.54	4,157.54
<b>As at 31 March, 2024</b>	<b>9,308.74</b>	<b>3,465.14</b>	<b>1,883.18</b>	<b>349.58</b>	-	<b>5,254.96</b>	<b>20,261.60</b>
<b>Net block</b>							
<b>As at 31 March, 2023</b>	<b>5,325.00</b>	<b>1,238.47</b>	<b>726.60</b>	<b>284.63</b>	<b>81.10</b>	<b>3,190.25</b>	<b>10,846.05</b>
<b>As at 31 March, 2024</b>	<b>5,704.26</b>	<b>1,718.16</b>	<b>925.98</b>	<b>483.63</b>	<b>197.59</b>	<b>3,511.20</b>	<b>12,540.82</b>

For Capital work in progress aging schedule kindly refer note 54



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**13C: INTANGIBLE ASSETS (POLICYHOLDERS)**

Particulars	Software	Intangible assets under development	Total
<b>Gross carrying value</b>			
<b>As at 01 April, 2022</b>	<b>42,257.33</b>	<b>2,972.60</b>	<b>45,229.93</b>
Additions	11,359.93	889.99	12,249.92
<b>As at 31 March, 2023</b>	<b>53,617.26</b>	<b>3,862.59</b>	<b>57,479.85</b>
Additions	12,253.98	1,805.53	14,059.51
<b>As at 31 March, 2024</b>	<b>65,871.24</b>	<b>5,668.12</b>	<b>71,539.36</b>
<b>Accumulated Amortisation</b>			
<b>As at 01 April, 2022</b>	<b>27,851.30</b>	-	<b>27,851.30</b>
Amortisation expense	5,957.51	-	5,957.51
<b>As at 31 March, 2023</b>	<b>33,808.81</b>	-	<b>33,808.81</b>
Amortisation expense	8,739.73	-	8,739.73
<b>As at 31 March, 2024</b>	<b>42,548.54</b>	-	<b>42,548.54</b>
<b>Net block</b>			
<b>As at 31 March, 2023</b>	<b>19,808.45</b>	<b>3,862.59</b>	<b>23,671.04</b>
<b>As at 31 March, 2024</b>	<b>23,322.70</b>	<b>5,668.12</b>	<b>28,990.82</b>

For Intangible assets under development aging schedule kindly refer note 54

**13D: RIGHT OF USE ASSETS (POLICYHOLDERS)**

Particulars	Right of Use Assets	Total
<b>Gross carrying value</b>		
As at 01 April, 2022	38,781.83	38,781.83
Additions	13,227.87	13,227.87
<b>As at 31 March, 2023</b>	<b>52,009.70</b>	<b>52,009.70</b>
Additions	7,331.78	7,331.78
<b>As at 31 March, 2024</b>	<b>59,341.48</b>	<b>59,341.48</b>
<b>Accumulated Depreciation</b>		
As at 01 April, 2022	18,153.00	18,153.00
Depreciation expense	6,516.60	6,516.60
<b>As at 31 March, 2023</b>	<b>24,669.60</b>	<b>24,669.60</b>
Depreciation expense	6,762.15	6,762.15
<b>As at 31 March, 2024</b>	<b>31,431.75</b>	<b>31,431.75</b>
<b>Net block</b>		
<b>As at 31 March, 2023</b>	<b>27,340.10</b>	<b>27,340.10</b>
<b>As at 31 March, 2024</b>	<b>27,909.73</b>	<b>27,909.73</b>

**13E: OTHER NON-FINANCIAL ASSETS (POLICYHOLDERS)**

Particulars	As at 31.03.2024	As at 31.03.2023
Deferred acquisition cost	26.56	36.33
Service Tax Deposits	-	0.40
<b>Total</b>	<b>26.56</b>	<b>36.73</b>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**14. TRADE PAYABLES**

Particulars	As at 31.03.2024	As at 31.03.2023
Trade payables - Other than acceptances		
- Total outstanding dues of Micro Enterprises and Small Enterprises (See note 48)	20.00	187.28
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,46,031.49	1,69,843.19
<b>Total</b>	<b>1,46,051.49</b>	<b>1,70,030.47</b>

\*Above does not include trade payables pertaining to life insurance fund and disclosed in 17B and for aging schedule kindly refer note 53

**15. NON-CONVERTIBLE SUBORDINATED DEBENTURES**

Particulars	As at 31.03.2024	As at 31.03.2023
Non-Convertible Subordinated Debentures	52,069.84	52,066.41
<b>Total</b>	<b>52,069.84</b>	<b>52,066.41</b>
Subordinated Liabilities in India	52,069.84	52,066.41
Subordinated Liabilities outside India	-	-
<b>Total</b>	<b>52,069.84</b>	<b>52,066.41</b>

During the year ended March 31, 2022, the subsidiary company has issued unsecured, subordinated, fully-paid, rated, listed, redeemable non-convertible debentures (NCDs) in the nature of 'Subordinated Debt' as per the IRDAI (Other Forms of Capital) Regulations, 2015. The said NCDs were allotted 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.

**a) Terms of Borrowings:**

Security name	7.50% Max Life Insurance 2031
Type and Nature	Unsecured, subordinated, fully paid-up, rated, listed, redeemable NCDs
Face Value (per security)	Rs. 10 Lakhs
Issue Size	Rs. 49600 Lakhs
Date of Allotment	August 2, 2021
Redemption Date/Maturity Date	August 2, 2031
Call option Date 1, 2, 3, 4, 5	August 2, 2026, August 2, 2027, August 2, 2028, August 2, 2029 and August 2, 2030 respectively
Listing	Listed on Wholesale Debt Market (WDM) segment of NSE
Credit Rating	"CRISIL AA+/Stable" by CRISIL and "[ICRA]AA+(Stable)" by ICRA
Coupon Rate	7.50% per annum
Frequency of the Interest Payment	Annual

Interest of Rs. 3723.00 Lakhs (March 31, 2023: Rs. 3730.00 Lakhs ) on the said NCDs has been charged to the statement of Profit and Loss Account.

**b) Maturity pattern from the date of issuance:**

Maturity Buckets	Amount
1 to 5 years	-
Above 5 years	Rs. 49600 Lakhs

c) The Group has written off the debenture raising expenses of Rs. Nil (March 31, 2023 - Nil) against the retained earnings.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**16. OTHER FINANCIAL LIABILITIES**

Particulars	As at 31.03.2024	As at 31.03.2023
Security deposit received	200.39	187.32
Payables on purchase of investments	2.97	4,986.74
Liability for Investments	-	200.25
Retention money	0.08	0.08
Capital creditors	34.17	-
Unclaimed/unpaid dividends (see note 4)	-	19.53
Expenses payable	2.42	-
Claims outstanding	77,954.39	80,135.00
<b>Total</b>	<b>78,194.42</b>	<b>85,528.92</b>

\*Above does not include other financial liabilities pertaining to life insurance fund and disclosed in 17C.

**17. FINANCIAL LIABILITIES OF THE LIFE INSURANCE POLICYHOLDERS' FUND**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Contract liabilities for insurance contracts</b>		
Insurance Contract	1,40,62,080.69	1,14,93,994.88
Investment Contract	91,343.32	84,570.77
	<b>1,41,53,424.01</b>	<b>1,15,78,565.65</b>
<b>Ind AS 104 Adjustments (impacting contract liabilities of life insurance)</b>		
Measurement adjustments	(95,271.31)	(94,966.20)
Grossing up reinsurance assets	2,26,979.22	2,49,975.00
	<b>1,31,707.91</b>	<b>1,55,008.80</b>
Fund for future appropriation	3,87,271.32	3,58,027.76
<b>Restricted life insurance surplus retained in Policyholders' Fund</b>		
Measurement difference of Ind AS 104 Adjustments	95,262.03	94,954.75
Fair value through profit or loss (FVTPL)	3,25,309.93	72,170.42
Fair value through other comprehensive income (FVOCI)	2,29,549.10	1,996.35
Measurement difference - Other Ind AS Adjustments	(11,728.09)	(7,882.94)
Realised Hedge Fluctuation Reserves (Policyholders)	7,935.92	4,174.60
Derivative financial instruments <b>Note 17A</b>	3,143.17	20,234.98
Trade Payables <b>Note 17B</b>	2,602.68	918.00
Lease Liability (See note 41)	31,365.11	29,855.09
Other financial liabilities <b>Note 17C</b>	1,19,301.19	85,409.11
<b>Total</b>	<b>1,54,75,144.28</b>	<b>1,23,93,432.57</b>

**17A: DERIVATIVE FINANCIAL INSTRUMENTS - LIABILITY (POLICYHOLDERS)**

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Carried at fair value through profit or loss</b>		
Forward rate agreements (See note 45)	3,143.17	20,234.98
<b>Total</b>	<b>3,143.17</b>	<b>20,234.98</b>

**17B: TRADE PAYABLES**

Particulars	As at 31.03.2024	As at 31.03.2023
Total outstanding dues of micro enterprises and small enterprises (See note 48)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,602.68	918.00
<b>Total</b>	<b>2,602.68</b>	<b>918.00</b>

For aging schedule see note 53

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**17C: OTHER FINANCIAL LIABILITIES**

Particulars	As at 31.03.2024	As at 31.03.2023
Security deposit received	2,443.33	2,274.32
Derivative margin money	30,548.06	2,709.78
Payables on purchase of investments	57,762.65	61,496.04
Unclaimed amount of policyholders	8,537.69	10,306.39
Other payables	20,009.46	8,622.58
<b>Total</b>	<b>1,19,301.19</b>	<b>85,409.11</b>

**18. PROVISIONS**

Particulars	As at 31.03.2024	As at 31.03.2023
Provision for compensated absences	4,080.05	3,229.50
Provision for gratuity (See note 38)	867.01	687.13
Provisions for contingencies (See note below)	922.15	919.41
<b>Total</b>	<b>5,869.21</b>	<b>4,836.04</b>
*Above does not include provisions pertaining to life insurance fund and disclosed in 19A.		
<b>Note:</b>		
Provision for contingencies (See note below)		
Opening balances	919.41	916.66
Add: Provisions made during the year	2.74	2.75
<b>Closing balance</b>	<b>922.15</b>	<b>919.41</b>

**Note:** The Company has created a provision for claims received in current and previous years with respect to Principal, interest and penalties under custom duty and related regulations. The Company in the process of obtaining additional information into these matters and the provision will be settled on closure of same.

**19. OTHER NON-FINANCIAL LIABILITIES**

Particulars	As at 31.03.2024	As at 31.03.2023
Statutory remittances (Contributions to PF, GST, Withholding Taxes, etc.)	14,115.31	13,825.33
Deferred Lease	99.80	117.51
Premiums received in advance	2,790.49	2,835.77
Unallocated premium	31,692.59	30,697.12
Proposal / Policyholder deposits	30,750.84	28,531.45
Accrued legal claim	2,140.54	2,544.11
<b>Total</b>	<b>81,589.57</b>	<b>78,551.29</b>

\*Above does not include other non financial liabilities pertaining to life insurance fund and disclosed in 20B.

**20. NON-FINANCIAL LIABILITIES OF LIFE INSURANCE POLICYHOLDERS' FUND**

Particulars	As at 31.03.2024	As at 31.03.2023
Other non-financial liabilities	698.91	884.67
<b>Total</b>	<b>698.91</b>	<b>884.67</b>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**20A: OTHER NON-FINANCIAL LIABILITIES (POLICYHOLDERS)**

Particulars	As at 31.03.2024	As at 31.03.2023
Statutory Dues Payable	(0.59)	(1.00)
Deferred operating fee	35.84	47.78
Deferred lease liability	663.07	837.28
Other liabilities	0.59	0.61
<b>Total</b>	<b>698.91</b>	<b>884.67</b>

**21. EQUITY SHARE CAPITAL**

Particulars	As at 31.03.2024	As at 31.03.2023
Equity share capital	6,902.30	6,902.30
	<b>6,902.30</b>	<b>6,902.30</b>
<b>Authorised share capital:</b>		
350,000,000 (As at March 31, 2024 : 350,000,000) equity shares of Rs. 2 each with voting rights	7,000.00	7,000.00
<b>Issued and subscribed capital comprises:</b>		
343,625,221 (As at 31 March, 2023, 343,610,151) equity shares of Rs. 2 each fully paid up with voting rights	6,902.30	6,902.30
<b>Fully paid equity shares:</b>		
	<b>Number of shares</b>	<b>Share capital</b>
<b>Balance as at 1 April, 2022</b>	34,51,14,771	6,902.30
Less: Treasury shares held under ESOP trust (refer note v)	(15,04,620)	(30.09)
<b>Balance as at 31 March, 2023</b>	<b>34,36,10,151</b>	<b>6,872.21</b>
Less: Treasury shares held under ESOP trust (refer note v)	15,070	0.30
<b>Balance as at 31 March, 2024</b>	<b>34,36,25,221</b>	<b>6,872.51</b>

**Refer notes (i) to (v) below**

(i) The Company has only one class of equity shares having a par value of Rs. 2 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

**(ii) Details of shares held by each shareholder holding more than 5% shares:**

Name of Shareholder	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	% Holding	No. of Shares	% Holding
<b>Fully paid equity shares with voting rights:</b>				
- Mitsui Sumitomo Insurance Company Limited	7,54,58,088	21.86%	7,54,58,088	21.86%
- Max Ventures Investment Holdings Private Limited	2,20,95,923	6.40%	3,45,95,923	10.02%
- HDFC Mutual Fund-HDFC Nifty Midcap 150-Index Fund	2,37,48,773	6.88%	1,36,29,914	3.95%
- Nippon Life India Trustee Limited - A/c Nippon (Erstwhile Reliance Capital Trustee Co Limited)	2,02,23,979	5.86%	1,06,48,122	3.09%
- Mirae Asset Mutual Fund	1,69,77,429	4.92%	1,88,87,002	5.47%

**(iii) Shareholding of Promoters**

S. No. Promoter name	Shared held by promoters at the end of the year			
	% change during the year		% change during the year	
	No. of Shares	% of total shares	No. of Shares	% of total shares
- Max Ventures Investment Holdings Private Limited	2,20,95,923	6.40%	3,45,95,923	10.02%
- Analjit Singh	1,10,000	0.03%	1,10,000	0.03%
- Neelu Analjit Singh	1,00,000	0.03%	1,00,000	0.03%
- Piya Singh	1,10,333	0.03%	1,10,333	0.03%
- Tara Singh Vachani	1,00,000	0.03%	1,00,000	0.03%

**(iv) Change in shares held by promoters during the current year**

Promoters name	No of Shares	% of total shares	% Change during the year
- Max Ventures Investment Holdings Private Limited *	2,20,95,923	6.40%	(3.62%)
- Neelu Analjit Singh	1,10,000	0.03%	-
- Analjit Singh	1,00,000	0.03%	-
- Piya Singh	1,10,333	0.03%	-
- Tara Singh Vachani	1,00,000	0.03%	-

\*During the year Max ventures Investment Holdings Private Limited has sold 1,25,00,000 shares of the Company.

The Company has issued 270,904 shares (As at 31 March, 2023 : 1,272,656) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the ESOP plan wherein part consideration was received in the form of employee services.

**(v) Treasury shares**

The Company has incorporated "Max Financial Employees Welfare Trust (EWT)" on May 11, 2022. In terms of Max Financial Employees Stock Option Plan - 2022 ("ESOP Plan - 2022"), EWT is permitted to acquire equity shares of the Company from the secondary market which shall be transferred to option-holders of the Company and its subsidiary companies on exercise of options.

Name of Shareholder	As at 31.03.2024		As at 31.03.2023	
	No. of Shares	Share capital (Rs. in lakhs)	No. of Shares	% Holding
<b>Equity Shares of Rs 2 each fully paid-up held under EWT Trust</b>				
<b>Opening Balance</b>	15,04,620	30.09	-	-
Changes during the year	(15,070)	(0.30)	15,04,620	30.09
<b>Closing Balance</b>	<b>14,89,550</b>	<b>29.79</b>	<b>15,04,620</b>	<b>30.09</b>

**Movement in Treasury shares**

**22. OTHER EQUITY**

Particulars	As at 31.03.2024	As at 31.03.2023
Capital redemption reserve	2,587.84	2,587.84
Securities premium	468,045.21	468,045.21
Share options outstanding account	645.56	364.08
General Reserve	15,458.26	15,358.07
Surplus in the statement of profit and loss	(98,234.36)	(131,243.03)
FVTOCI Reserve	205.08	12.28
Debenture Redemption Reserve (DRR)	2,976.00	1,984.00
Treasury shares	(11,963.53)	(12,156.80)
<b>Total</b>	<b>379,720.06</b>	<b>344,951.65</b>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Capital redemption reserve</b>		
Opening balance	2,587.84	2,587.84
Add: addition during the year	-	-
<b>Closing Balance</b>	<b>2,587.84</b>	<b>2,587.84</b>

The Capital redemption reserves is transferred from undistributed profits i.e general reserves and profit and loss account. No dividend is distributed out of this fund. The reserve is created to protect the interest of creditors and to maintain the working capital.

<b>Securities premium</b>		
Opening balance	4,68,045.21	4,68,045.21
Premium on shares issued during the year (other than above)	-	-
<b>Closing Balance</b>	<b>4,68,045.21</b>	<b>4,68,045.21</b>

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

<b>Share options outstanding account</b>		
Opening balance	364.08	-
Recognition of share based payments	381.67	364.08
Less : Transferred to General Reserve on exercise of options	(100.19)	-
<b>Closing Balance</b>	<b>645.56</b>	<b>364.08</b>

Stock option are granted to eligible employees of Max Life Insurance Company Limited (subsidiary company) under Max Financial Employee Stock Option ("ESOP Scheme") as formulated by the Company. The scheme is administered through Max Financial Employees Welfare Trust ("The Trust"). The mode of settlement of the scheme is through equity shares of the company. The Company has recorded expense and amount will be credited to Share options outstanding account and will get transferred to General Reserve at the time of exercise / lapse.

<b>General Reserve</b>		
Opening balance	15,358.07	15,358.07
Increase/(decrease) during the year	100.19	-
<b>Closing Balance</b>	<b>15,458.26</b>	<b>15,358.07</b>

Under the erstwhile Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with applicable regulations. The purpose of these transfers was to ensure that if a dividend distribution in a given year is more than 10% of the paid-up capital of the Company for that year, then the total dividend distribution is less than the total distributable results for that year. Consequent to introduction of Companies Act 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn. However, the amount previously transferred to the general reserve can be utilised only in accordance with the specific requirements of Companies Act, 2013.

<b>Surplus in the statement of profit and loss</b>		
Opening balance	(1,31,243.03)	(1,01,066.11)
Add: Profit for the year	33,018.73	36,856.59
Add : Other comprehensive income/ (loss)	(10.06)	(5.70)
Gain / (loss) on stake change in subsidiary without loss of control (See note 60 and 61)	-	(67,027.81)
<b>Closing Balance</b>	<b>(98,234.36)</b>	<b>(1,31,243.03)</b>

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings include re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss.

<b>FVTOCI Reserve</b>		
Opening balance	12.28	641.97
Other comprehensive income	192.80	(629.69)
<b>Closing Balance</b>	<b>205.08</b>	<b>12.28</b>

The Group has elected to recognise changes in the fair value of certain instruments in equity securities and debt instruments in other comprehensive income. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are de- recognised.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31.03.2024	As at 31.03.2023
<b>Debenture Redemption Reserve (DRR)</b>		
Opening balance	1,984.00	992.00
Add: Reserve created during the year	992.00	992.00
<b>Closing Balance</b>	<b>2,976.00</b>	<b>1,984.00</b>
Debenture Redemption Reserve is used for purpose of redemption of debentures.		
<b>Treasury shares</b>		
Opening balance	(12,156.80)	-
Impact of ESOP trust consolidation	193.27	(12,156.80)
<b>Closing Balance</b>	<b>(11,963.53)</b>	<b>(12,156.80)</b>
The Group purchases shares from the open market under ESOP trust. The Company treats ESOP trust as its extension and shares held by ESOP trust are treated as treasury shares		
<b>Total</b>	<b>3,79,720.06</b>	<b>3,44,951.65</b>

## 23 INCOME TAXES

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>A Income tax recognised in Statement of Profit and Loss</b>		
<b>(a) Current tax</b>		
In respect of current year	4,945.55	8,078.82
	<b>4,945.55</b>	<b>8,078.82</b>
<b>(b) Deferred tax</b>		
In respect of current year	703.14	(499.51)
	<b>703.14</b>	<b>(499.51)</b>
<b>(c) Adjustment of tax relating to earlier periods</b>		
Relating to earlier periods	(3,425.48)	(48.00)
	(3,425.48)	(48.00)
<b>Total tax expense charged in Statement of Profit and Loss</b>	<b>2,223.21</b>	<b>7,531.31</b>
<b>(d) The income tax expense for the year can be reconciled to the accounting profit as follows:</b>		
Profit before tax	41,483.75	52,720.71
Applicable tax rate to the Company	25.17%	25.17%
Income tax expense calculated	10,440.63	13,268.75
Income taxed at different rates	(4,538.02)	(5,334.19)
Effect of income that is exempt from taxation:		
Dividend Income on Equity Shares	(93.91)	(68.71)
Pension profits [u/s 10(23AAB)]	(252.76)	(179.76)
Deduction u/s 80JJAA	(218.40)	(144.04)
Tax free Security	(34.94)	(34.97)
Effect of expenses that are not deductible in determining taxable profit	258.74	(0.06)
Disallowance of CSR	145.60	72.29
80G Donation	(58.24)	-
Adjustments recognised for current tax of prior periods of subsidiary company	(3,425.48)	(48.00)
<b>Total tax expense charged in Statement of Profit and Loss</b>	<b>2,223.21</b>	<b>7,531.31</b>
<b>B Income tax recognised in other comprehensive income</b>		
<b>Deferred tax</b>		
Arising on income and expenses recognised in other comprehensive income		
Fair value of Financial Instruments measured at FVOCI	(34.38)	136.75



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**C Movement in deferred tax**

**(i) Movement of deferred tax for the year ended 31 March, 2024**

Particulars	Year ended 31.03.2024				
	Opening balance as on 1 April, 2023	Recognised in profit or loss	Recognised in OCI	Recognised in Other equity	Closing balance as on 31 March, 2024
Tax effect of items constituting deferred tax liabilities					
Fair value of Financial Instruments measured at FVTPL	(130.93)	(773.54)	-	-	(904.47)
Reversal of Standard impairment of ESOP Loan	(6.68)		-	-	(6.68)
Fair value change related to financial assets/liabilities	-	(1.12)	-	-	(1.12)
	<b>(137.61)</b>	<b>(774.66)</b>	<b>-</b>	<b>-</b>	<b>(912.27)</b>
Tax effect of items constituting deferred tax assets					
Property, plant and equipment and other intangible assets	74.96	3.65	-	-	78.61
Fair value change related to employee Phantom Stock Plan expenses	82.58	46.43	-	-	129.01
Provision for employee benefit expenses	0.00	(3.39)	3.39	-	0.00
ECL on Investments measured at amortised cost	96.38	(62.38)	-	-	33.99
Depreciation on investment property	87.91	22.24	-	-	110.14
Fair value of Financial Instruments measured at FVOCI	60.83		(38.41)	-	22.42
Fair value change related to financial assets/liabilities	-	12.54	-	-	12.54
Other items	119.23	52.43	-	-	171.66
	<b>521.88</b>	<b>71.52</b>	<b>(35.02)</b>	<b>-</b>	<b>558.38</b>
<b>Deferred tax assets/ (liabilities)</b>	<b>384.27</b>	<b>(703.14)</b>	<b>(35.02)</b>	<b>-</b>	<b>(353.89)</b>
<b>Disclosed as:</b>					
Deferred tax assets	385.68	-	-	-	233.81
Deferred tax liabilities	1.41	-	-	-	587.70
<b>Deferred tax assets / (liabilities) (net)</b>	<b>384.27</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(353.89)</b>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

(ii) Movement of deferred tax for the year ended 31 March, 2023

Particulars	Year ended 31.03.2023				
	Opening balance as on 1 April, 2022	Recognised in profit or loss	Recognised in OCI	Recognised in Other equity	Closing balance as on 31 March, 2023
<u>Tax effect of items constituting deferred tax liabilities</u>					
Fair value of Financial Instruments measured at FVTPL	(740.85)	609.92	-	-	(130.93)
Fair value of Financial Instruments measured at FVOCI	(74.00)	-	74.00	-	-
Reversal of Standard impairment of ESOP Loan	-	(6.68)	-	-	(6.68)
	<b>(814.85)</b>	<b>603.24</b>	<b>74.00</b>	<b>-</b>	<b>(137.61)</b>
<u>Tax effect of items constituting deferred tax assets</u>					
Property, plant and equipment and other intangible assets	83.43	(8.47)	-	-	74.96
Fair value change related to employee Phantom Stock Plan expenses	53.49	29.08	-	-	82.58
Provision for employee benefit expenses	0.00	(1.92)	1.92	-	0.00
Accrued expenses deductible on deduction of TDS	-	-	-	-	-
ECL on Investments measured at amortised cost	105.50	(9.12)	-	-	96.38
Investment property	65.86	22.04	-	-	87.91
Fair value of Financial Instruments measured at FVOCI	-	-	60.83	-	60.83
Other items	254.60	(135.38)	-	-	119.23
	<b>562.88</b>	<b>(103.76)</b>	<b>62.75</b>	<b>-</b>	<b>521.88</b>
<b>Deferred tax assets/ (liabilities)</b>	<b>(251.97)</b>	<b>499.48</b>	<b>136.75</b>	<b>-</b>	<b>384.27</b>
<b>Disclosed as:</b>					
Deferred tax assets	129.85				385.68
Deferred tax liabilities	381.82				1.41
<b>Deferred tax assets / (liabilities) (net)</b>	<b>(251.97)</b>				<b>384.27</b>

24. INTEREST INCOME

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>Interest income from investments</b>		
On financial assets measured at fair value through OCI	12,468.13	7,617.85
On financial assets measured at Amortised cost	24,561.34	22,594.00
<b>Total</b>	<b>37,029.47</b>	<b>30,211.85</b>

\*Above does not include interest income pertaining to life insurance fund and disclosed in Note 28B.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**25. DIVIDEND INCOME**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Dividend income on financial assets measured at fair value through profit or loss	319.49	310.39
<b>Total</b>	<b>319.49</b>	<b>310.39</b>

**26. RENTAL INCOME**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Other rental income	674.77	645.88
<b>Total</b>	<b>674.77</b>	<b>645.88</b>

**27. NET GAIN ON FAIR VALUE CHANGES**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio	7,151.12	1,098.56
(ii) On mutual funds	203.87	2,835.22
(B) Realised gain on debt instruments classified at fair value through OCI	0.96	-
<b>Total Net gain on fair value changes (C)</b>	<b>7,355.95</b>	<b>3,933.78</b>
Fair Value changes:		
Realised	1,979.66	3,358.88
Unrealised	5,376.29	574.90
<b>Total Net gain on fair value changes (D) to tally with (C)</b>	<b>7,355.95</b>	<b>3,933.78</b>

\*Above does not include Net gain/ (loss) on fair value changes pertaining to life insurance fund and disclosed in Note 28C.

**28. POLICYHOLDERS' INCOME FROM LIFE INSURANCE OPERATIONS**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Premium Income (net) <b>Note 28A</b>	28,93,426.66	24,81,538.44
Interest Income <b>Note 28B</b>	6,82,654.16	5,77,246.58
Dividend Income	50,654.06	36,519.41
Rental Income	6,916.71	6,490.69
Net gain/ (loss) on fair value changes – Policyholders' Investments <b>Note 28C</b>	12,31,043.33	3,691.93
Other income <b>Note 28D</b>	329.92	2,862.94
<b>Sub-Total</b>	<b>48,65,024.84</b>	<b>31,08,349.99</b>
Less/(Add): Restricted life insurance surplus/ (deficit) retained in Policyholders' Fund	2,53,342.21	3,287.83
<b>Total</b>	<b>46,11,682.63</b>	<b>31,05,062.16</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**28A: PREMIUM INCOME (POLICYHOLDERS)**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Life Insurance Premium:		
First year premium	6,85,892.61	5,85,690.27
Renewal premium	18,48,595.96	16,35,862.39
Single premium	4,13,366.49	3,05,994.22
<b>Gross Premium</b>	<b>29,47,855.06</b>	<b>25,27,546.88</b>
Less: Reinsurance ceded	54,428.40	46,008.44
<b>Premium Income (net)</b>	<b>28,93,426.66</b>	<b>24,81,538.44</b>

**28B: INTEREST INCOME (POLICYHOLDERS)**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Interest income on:		
Financial assets measured at fair value through OCI	5,65,681.49	4,74,677.51
Securities classified at FVTPL	1,09,298.24	97,204.35
Interest income on loans against policies	7,674.43	5,364.72
<b>Total</b>	<b>6,82,654.16</b>	<b>5,77,246.58</b>

**28C: NET GAIN / (LOSS) ON FAIR VALUE CHANGES (POLICYHOLDERS)**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
(A) Net gain / (loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
(i) On trading portfolio - Investments	12,31,610.75	(2,059.74)
(ii) Realised gain/(loss) on debt instruments classified at FVTOCI	635.99	6,710.01
(B) Net gain / (loss) on derivative instruments at FVTPL	(1,203.41)	(958.33)
<b>Total Net gain/(loss) on fair value changes</b>	<b>12,31,043.33</b>	<b>3,691.94</b>
Fair Value changes:		
Realised	5,06,098.38	2,208.00
Unrealised	7,24,944.95	1,483.94
<b>Total Net gain/(loss) on fair value changes</b>	<b>12,31,043.33</b>	<b>3,691.94</b>

**28D: OTHER INCOME**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Net profit / (loss) on sale/disposal of property, plant and equipment	96.17	30.57
Policy reinstatement charges	435.45	530.63
Fee Income from Asset Management	(132.23)	266.33
Contribution from Shareholders' account towards excess Expenses of Management	-	1,042.60
Others	(69.47)	992.81
<b>Total</b>	<b>329.92</b>	<b>2,862.94</b>

**29. SALE OF SERVICE**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Sale of service	560.33	433.83
<b>Total</b>	<b>560.33</b>	<b>433.83</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**30. OTHER INCOME**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Interest on:		
Security deposits	1.24	2.56
Fixed Deposits	1.46	45.44
Non Convertible Debentures	276.49	9.34
State Development Loans	92.30	0.95
Other Approved Securities	10.70	-
Liabilities / provisions no longer required written back	2.84	37.01
Interest on income tax refund	1.15	-
Profit on sale of current investments	-	176.21
Fair value gain/(loss) on mutual funds	36.40	47.75
Rental income	1.80	1.80
Scrap Sale	2.49	3.61
Miscellaneous income	3,782.49	1,513.83
<b>Total</b>	<b>4,209.36</b>	<b>1,838.50</b>

\*Above does not include other income pertaining to life insurance fund and disclosed in Note 28D.

**31. FINANCE COSTS**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Interest on Loan	629.86	-
Interest on lease liability (See note 41)	10.59	10.89
Interest on NCDs and Bank charges (See note 15)	3,723.44	3,734.78
<b>Total</b>	<b>4,363.89</b>	<b>3,745.67</b>

\*Above does not include finance costs pertaining to life insurance fund and disclosed in Note 34F.

**32. EMPLOYEE BENEFIT EXPENSES**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Salaries, wages and bonus	3,458.46	2,858.82
Contribution to provident and other funds (See note 38)	33.63	51.80
Staff welfare expenses	12.46	11.89
<b>Total</b>	<b>3,504.55</b>	<b>2,922.51</b>

\*Above does not include employee benefit expenses pertaining to life insurance fund and disclosed in Note 34B.

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 the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. 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. Based on a preliminary assessment, the entity believes the impact of the change will not be significant.

**33. DEPRECIATION, AMORTISATION AND IMPAIRMENT**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Depreciation of investment property (See note 10A)	152.74	195.10
Depreciation of property, plant and equipment (See note 10B)	54.05	106.09
Amortisation of intangible assets (See note 10C)	7.60	-
Depreciation of right-of-use assets (See note 11A)	104.52	161.48
<b>Total</b>	<b>318.91</b>	<b>462.67</b>

\*Above does not include depreciation, amortisation and impairment expense pertaining to life insurance fund.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**34. POLICYHOLDERS' EXPENSE FROM LIFE INSURANCE OPERATIONS**

Particulars		Year ended 31.03.2024	Year ended 31.03.2023
Commission to selling agents	<b>Note 34A</b>	2,39,849.16	1,61,411.98
Employee benefits expenses	<b>Note 34B</b>	2,35,806.98	2,04,238.66
Operating expenses	<b>Note 34C</b>	1,78,283.43	1,61,015.32
Benefits payout (net)	<b>Note 34D</b>	13,32,121.00	9,82,750.68
Net change in insurance contract liabilities	<b>Note 34E</b>	25,96,963.00	14,94,502.62
Net change in investment contract liabilities		1,634.00	8,496.30
Finance cost	<b>Note 34F</b>	4,949.00	1,977.90
Impairment loss (including reversals)	<b>Note 34G</b>	(214.00)	(26.38)
Depreciation and amortisation expense		20,972.00	17,314.61
Bad debts written off		223.00	271.50
Allowance for doubtful debts		(203.00)	616.04
<b>Sub-Total</b>		<b>46,10,384.57</b>	<b>30,32,569.23</b>
Less: Restricted life insurance surplus/ (deficit) retained in Policyholders' Fund		2,873.00	(46,305.84)
<b>Total</b>		<b>46,07,511.57</b>	<b>30,78,875.07</b>

**34A: COMMISSION TO SELLING AGENTS (POLICYHOLDERS)**

Particulars		Year ended 31.03.2024	Year ended 31.03.2023
Commission on Life Insurance			
First year premium		1,89,442.48	1,10,019.04
Renewal premium		44,015.84	40,887.21
Single premium		6,390.84	4,986.15
Rewards		-	5,519.58
<b>Total</b>		<b>2,39,849.16</b>	<b>1,61,411.98</b>

**34B: EMPLOYEE BENEFITS EXPENSES (POLICYHOLDERS)**

Particulars		Year ended 31.03.2024	Year ended 31.03.2023
Salary, wages and bonus		2,22,331.22	1,93,782.50
Contribution to provident and other funds (See note 38)		7,742.97	6,307.00
Expense on employee stock option scheme (See note 40)		1,513.86	966.77
Staff welfare expenses		4,218.93	3,182.39
<b>Total</b>		<b>2,35,806.98</b>	<b>2,04,238.66</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**34C: OTHER OPERATING EXPENSES (POLICYHOLDERS)**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Travel and conveyance	11,719.63	9,414.04
Training expenses (including Agent advisors)	12,797.75	9,718.50
Rent	1,011.86	1,091.22
Repairs and maintenance	4,211.98	4,233.71
Printing and stationery	1,091.85	930.95
Communication expenses	6,757.51	5,884.81
Legal and professional charges	10,490.76	5,064.67
Medical expenses	6,546.66	5,743.06
Auditor's fees for:		
Audit of the financial statements	101.53	97.52
Taxation matters	2.50	3.00
Other services	67.60	64.60
Reimbursement of expenses	12.02	12.44
Advertisement and publicity	45,721.77	51,872.68
Rates & taxes (excluding taxes on income)	894.80	1,418.62
GST/ Service tax on linked charges	23,798.88	21,599.06
Information technology maintenance expenses	12,476.25	10,227.41
Board Meeting expenses	115.07	95.74
Recruitment (including Agent advisors)	2,788.56	5,700.00
Energy cost	1,734.88	2,119.63
Insurance	2,377.13	1,718.67
Policy issuance and servicing costs	24,325.40	16,359.94
Net foreign exchange loss	17.96	13.48
Acquisition cost for financial instruments classified/designated at FVTPL	8,635.75	6,997.24
Other miscellaneous expenses	585.33	634.33
<b>Total</b>	<b>1,78,283.43</b>	<b>1,61,015.32</b>

**34D: BENEFITS PAYOUT (POLICYHOLDERS)**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>Life insurance contracts benefits</b>		
Death	1,61,519.00	1,47,191.62
Maturity	1,31,711.00	1,02,513.90
Annuities/Pensions	15,205.00	7,729.51
Other benefits		
Surrenders	5,90,707.00	5,92,488.43
Withdrawals	1,11,367.00	-
Discontinuance payments	1,59,029.00	-
Health	1,414.00	1,474.64
Periodical Benefit	53,465.00	31,713.05
Bonus to Policyholders	1,43,227.00	1,26,530.21
Interest on Unclaimed amount of Policyholders	746.00	-
Other benefits	6,491.00	6,161.05
Interim Bonus paid	354.00	271.35
<b>Total benefits paid</b>	<b>13,75,235.00</b>	<b>10,16,073.76</b>
Less: Reinsurance Recovery	43,114.00	33,323.08
<b>Total</b>	<b>13,32,121.00</b>	<b>9,82,750.68</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**34E: NET CHANGE IN INSURANCE CONTRACT LIABILITIES (POLICYHOLDERS)**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Net change in insurance contract liabilities	25,67,719.01	14,59,124.70
Transfer to/from Fund for future appropriations-participating policies	29,244.00	35,377.92
<b>Total</b>	<b>25,96,963.01</b>	<b>14,94,502.62</b>

**34F: FINANCE COST (POLICYHOLDERS)**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Bank charges	2,532.00	2,590.69
Interest on Lease Liability (See note 41)	2,248.00	(769.36)
Others	169.00	156.57
<b>Total</b>	<b>4,949.00</b>	<b>1,977.90</b>

**34G: IMPAIRMENT LOSS (INCLUDING REVERSALS) (POLICYHOLDERS)**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Impairment on financial assets	(214.00)	(26.38)
<b>Total</b>	<b>(214.00)</b>	<b>(26.38)</b>

**35. OTHER EXPENSES**

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Recruitment and training expenses	49.94	0.07
Rent including lease rentals (See note 38)	159.67	109.08
Insurance	23.90	27.65
Rates and taxes	3.91	11.88
Provision for contingencies (See note 17)	2.74	2.75
Repairs and maintenance - others	189.53	248.55
Power and fuel	23.22	26.32
Printing and stationery	5.82	6.15
Travelling and conveyance	152.98	150.00
Communication	16.80	12.65
Director's sitting fees	90.80	90.96
Directors Remuneration	120.00	350.00
Business promotion	2.07	4.57
Advertisement and publicity	33.02	35.69
Net loss on sale / disposal of property, plant and equipment	2.94	0.05
Charity and donation	0.11	0.11
Legal and professional charges	1,612.34	1,543.39
Auditor's fees and expenses (See note below)	36.30	34.67
Consultancy charges	58.89	25.57
Expenditure on corporate social responsibility (See note 48)	1,000.00	1,000.00
Miscellaneous expenses	1,556.14	757.45
<b>Total</b>	<b>5,141.12</b>	<b>4,437.56</b>

\*Above does not include other expenses pertaining to life insurance fund as disclosed in Note 34C.



## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Payment to auditors (excluding Goods and Services Tax):

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>To statutory auditor:</b>	-	-
For audit (Including limited reviews)	32.90	32.40
Reimbursement of expenses	3.40	2.27
<b>Total</b>	<b>36.30</b>	<b>34.67</b>

## 36. COMMITMENTS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Particulars	As at 31.03.2024	As at 31.03.2023
<b>A. Capital commitments</b>		
(i) Estimated amount of contracts remaining to be executed on property, plant and equipments not provided for (net of advances)	1,216.96	533.25
(ii) Commitments made and outstanding for investments and loans <sup>^</sup>	32,617.45	24,279.00
(iii) Partly paid-up bonds	24,006.78	37,005.75
<b>B. Contingent liabilities</b>		
<b>Claims against the Company not acknowledged as debts (See note a)</b>		
(i) Disputed demands raised by custom authorities	496.29	485.12
(ii) Disputed demand raised by tax authorities (See note b)*	352.58	352.58
(iii) Claims, other than against policies, not acknowledged as debts	3,023.93	2,746.08
(iv) Others (See note c)	14,139.54	13,403.98

<sup>^</sup> Includes commitment towards Alternative Investment Funds (AIF)**C. Other commitments**

- (i) Axis Entities have a right to acquire upto 0.98% of the equity share capital of Max Life held by the Company, in one or more tranches (See note 61).

**D. Contingent assets**

Certain insurance claims are in the final stage of recovery for which amounts are not quantifiable and hence not reported.

**Notes :**

- a. Based on the discussions with the solicitor/ expert opinions taken/status of the case, the management believes that the Group has strong chances of success in above mentioned cases and hence no provision there against is considered necessary at this point in time as the likelihood of liability devolving on the Group is less than probable.
- b. The Company has not made any provision for the demands in service tax cases as the Company believes that they have a good case based on existing judicial pronouncements. Advance paid against the same is Rs. 12.00 lakhs (As at 31 March, 2023 : Rs. 12.00 lakhs).

\*Amount inclusive of interest of Nil as at March 31, 2024 (Nil as at March 31, 2023). Pursuant to the AO appeal effect order, the subsidiary company reduced the contingent liability to Nil pertaining to donation deduction u/s 80G in current financial year.

- c. Represents potential liability in respect of repudiated Policyholders' claims Rs. 14,103.18 lakhs (March 31, 2023 Rs. 13,378.98 lakhs) and bank guarantee placed with bank for UIDAI and Ministry of Economy, Dubai of Rs. 36.36 lakhs (March 31, 2023 Rs. 25.00 lakhs).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**37. SEGMENT INFORMATION**

**37.1 a) Identification of Segments:**

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.

**b) Operating Segments:**

- (i) Business Investments and others\* – This segment is represented by treasury investments.
- (ii) Life Insurance – This segment relates to the life insurance business carried out pan India, by the Company’s subsidiary.

\* Others include Max Life Pension Fund Management Limited and Max Financial Employees Welfare Trust

c) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as “Unallocated”.

d) Segment assets and segment liabilities represent assets and liabilities in respective segments.

**37.2. INFORMATION ABOUT BUSINESS SEGMENTS**

Particulars	Business Investments and others		Life Insurance		Total	
	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023
<b>a. Segment Revenue</b>						
Revenue from external customers	1,054.87	4,183.76	46,56,567.77	31,37,083.42	<b>46,57,622.64</b>	<b>31,41,267.18</b>
Inter segment revenue	2,037.29	2,284.59	4.12	7.43	<b>2,041.41</b>	<b>2,292.02</b>
<b>Total Segment Revenue</b>	<b>3,092.16</b>	<b>6,468.35</b>	<b>46,56,571.89</b>	<b>31,37,090.85</b>	<b>46,59,664.05</b>	<b>31,43,559.20</b>
Less: Inter segment elimination (net)	2,037.29	2,284.59	4.12	7.43	<b>2,041.41</b>	<b>2,292.02</b>
<b>Revenue from operations</b>	<b>1,054.87</b>	<b>4,183.76</b>	<b>46,56,567.77</b>	<b>31,37,083.42</b>	<b>46,57,622.64</b>	<b>31,41,267.18</b>
<b>b. Segments Results before taxes</b>	<b>(1,087.49)</b>	<b>1,627.21</b>	<b>42,725.80</b>	<b>53,000.60</b>	<b>41,638.31</b>	<b>54,627.81</b>
Less: Inter segment elimination (net)					-	(0.10)
<b>Sub-total</b>					<b>41,638.31</b>	<b>54,627.91</b>
Unallocated Expenses (Net of unallocated income)					(154.56)	(1,907.20)
<b>Profit before tax</b>					<b>41,483.75</b>	<b>52,720.71</b>
Provision for taxation (includes provision for Deferred Tax)					2,223.21	7,531.31
<b>Profit after tax</b>					<b>39,260.54</b>	<b>45,189.40</b>
Less: Profit transferred to non-controlling interest					5,249.83	7,340.80
<b>Profit after tax (after adjusting non-controlling interest)</b>					<b>34,010.71</b>	<b>37,848.60</b>

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

## c. Segment Assets

Particulars	As at 31.03.2024	As at 31.03.2023
Business Investments and others	6,95,426.57	6,96,740.18
Life Insurance business	1,62,29,858.89	1,31,34,168.98
<b>Total</b>	<b>1,69,25,285.46</b>	<b>1,38,30,909.16</b>
Inter segment elimination (net)	(6,47,938.60)	(6,48,531.05)
<b>Total Assets</b>	<b>1,62,77,346.86</b>	<b>1,31,82,378.11</b>

## d. Segment Liabilities

Particulars	As at 31.03.2024	As at 31.03.2023
Business Investments and others	14,803.59	14,890.44
Life Insurance business	1,58,39,797.11	1,27,85,240.41
<b>Total</b>	<b>1,58,54,600.70</b>	<b>1,28,00,130.85</b>
Inter segment elimination (net)	(14,207.88)	(14,602.40)
<b>Total Liabilities</b>	<b>1,58,40,392.82</b>	<b>1,27,85,528.45</b>

## e. Other segment information

	Depreciation and amortisation		Additions to Property, Plant & Equipment, Intangible assets, Right of use assets and Investment property		Impairment loss on property, plant and equipment	
	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023
Business Investments and others	166.16	310.35	99.65	225.78	-	-
Life Insurance business	21,124.74	17,466.93	27,292.34	31,449.76	-	-
<b>Total</b>	<b>21,290.90</b>	<b>17,777.28</b>	<b>27,391.99</b>	<b>31,675.54</b>	<b>-</b>	<b>-</b>

## 37.3 GEOGRAPHICAL INFORMATION

Location	Revenue from external customers		Non-current assets*	
	Year ended 31.03.2024	Year ended 31.03.2023	Year ended 31.03.2024	Year ended 31.03.2023
India	46,57,622.64	31,41,267.18	2,06,773.64	1,99,776.08
Outside India	-	-	-	-
<b>Total</b>	<b>46,57,622.64</b>	<b>31,41,267.18</b>	<b>2,06,773.64</b>	<b>1,99,776.08</b>

\* Non-current assets exclude financial assets.

### 38. EMPLOYEE BENEFIT PLANS

#### (i) Defined contribution plans

The Group makes employees state insurance scheme, national pension scheme and Labour Welfare Fund contributions which is defined contribution plan for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits.

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Employers contribution to Employee State Insurance	863.30	488.75
Employers contribution to National Pension Scheme	204.01	100.44
Employers contribution to Labour Welfare Fund	27.24	32.87

#### (ii) Defined benefit plans

##### A. Gratuity:

The Company and its subsidiary makes annual contribution to their Employees Gratuity Fund maintained with Life Insurance Corporation of India and Max Life Insurance Company Limited respectively, a funded defined benefit plan for eligible employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of service.

Defined benefit obligation is accounted for on the basis of independent actuarial valuations carried out as per 'Projected Unit Credit Method' at the balance sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The gratuity plan typically exposes the Group to actuarial risks such as: interest rate risk, longevity risk and salary risk.

##### Interest risk

A decrease in the bond interest rate will increase the plan liability.

##### Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability

##### Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

(a) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Discount rate(s)	7.00%-7.20%	7.20%-7.40%
Expected return on plan assets*	6.75%-8.50%	6.75%-11.00%
Salary escalation**	7.50%-10.00%	7.50%-10.00%
Retirement age	58-65 years	58-65 years
Mortality tables	IALM (2012 - 14)	IALM (2012 - 14)
Attrition (%) - All ages	3%-52%	8%-52%
Estimate of amount of contribution in the immediate next year (Rs. in lakhs)	1,276.79	970.94

\* Expected rate of return on plan assets is on the basis of average long term rate of return expected on investments of the fund during the estimated term of obligation.

\*\* Future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(b) Amounts recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Service cost		
- Current service cost	798.60	729.64
- Reduction due to difference identified in the plan assets at the beginning of the period	-	(0.02)
Interest cost	478.01	414.74
Expected return on plan assets	(462.71)	(386.35)
<b>Components of defined benefit costs recognised in profit or loss</b>	<b>813.90</b>	<b>758.01</b>
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amounts included in net interest expense)	(440.23)	157.27
- Actuarial (gains) / losses arising from changes in demographic assumptions	15.38	2.97
- Actuarial (gains) / losses arising from changes in financial assumptions	91.21	(183.74)
- Actuarial (gains) / losses arising from experience adjustments	1,080.70	636.80
<b>Components of defined benefit costs recognised in other comprehensive income / (loss)</b>	<b>747.07</b>	<b>613.30</b>
<b>Total</b>	<b>1,560.97</b>	<b>1,371.31</b>

The current service cost and the net interest expense for the year are included in the employee benefits expense line item in the Statement of Profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(c) The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows as computed by the Actuarial:

Particulars	As at 31.03.2024	As at 31.03.2023
Present value of funded defined benefit obligation	(8,397.16)	(6,948.15)
Fair value of plan assets	7,530.15	6,261.02
<b>Net liability arising from defined benefit obligation</b>	<b>(867.01)</b>	<b>(687.13)</b>

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

(Rs. in lakhs)

(d) Movements in the present value of the defined benefit obligation are as follows:

Particulars	As at 31.03.2024	As at 31.03.2023
Opening defined benefit obligation	6,948.15	6,476.12
Current service cost	798.60	729.64
Interest cost	478.01	414.74
Liability transferred	-	(4.92)
Remeasurement (gains)/losses:		
- Actuarial gains and losses arising from changes in demographic assumptions	15.38	2.97
- Actuarial gains and losses arising from changes in financial assumptions	91.21	(183.74)
- Actuarial gains and losses arising from experience adjustments	1,080.70	636.80
Benefit paid - Paid by the Enterprise	(2.09)	(133.12)
Benefit paid - Payment made out of the Fund	(1,012.80)	(990.34)
<b>Closing defined benefit obligation</b>	<b>8,397.16</b>	<b>6,948.15</b>

(e) Movements in the present value of the plan assets as computed by Actuarial are as follows:

Particulars	As at 31.03.2024	As at 31.03.2023
Plan assets at beginning of the year	6,261.02	5,607.26
Reduction due to difference identified in the plan assets at the beginning of the period	-	0.02
Expected return on plan assets	462.71	386.35
Actual group contributions	1,379.00	1,415.00
Actuarial gain / (loss) on plan assets	440.23	(157.27)
Benefits paid	(1,012.80)	(990.34)
<b>Plan assets at the end of the year</b>	<b>7,530.15</b>	<b>6,261.02</b>

(f) Disaggregation of plan assets into classes:

Particulars	As at 31.03.2024	As at 31.03.2023
The plan assets are invested in insurer managed funds	100.00%	100.00%
<b>Asset allocation:</b>		
Government securities	49.00%	47.00%
Corporate Debt	27.00%	33.00%
Equity shares	19.00%	16.00%
Net Current Assets including Money Market Items	0.00%	0.00%
Reverse/ Repo	5.00%	4.00%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>

(g) The following are expected defined benefit payments in future years:

Particulars	As at 31.03.2024	As at 31.03.2023
Within the next 12 months (next annual reporting period)	1,197.40	967.84
Between 2 and 5 years	5,244.55	4,492.57
Beyond 5 years	7,213.57	6,111.01
<b>Total expected payments</b>	<b>13,655.52</b>	<b>11,571.42</b>

The weighted average duration of the defined benefit plan as at 31 March 2024 is 6.08 years. (31 March 2023: 6.07 years)

(h) Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Assumptions	31.03.2024					
	Discount rate		Future salary increases		Withdrawal rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(16,048.00)	16,960.00	16,918.00	(16,084.00)	8,220.00	(8,273.00)

Assumptions	31.03.2023					
	Discount rate		Future salary increases		Withdrawal rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease	1% increase	1% decrease
Impact on defined benefit obligation	(13,298.00)	14,022.00	13,988.00	(13,328.00)	6,810.00	(6,841.00)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

- (i) The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

**B. Provident Fund:**

The Group is contributing in a provident fund trust “Max Financial Services Limited Employees Provident Trust Fund” which is a common fund for Max Group companies. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan.

The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by employer. The actuary has accordingly provided a valuation for “Max Financial Services Limited Employees Provident Trust Fund” which is a common fund for the Group.

The details of fund and plan asset position as at March 31, 2023 as per the actuarial valuation of active members are as follows:

Particulars	31.03.2024	31.03.2023
Plan assets at year end at fair value	71,096.38	59,982.53
Present value of defined benefit obligation at year end	70,953.62	59,666.99
Surplus as per actuarial certificate	142.76	315.54
Shortfall recognised in balance sheet	-	-
Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:		
Discount rate	7.20%	7.20%
Yield on existing funds	8.25%	8.15%
Expected guaranteed interest rate	8.25%	8.15%
Contribution to Defined benefit Plan, recognised as expense for the year is as under:		
Employer’s Contribution towards Provident Fund (PF)	6,673.64	5,370.40

### C. Compensated absences

Liability for compensated absence for employees is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuation are:

Actuarial Assumptions:	31.03.2024	31.03.2023
Discount Rate (per annum)*	7.20%	7.20 - 7.40%
Rate of increase in compensation levels**	7.50 - 10.00%	7.50 - 10.00%

\* The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

\*\* Future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

### D. Long term incentive plans

Liability for the scheme is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuation are:

Actuarial Assumptions:	31.03.2024	31.03.2023
Discount Rate (per annum)	7.20%	7.40%

## 39. CALCULATION OF EARNINGS PER SHARE (EPS) - BASIC AND DILUTED

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>Basic EPS</b>		
Profit attributable to shareholders of the Company (Rs. in lakhs)	34,010.71	37,848.60
Weighted average number of equity shares outstanding during the year (Numbers)	34,51,14,771	34,51,14,771
Face value per equity share (Rs.)	2.00	2.00
Basic Earnings Per Share (Rs.)	9.85	10.97
<b>Diluted EPS</b>		
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Numbers)	34,51,14,771	34,51,14,771
<b>Diluted Earnings Per Share (Rs.)</b>	<b>9.85</b>	<b>10.97</b>

**Note:** Treasury shares are not considered for calculation of EPS since they are anti-dilutive in nature

## 40. EMPLOYEE STOCK OPTION PLAN

### 40.1 MAX LIFE INSURANCE COMPANY LIMITED

#### (a) Employee Phantom Stock Plan (Cash settled):

During the year ended March 31, 2016, the Company issued Employee Phantom Stock Plan ("EPSP") w.e.f. March 01, 2016. Further, during the year ended March 31, 2019, the Company issued EPSP w.e.f. May 24, 2018. Further during the year ended March 31, 2020, the Company issued EPSP w.e.f. May 22, 2019. Further during the year ended March 31, 2021, the Company issued EPSP w.e.f. May 20, 2020. Further during the year ended March 31, 2022, the Company issued EPSP w.e.f. May 07, 2021 and November 09, 2021. Further during the year ended March 31, 2024, the Company issued EPSP w.e.f. May 12, 2023. Accordingly, Rs. 723.00 Lakhs (March 31, 2023: Rs. (1227.00) Lakhs) has been accrued as expense in the Statement of Profit and Loss due to fair value change. The details of the scheme are as under:



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(Rs. in lakhs)

Type of arrangement Date of Grant	EPSP 2018 24.05.2018	EPSP 2018 22.05.2019	EPSP 2018 20.05.2020	EPSP 2018 07.05.2021	EPSP 2018 09.11.2021	EPSP 2018 12.05.2023
No. of options outstanding	1,94,000	7,82,000	29,16,000	28,34,000	1,03,000	89,91,000
Exercise Price (Rs.)	96.4	83.9	82.4	168.33	192.85	122.27
Graded Vesting Period						
1st Year	25%	25%	25%	25%	25%	25%
2nd Year	25%	25%	25%	25%	25%	25%
3rd Year	25%	25%	25%	25%	25%	25%
4th Year	25%	25%	25%	25%	25%	25%
Mode of Settlement	Cash	Cash	Cash	Cash	Cash	Cash

Options were priced at fair value on the date of grant by using Black Scholes model, by an approved valuer engaged by the Company. The key assumptions used to estimate fair value of options are as follows:

Particulars	31.03.2024	31.03.2023
Risk- free interest rate	7.14% - 7.18%	7.30%-7.32%
Expected volatility (standard dev - annual)	2.1 – 5.0 Years	3.0-4.0 Years
Expected life (years)	30.19% - 40.96%	43.33%-34.80%
Expected dividend yield	0.41%	1.34%

The following table illustrates the number and movements in, share options during the year:

Particulars	As at 31.03.2024		As at 31.03.2023	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the beginning of the year	1,55,85,000	98.62	2,41,25,000	98.62
Granted during the Year	95,72,000	122.27	-	-
Forfeited during the year	(13,28,000)	98.62	(16,97,000)	98.62
Exercised during the year	(80,10,000)	98.62	(68,43,000)	98.62
Outstanding at the end of the year	1,58,19,000	112.93	1,55,85,000	98.62
Exercisable at the end of the year	-	-	-	-

The range of exercise prices for options outstanding at the end of the year was Rs 82.40 to Rs 192.85 (31 March 2023: Rs 82.40 to Rs 192.85)

**(b) Employee Stock Option Plan (Equity settled):**

During the year ended March 31, 2023, the Company issued Employee Stock Option Plan ("ESOP") w.e.f. June 22, 2022. Further during the year ended March 31, 2024, the Company issued Employee Stock Option Plan ("ESOP") w.e.f. May 12, 2023. The stock based compensation expense determined under fair value based method and charged to the statement of profit and loss is Rs. 1,753 Lakhs (31 March 2023: Rs. 2,390 Lakhs).

The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

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(Rs. in lakhs)

The details of the scheme are as under:

Type of arrangement Date of Grant	ESOP 2022 22.06.2022	ESOP 2023 12.05.2023
No. of options outstanding	11,32,077	2,00,973
Exercise Price (Rs.)	808.97	632.99
Graded Vesting Period		
1st Year	25%	25%
2nd Year	25%	25%
3rd Year	25%	25%
4th Year	25%	25%
Mode of Settlement	Equity Settled	Equity Settled

The key assumptions used to estimate fair value of options are as follows:

Particulars	ESOP 2022			
	22.06.2022		22.05.2023	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023
Risk- free interest rate	7.24% - 7.45%	7.24% - 7.45%	7.07% - 7.16%	7.07% - 7.16%
Expected volatility (standard dev - annual)	4.0 - 6.8 Years	4.0 - 6.8 Years	4.0 - 6.0 Years	4.0 - 6.0 Years
Expected life (years)	41.47% - 45.43%	41.47% - 45.43%	40.2% - 43.32%	40.2% - 43.32%
Expected dividend yield	-	-	-	-

A summary of status of Company's Employee Stock Option Plan 2022 is given below:

Particulars	As at 31.03.2024		As at 31.03.2023	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the beginning of the year	14,42,411	808.97	-	-
Granted during the Year	2,00,973	632.99	15,04,623	808.97
Forfeited during the year	(2,14,024)	808.97	(62,212)	808.97
Exercised during the year	(96,310)	808.97	-	-
Outstanding at the end of the year	13,33,050	782.44	14,42,411	808.97

The weighted average remaining contractual life of options outstanding at the end of the year is as follows:

Exercise price range	2023-24		2022-23	
	Option outstanding	Weighted average remaining contractual life (in years)	Option outstanding	Weighted average remaining contractual life (in years)
808.97	11,32,077	3.62	14,42,411	4.56
632.99	2,00,973	4.53	-	-
<b>Total</b>	<b>13,33,050</b>	<b>3.71</b>	<b>14,42,411</b>	<b>4.56</b>

## 41. LEASES

### 41.1 GROUP AS A LESSEE:

The Group has entered into short term lease arrangements for certain facilities and office premises. Rent expense of Rs. 911.67 lakhs (March 31, 2023: Rs. 646.08 lakhs) in respect of obligation under cancellable operating leases has been charged to the Statement of Profit and Loss for these short term lease arrangements.

- a. Following are the changes in the carrying value of right of use assets for the year ended ended March 31, 2024:

Particulars	Building	
	Year ended 31.03.2024	Year ended 31.03.2023
Opening balance (at the beginning of the year)	27,534.81	20,777.37
Addition	7,426.19	13,435.53
Depreciation expense	(6,866.67)	(6,678.08)
<b>Closing balance at year end</b>	<b>28,094.33</b>	<b>27,534.81</b>

- b. The following is the break-up of current and non-current lease liabilities as of March 31, 2024:

Particulars	As at 31.03.2024	As at 31.03.2023
Current Liabilities	5,803.67	5,399.89
Non-Current Liabilities	25,748.84	24,651.87
<b>Total</b>	<b>31,552.51</b>	<b>30,051.76</b>

- c. The following is the movement in lease liabilities during the year ended March 31, 2024:

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Opening balance (at the beginning of the year)	30,051.76	24,744.47
Addition	7,424.60	13,433.53
Finance cost accrued during the period	2,258.49	(758.47)
Payment of Lease liabilities	(8,182.35)	(7,367.76)
<b>Closing balance at year end</b>	<b>31,552.51</b>	<b>30,051.76</b>

- d. The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2024 on an undiscounted basis:

Particulars	As at 31.03.2024	As at 31.03.2023
Less than one year	7,851.14	7,301.76
One to five years	22,176.54	20,620.08
More than five years	9,174.91	9,354.82
<b>Total</b>	<b>39,202.59</b>	<b>37,276.67</b>

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### 41.2 GROUP AS A LESSOR

The Group has entered into an agreement of leasing out the investment property and property, plant and equipment. This is in the nature of operating lease and lease arrangement contains provisions for renewal. The total lease income in respect of such lease recognised in Statement of Profit and Loss for the year ended March 31, 2024 is Rs. 7,592 lakhs (March 31, 2023, Rs. 7,080 lakhs).

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(Rs. in lakhs)

Contractual maturities of lease receivable on an undiscounted basis:

Particulars	As at 31.03.2024	As at 31.03.2023
Less than one year	7,926.42	7,401.38
Between one to two year	8,031.74	7,926.42
Between two to three year	7,352.00	8,031.74
Between three to Four year	5,027.85	7,352.00
Between Four to five year	3,888.11	5,027.85
More than five year	4,538.92	8,427.02
<b>Total</b>	<b>36,765.03</b>	<b>44,166.40</b>

**42. RELATED PARTY DISCLOSURES**

**A. List of related parties**

Names of related parties with whom transactions have taken place during the year	
<b>Entity/person having significant influence/control upon the Company</b>	<ul style="list-style-type: none"> <li>- Max Ventures Investment Holdings Private Limited</li> <li>- Mitsui Sumitomo Insurance Company Limited, Japan</li> <li>- Mr. Analjit Singh</li> </ul>
<b>Key Management Personnel (KMP)</b>	<ul style="list-style-type: none"> <li>- Mr. Analjit Singh (Chairman &amp; Non-executive Director)</li> <li>- Mr. Aman Mehta (Director)</li> <li>- Mr. D.K. Mittal (Director)</li> <li>- Mr. K Narasimha Murthy (Director)</li> <li>- Mr. Sahil Vachani (Director)</li> <li>- Mr. Jai Arya (Director)</li> <li>- Mr. Charles Richard Vernon Stagg (Director)</li> <li>- Mr. Hideaki Nomura (Director)</li> <li>- Mr. Mitsuru Yasuda (Director)</li> <li>- Mrs. Naina Lal Kidwai (Director) (till May 31, 2022)</li> <li>- Mrs. Gauri Padmanabhan (Director) (w.e.f. August 25, 2022)</li> <li>- Mr. Mohit Talwar (Managing Director till January 14, 2023)</li> <li>- Mr. V Krishnan (Manager designated as Principal Officer) (w.e.f. July 01, 2023)</li> <li>- Mr. Amrit Singh (Chief Financial Officer) (w.e.f. May 01, 2022)</li> <li>- Mr. Piyush Soni (Company Secretary) (w.e.f. July 01, 2023)</li> <li>- Mr. V Krishnan (Company Secretary) (till June 30, 2023)</li> <li>- Mr. Mandeep Mehta (Chief Financial Officer) (w.e.f. October 01, 2021 till April 30, 2022)</li> </ul>
<b>Enterprises owned or significantly influenced by key management personnel or their relatives</b>	<ul style="list-style-type: none"> <li>- Max India Foundation</li> <li>- Max India Limited</li> <li>- Max Estates Limited (Erstwhile Max Ventures and Industries Limited)</li> <li>- Antara Purukul Senior Living Limited</li> <li>- Antara Senior Living Limited</li> <li>- Antara Assisted Care Services Limited</li> <li>- Max Asset Services Limited</li> <li>- Max UK Limited</li> <li>- Delhi Guest House Private Limited</li> <li>- New Delhi House Services Limited</li> <li>- Forum I Aviation Private Limited (till January 25, 2024)</li> <li>- SKA Diagnostic Private Limited</li> <li>- Max Ventures Private Limited</li> </ul>
<b>Employee benefit funds</b>	<ul style="list-style-type: none"> <li>- Max Financial Services Limited Employees' Provident Fund Trust</li> </ul>

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant period.**

Related party transactions	Parties	Year ended 31.03.2024	Year ended 31.03.2023	
<b>Sale of services</b>	Max India Limited	500.00	432.20	
<b>Rental Income</b>	Max Estates Limited	529.73	447.79	
	Max India Limited	1.80	1.80	
<b>Premium Income</b>	Max Estates Limited	12.05	9.76	
	Max Ventures Investment Holdings Private Limited	1.93	3.33	
	Max India Limited	3.93	6.02	
	Antara Senior Living Limited	3.69	4.63	
	Antara Purukul Senior Living Limited	2.13	3.21	
	Antara Assisted Care Services Limited	6.93	4.56	
	New Delhi House Services Limited	4.20	4.40	
	Toppan Speciality Films Private Limited	-	29.05	
	<b>Repairs and maintenance - others</b>	New Delhi House Services Limited	145.07	146.04
		Max Asset Services Limited	23.46	32.76
<b>Miscellaneous expenses</b>	New Delhi House Services Limited	148.95	115.17	
<b>Miscellaneous income</b>	Max India Limited	21.81	-	
<b>Employer contribution to provident fund</b>	Max Financial Services Limited Employees' Provident Fund Trust	6,673.63	5,370.38	
<b>Legal and professional expenses</b>	Max India Limited	649.75	700.00	
	Max UK Limited	96.00	96.00	
<b>Rent including lease rentals</b>	Delhi Guest House Private Limited	113.68	114.06	
	Max India Limited	74.14	87.48	
	SKA Diagnostic Private Limited	75.00	76.78	
<b>CSR and voluntary donations</b>	Max India Foundation	800.00	800.00	
<b>Travelling and conveyance</b>	Forum I Aviation Private Limited	-	35.40	
<b>Reimbursement of expenses (Received from)</b>	Max Estates Limited	16.76	25.96	
	Max India Limited	16.76	25.96	
<b>Reimbursement of expenses (paid to)</b>	Max India Limited	4.77	11.89	
<b>Transfer (out) of Property, Plant and Equipment</b>	Max India Limited	32.39	0.62	
	Max Estates Limited	-	0.97	
<b>Security Deposit paid</b>	Delhi Guest House Private Limited	-	4.92	
	Max Assets Services Limited	-	5.03	
<b>Security deposit refunded</b>	SKA Diagnostic Private Limited	-	6.25	
	Max India Limited	13.34	-	
	Max Assets Services Limited	3.55	-	
<b>Security Deposit received</b>	Max Ventures and Industries Limited	-	76.41	
<b>Purchase of investment in subsidiary from</b>	Mitsui Sumitomo Insurance Company Limited	-	84,266.09	

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(Rs. in lakhs)

**C. Transactions with the key management personnel of the Company during the year:**

Name of key management personnel	Nature of transaction	Year ended 31.03.2024	Year ended 31.03.2023
Mr. Analjit Singh	Remuneration	-	350.00
Mr. Mohit Talwar	Remuneration	-	697.48
Mr. V Krishnan (Note 1)	Remuneration	181.86	139.15
Mr. Amrit Pal Singh (Note 2)	Remuneration	18.00	16.50
Mr. Mandeep Mehta	Remuneration	-	1.50
Mr. Piyush Soni (Note 3)	Remuneration	23.73	-
Mr. Analjit Singh	Director sitting fee	6.00	6.00
Mr. K Narasimha Murthy		10.00	9.00
Mr. Aman Mehta		15.00	16.00
Mr. D.K. Mittal		14.00	15.00
Mrs. Naina Lal Kidwai		-	8.00
Mr. Sahil Vachani		6.00	7.00
Mr. Jai Arya		11.00	11.00
Mrs. Gauri Padmanabhan		5.00	2.00
Mr. Charles Richard Vernon Stagg		8.00	4.00
Mr. Analjit Singh		-	100.00
Mr. Aman Mehta		-	20.00
Mr. D.K. Mittal	Commission	-	20.00
Mrs. Naina Lal Kidwai		-	20.00
Mr. Jai Arya		-	20.00
Mr. K Narasimha Murthy		-	20.00
Mr. Charles Richard Vernon Stagg		-	20.00

Notes:

- 1) Mr. V. Krishnan's was appointed as Manager (designated as Principal Officer) under Companies Act, 2013 w.e.f. July 1, 2023
- 2) Mr. Amrit Pal Singh was appointed as the CFO w.e.f. May 1, 2022.
- 3) Mr. Piyush Soni was appointed as Company Secretary w.e.f. July 1, 2023.

**D The following table provides the year end balances with related parties for the relevant year:**

Nature of transaction	Name of related party	As at 31.03.2024	As at 31.03.2023
<b>Trade Receivables</b>	Max Estates Limited	1.72	31.77
<b>Other Receivables</b>	Max Estates Limited	-	64.35
<b>Security Deposit Receivable</b>	Delhi Guest House Private Limited	27.74	27.74
	SKA Diagnostic Private Limited	18.75	18.75
	Max Assets Services Limited	1.48	5.03
	Max India Limited	8.08	21.87
<b>Advances paid</b>	Max India Foundation	200.00	203.00
<b>Security Deposit Payable</b>	Max Estates Limited	244.30	244.30
<b>Trade Payables</b>	New Delhi House Services Limited	40.80	24.22
	Max India Limited	1.49	26.03
	Max UK Limited	46.01	96.00
	Max Asset Services Limited	8.48	7.01
	Delhi Guest House Private Limited	12.59	-
	Max Estates Limited	1.24	2.32
	Forum I Aviation Private Limited	-	18.84
	Antara Assisted Care Services Limited	0.98	0.43
	Antara Senior Living Limited	2.04	1.29
	Antara Purukul Senior Living Limited	0.11	0.11
	Max Ventures Private Limited	0.47	0.83

### E. Terms and conditions of transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

## 43. FINANCIAL INSTRUMENTS

### (a) Capital Management

Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Group thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value

Management assesses the capital requirements of the Group in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Group have met all of these requirements throughout the financial year. In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written.

The Group has a Board approved Risk Appetite Statement which defines the minimum level of capital that the Group needs to maintain in over and above the regulatory requirement in order to ensure that the core objective of being able to honor the contractual obligations made to its policyholders is met even in adverse scenario. Further, the Group's Dividend Policy restricts the pay-out of any dividend to the shareholders in case there is an expected breach of the defined risk appetite level due to the dividend distribution.

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Insurance Business is satisfactorily managing affairs for their benefits. At the same time, regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the Group are subject to regulatory requirements within the jurisdictions in which it operates.

### (b) Risk management framework

The Group is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The objective of the Group's risk management framework is to manage the above risks and aims to :

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- provide management with reliable information on the Group's risk exposure
- improve financial returns

The Group's overall approach to managing risk is based on the 'three lines of defence' model with a clear segregation

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of roles and responsibilities for all the lines. Business Managers are part of the first line of defence and have the responsibility to evaluate their risk environment and put in place appropriate controls to mitigate such risks or avoid them. The Risk Management Function, along with the Compliance Function, form the second line of defence. The Internal Audit Function guided by the Audit Committee is the third line of defence and provides an independent assurance to the Board. The Statutory Auditors and regulatory oversight aided by the Appointed Actuary in his/her fiduciary capacity is also construed to provide an additional third line of defence. The Group has in place a robust and comprehensive internal control mechanism across all the major processes as a part of the internal financial controls (IFC Framework) adequacy of which is tested periodically by the internal audit function and an opinion on its efficacy is provided by the statutory auditors.

Risk management activities are supervised on behalf of the Board by the Risk, Ethics and Asset Liability Management Committee, whose responsibilities includes those in conformity with those prescribed by the IRDAI for insurance businesses. The Group for its life insurance business has Management Risk Committee chaired by the Managing Director & Chief Executive Officer and supported by the Operational Risk Group, and Asset Liability Management Group, Information Security & Business Continuity Management Committee and the Outsourcing Committee, assist the Board Committee in overseeing the risk management activities across the life insurance business.

The Group in respect of its life insurance arm, Max Life Insurance has an independent Risk Management Function in place, headed by a Chief Risk Officer. The function is responsible for the supervision of all risk management activities, including developing the risk appetite, maintaining an aggregated risk view, monitoring the residual risks to ensure that they remain within tolerance levels. It also reviews the appropriateness and adequacy of the risk management strategy and develops recommendations to the REALM Committee as necessary. The Risk Management function also ensures that, through various management submissions, the Board is adequately informed on key emerging risk related issues and if necessary, provides supplementary advice to the Board through REALM Committee.

The Group has in place a Risk Management Policy which lays down the broad contours of management system in place which is used to identify, assess, monitor, review, control, report risks and controls within the Group. The Group has a risk management system It also requires the Group that enables it to identify risks, set tolerance levels, develop and implement strategies, policies, procedures and controls to manage different types of risks within the overall risk appetite., A Risk Appetite Statement is in place which identifies and addresses each material risk to which the Group is exposed and establishes the degree of risk that the Group is willing to accept in pursuit of its strategic objectives, business plans giving consideration to the interests of its stakeholders and the interest of the policyholders. These material risks have been categorised in the areas of Strategic, Insurance, Investment and Operational Risks. The Risk Management Strategy has been developed which defines the Group's approach to manage the identified material risks through acceptance, avoidance, transfer and/or mitigation. The degree and intensity of the management action is guided by comparing the risk appetite with the potential impact of the risk, likelihood of its occurrence and the costs of implementing the controls. This is supplemented by various policies and procedures in respective operating areas which help to identify, mitigate and monitor risks. A risk dashboard is also in place which rates each material risk on the basis of identified key risk indicators and respective tolerance levels. This is also monitored both at the management level as well as the Board Committee level. The framework and its effectiveness are subject to both internal and external assurance reviews

As an insurer, the Group is in the business of accepting certain kinds of risks. It is Group's policy that risks should be managed systematically with the process of risk management being well defined and with its various elements properly integrated. The risk management framework also ensures that the level of risk accepted is within the Group's risk capacity and the level of capital adequacy is in excess of the level prescribed in the regulations. The degree and intensity of the management action is guided by comparing the risk appetite with the potential impact of the risk, likelihood of its occurrence and the costs of implementing the controls.

The entire implementation is monitored both at the management level as well as the Board Committee levels and the overall risk management framework and its effectiveness are subject to both internal and external assurance reviews.

The key risk exposures are summarised below along with a brief approach adopted by the Group to manage those risks.



**(i) Market risk**

The Group is exposed to financial and capital market risks – the risk that the fair value or future cash flows of an insurance contract or financial instrument will fluctuate because of changes or volatility in market prices. Market risk includes equity market and interest rate risks.

Market risk governance practices are in place, including independent monitoring and review and reporting to senior management and the Investment Committee and also to Risk Committee. Investment Policy and Investment SOP along with Risk Appetite Statement define the level of market risks that the Group can take. Investment team along with Enterprise Risk team provide the required monitoring and reporting to respective management and Board level committees.

**Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the company to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

Further, any interest rate movements have an inherent implication on the valuation of liabilities also due to the long term nature of product designs and liability profiles.

The Duration gap between assets and liabilities is actively managed to ensure minimum sensitivity to interest rates.

The Group also uses interest rate derivatives to lock-in a fixed rate, and to protect the guaranteed liability portfolio from falling interest rates by reducing the reinvestment risk on new money.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are linearly related. The method used for deriving sensitivity information and significant variables have not changed from the previous period.

Market indices	Change in Interest rate	As at 31 March, 2024		As at 31 March, 2023	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Interest rate	25 Basis Point down	-	1,233.00	-	1,237.29
	50 Basis Point down	-	2,467.00	-	2,474.58
	25 Basis Point Up	-	(1,233.00)	-	(1,237.29)
	50 Basis Point Up	-	(2,467.00)	-	(2,474.58)

**Equity Risk**

Equity market risk is the potential for financial loss arising from declines or volatility in equity market prices. The Group is exposed to equity risk from a number of sources. The level of equity risk to be taken in defined in Investment Policy, fund mandates of Unit Linked funds, Risk Appetite Statement and Strategic Asset Allocation of various key funds

The analysis below is performed for reasonably possible movements in market indices with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets and liabilities whose fair values are recorded in the statement of profit or loss) and equity (that reflects changes in fair value of financial assets). The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

Market Indices	Change in Variables	Year ended 31.03.2024		Year ended 31.03.2023	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Equity price	10% rise	4,839.00	-	2,948.73	-
	10% fall	(4,839.00)	-	(2,948.73)	-

### Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. Given the nature and scale of operations, the Group accepts high level of intrinsic risk in the operating model but has low tolerance for outages, specifically either at point of sale or in the subsequent delivery of policyholder obligations. The Group therefore makes resources available to control operational risks to acceptable levels however, recognizes that it is not possible to eliminate some of the risks inherent in its activities given the economic benefits of eliminating the same are far lower than the costs incurred in the process. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group’s strategic planning and budgeting process.

The Group is exposed to various areas of operational risks, including mis-selling, technology, business continuance, information security, fraud, business processes, outsourcing, and compliance. These are mitigated by regular review and monitoring of operating, reporting processes and procedures. A range of policies and procedures to manage these risks is in place including Business Continuity Management, Information Security, Outsourcing, Anti-Fraud, Anti-Corruption and Anti-Bribery, and Anti-Money Laundering Policies together with a Business Code of Conduct. The first line of defence, through the departmental self-assessments, identifies all potential areas of inherent as well as residual risks along with the mitigation actions. The progress against these is monitored closely by respective functions, and is followed up by monitoring and reviews by the second and the third lines of defence.

Information Security risks are governed through Information Security Management System aligned and certified against ISO 27001 which is a global benchmark. The Group has a comprehensive Information Security policy designed to comply with ISO 27001, privacy and / or data protection legislations as specified in Indian Information Technology Act 2008 and Notification dated 11th April 2011 on protection of sensitive personal information and it provides direction to Information Security staff, Management and employees regarding their roles and responsibilities towards Information Security.

The subsidiary of the Company, Max Life Insurance also has a Business Continuity Management System which is aligned and certified against ISO 22301 which is also a global benchmark and has a planned response in the event of any contingency ensuring recovery of critical activities at agreed levels within agreed timeframe thereby complying with various regulatory requirements and minimising the potential business impact to Max Life. Additionally, it creates a system that fosters continuous improvement of business continuity management.

The Operational Risk Group and the Management Risk Committee monitor the residual risks in these areas and ensure that control actions are triggered at appropriate times to ensure that these risk exposures remain within the Group’s risk appetite. Process risks in respect of technical areas like Product Development, Information Security are monitored through specialised forums like a Product Steering Committee (which governs a defined process and structure for development of products), Information Security & Business Continuity Management Committee (for all Information Security, Cyber Security and continuity related matters).

### (ii) Liquidity risk

An asset-liability mismatch occurs when the financial terms of a Group’s assets and liabilities do not correspond. These can lead to non-payment/deferment of claims, expenses, etc. Through effective cash management and capital planning, the Group ensures that, it is properly funded and maintain adequate liquidity to meet obligations. Elaborate mechanism is in place to match duration as well as cash flows through detailed ALM methodology which takes into account re-investment risk as well. Based on the Group’s historical cash flows and liquidity management processes, the cash flows from the operating activities will continue to provide sufficient liquidity for us to satisfy debt service

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obligations and to pay other expenses as they fall due.

Liquidity risk is the possibility that the Group will not be able to fund all cash outflow commitments as they fall due. Group's primary funding obligations arise in connection with the payment of policyholder benefits Sources of available cash flow include general fund premiums and investment related inflows (such as maturities, principal repayments, investment income and proceeds of asset sales).

A governance structure, in form of the ALM Committee, and well defined Asset Liability Management Policy require periodic monitoring of the Asset-Liability position of the Group. The ALM policy defines the constraints on Investment policy arising from the nature of the liabilities that invested assets support. The Investment Policy defines in appropriate detail the specific limits on various forms of investment arising from Regulations, the ALM Policy and MLI's specific investment related risk appetites on various forms of investment. Periodic monitoring of interest rate sensitivity, dollar duration gap, cash flow matching, liquidity ratios, is undertaken at Management as well as Board Level Committees.

The Group remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Group's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group.

**Maturity profile of financial liabilities:**

**As at 31 March, 2024**

Particulars	Within 12 months	After 12 months	Total
Trade Payables	1,48,557.60	96.57	1,48,654.17
Derivative financial instruments	3,143.17	-	3,143.17
Lease Liability	5,803.67	25,748.84	31,552.51
Contract liabilities of life insurance	5,41,647.25	1,47,77,084.88	1,53,18,732.13
Other Financial Liabilities	1,97,323.86	52,241.59	2,49,565.45
<b>Total</b>	<b>8,96,475.54</b>	<b>1,48,55,171.89</b>	<b>1,57,51,647.43</b>

**As at 31 March, 2023**

Particulars	Within 12 months	After 12 months	Total
Trade Payables	1,70,911.39	37.08	1,70,948.47
Derivative financial instruments	20,234.98	-	20,234.98
Lease Liability	5,400.22	24,651.54	30,051.76
Contract liabilities of life insurance	4,22,974.54	1,18,34,040.85	1,22,57,015.39
Other Financial Liabilities	1,70,945.09	52,059.34	2,23,004
<b>Total</b>	<b>7,90,466.22</b>	<b>1,19,10,788.82</b>	<b>1,27,01,255.04</b>

**(iii) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss to other party by failing to discharge an obligation. The Group is subject to credit risk in connection with issuers of securities held in our investment portfolio, reinsurers. Losses may occur when a counterparty fails to make timely payments pursuant to the terms of the underlying contractual arrangement or when the counterparty's credit rating or risk profile otherwise deteriorates. Credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of the securities in our investment portfolio would cause the Company to record realised or unrealised losses and increase our provisions for asset default, adversely impacting earnings .

Governance structure, in form of the Investment Committee, and well defined investment policies & processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. Stringent investment norms and approval structure ensures healthy portfolio while delivering the expected performance. All Regulatory and Internal norms are built in the Investment system, which monitors the Investment limits and exposure norms on real-time basis.

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The policyholders' funds are invested in accordance with regulatory norms, Investment policy, fund objective of unit linked funds and risk profile of the respective fund in fixed income segment, majority of the investment is made in the government securities having sovereign rating & debt securities issued by reputed corporate having appropriate rating as per Investment Committee.

Credit risk is significantly mitigated in Controlled Fund (CF) through investments in government securities (at least 50% as per regulations) and is managed by investing in bonds with minimum rating of AA+ in accordance with Investment Policy. Currently, over 90% of the rated debt portfolio (including government securities) of the Controlled Fund is invested in AAA rated bonds. However, the risk of downgrade in rating always remains which exposes Max Life to credit risk to a certain extent.

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet and is mitigated by maintaining cash collaterals against the fair values beyond a threshold.

**Maturity profile of financial assets:**

**As at 31 March, 2024**

Particulars	Within 12 months	After 12 months	Total
Cash and Cash Equivalents	1,69,762.78	-	1,69,762.78
Bank balances other than cash and cash equivalents	4,761.50	20.00	4,781.50
Derivative financial instruments	40,952.32	-	40,952.32
Trade Receivables	91,525.65	-	91,525.65
<b>Investments</b>			
at amortised Cost	7,121.36	3,62,983.33	3,70,104.69
at Fair Value through Other Comprehensive Income	5,07,613.85	83,94,881.15	89,02,495.00
at Fair Value through Profit and Loss	7,16,518.66	53,11,913.64	60,28,432.30
Other Financial Assets	1,06,539.17	3,29,129.12	4,35,668.28
<b>Total</b>	<b>16,44,795.29</b>	<b>1,43,98,927.23</b>	<b>1,60,43,722.52</b>

**As at 31 March, 2023**

Particulars	Within 12 months	After 12 months	Total
Cash and Cash Equivalents	1,22,590.18	-	1,22,590.18
Bank balances other than cash and cash equivalents	5,716.25	31.20	5,747.45
Derivative financial instruments	7,617.26	-	7,617.26
Trade Receivables	68,123.82	-	68,123.82
<b>Investments</b>			
at amortised Cost	1,790.11	3,32,205.81	3,33,995.92
at Fair Value through Other Comprehensive Income	4,61,081.74	68,28,278.60	72,89,360.34
at Fair Value through Profit and Loss	6,46,246.60	40,65,943.19	47,12,189.78
Other Financial Assets	80,657.05	3,40,938.03	4,21,595.08
<b>Total</b>	<b>13,93,823.00</b>	<b>1,15,67,396.83</b>	<b>1,29,61,219.84</b>

**(iv) Excessive risk concentration**

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly. Selective hedging is used within the Company to manage risk concentrations at both the relationship and industry levels.

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**Industry Analysis**

**As on March 31, 2024**

Particulars	Manufacturing	Government	Financial and Insurance	Infrastructure	IT Services	Others	Total
<b>FVOCI financial assets</b>							
Debt	19,447.48	-	3,53,460.47	15,82,022.84	-	14,900.21	1,969,831.00
Government Securities	-	67,96,178.00	-	-	-	-	6,796,178.00
Others*	-	1,07,016.45	29,469.55	-	-	-	136,486.00
<b>Financial Assets At FVTPL</b>							
Alternate Investment Funds	-	-	34,004.00	-	-	-	34,004.00
Debt Securities	1,594.89	-	2,48,013.23	1,87,017.04	-	7,602.84	444,228.00
Equity Instruments	14,17,453.08	-	13,09,351.45	4,83,785.15	5,06,207.07	529,732.61	4,246,529.37
Fixed Deposits							-
Government Securities	-	9,15,508.00	-	-	-	-	915,508.00
Infrastructure Investment Trusts	-	-	-	28,699.00	-	4,600.00	33,299.00
Mutual funds	-	-	-	-	-	96,418.76	96,418.76
Exchange traded Fund (MF)	-	-	-	-	-	144,586.53	144,586.53
Real Estate Investment Trust	-	-	-	-	-	30,733.63	30,733.63
Others	-	83,125.00	-	-	-	-	83,125.00
<b>Financial Assets At Amortised Cost</b>							
Debt	-	-	1,18,605.50	89,770.98	-	3,523.45	211,899.92
Government Securities	-	1,58,012.52	-	-	-	-	158,012.52
Others	-	192.23	-	-	-	-	192.23
<b>Total Credit Risk Exposure</b>	<b>14,38,495.45</b>	<b>80,60,032.22</b>	<b>20,92,904.20</b>	<b>23,71,295.01</b>	<b>5,06,207.07</b>	<b>832,098.04</b>	<b>15,301,031.99</b>

**As on March 31, 2023**

Particulars	Manufacturing	Government	Financial and Insurance	Infrastructure	IT Services	Others	Total
<b>FVOCI Financial Assets</b>							
Debt	29,085.02	-	1,74,945.65	12,96,954.55	-	14,835.11	15,15,820.33
Government Securities	-	55,03,338.71	-	-	-	-	55,03,338.71
Others	-	2,65,109.31	5,092.00	-	-	-	2,70,201.31
<b>Financial Assets At FVTPL</b>							
Alternate Investment Funds	-	-	23,090.05	-	-	-	23,090.05
Debt Securities	4,258.89	-	2,16,948.50	3,38,642.98	-	8,003.51	5,67,853.89
Equity Instruments	12,99,924.61	-	8,01,091.13	5,18,196.60	3,26,078.58	78,600.48	30,23,891.39
Fixed Deposits							-
Government Securities	-	8,52,132.89	-	-	-	-	8,52,132.89
Infrastructure Investment Trusts	-	-	-	11,352.25	-	4,600.00	15,952.25
Mutual funds	-	-	-	-	-	47,826.23	47,826.23
Exchange traded Fund (MF)	-	-	-	-	-	72,246.03	72,246.03
Real Estate Investment Trust	-	-	-	-	-	19,056.60	19,056.60
Others	-	90,140.46	-	-	-	-	90,140.46
<b>Financial Assets At Amortised Cost</b>							
Debt	-	-	1,13,109.55	84,518.88	-	2,620.83	2,00,249.27
Government Securities	-	1,33,746.65	-	-	-	-	1,33,746.65
Others	-	-	-	-	-	-	-
<b>Total Credit Risk Exposure</b>	<b>13,33,268.52</b>	<b>68,44,468.02</b>	<b>13,34,276.88</b>	<b>22,49,665.26</b>	<b>3,26,078.58</b>	<b>2,47,788.78</b>	<b>1,23,35,546.05</b>

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**Credit Exposure by Credit Rating**

**As on March 31, 2024**

Particulars	AAA or Equivalent	AA+ or AA'	AA- or lower upto A+ or Equivalent	A or lower than A or Equivalent	SOVEREIGN	UNR	Total
<b>FVOCI Financial Assets</b>							
Debt	18,66,451.11	32,267.90	4,140.77	49,142.35		17,828.88	19,69,831.00
Government Securities					67,96,178.00		67,96,178.00
Others					1,07,016.45	29,469.55	1,36,486.00
<b>Financial Assets At FVTPL</b>							
Alternate Investment Funds					-	34,004.00	34,004.00
Debt Securities	3,04,322.45	79,258.07	9,921.13	50,726.35	-	-	4,44,228.00
Equity Instruments					-	42,46,529.37	42,46,529.37
Exchange traded Fund (MF)						1,44,586.53	1,44,586.53
Government Securities					9,15,508.00	-	9,15,508.00
Infrastructure Investment Trusts	33,299.00				-	-	33,299.00
Mutual funds					-	96,418.76	96,418.76
Real Estate Investment Trust	30,733.63				-	-	30,733.63
Others					83,125.00		83,125.00
<b>Financial Assets At Amortised Cost</b>							
Debt	97,999.45	116.30	4,503.60	1,05,756.66		3,523.92	2,11,899.92
Government Securities					1,58,012.52		1,58,012.52
Others					192.23		192.23
<b>Total Credit Risk Exposure</b>	<b>23,32,805.63</b>	<b>1,11,642.27</b>	<b>18,565.50</b>	<b>2,05,625.36</b>	<b>80,60,032.22</b>	<b>45,72,361.01</b>	<b>1,53,01,031.99</b>

**As on March 31, 2023**

Particulars	AAA or Equivalent	AA+ or AA'	AA- or lower upto A+ or Equivalent	A or lower than A or Equivalent	SOVEREIGN	UNR	Total
<b>FVOCI Financial Assets</b>							
Debt	14,36,576.38	28,052.56	4,168.18	47,023.22			15,15,820.33
Government Securities	-	-	-	-	55,03,338.71		55,03,338.71
Others	-	-	-	-	2,65,109.31	5,092.00	2,70,201.31
<b>Financial Assets At FVTPL</b>							
Alternate Investment Funds					-	23,090.05	23,090.05
Debt Securities	4,49,019.19	65,546.84	4,684.32	48,603.54	-	-	5,67,853.89
Equity Instruments					-	30,23,891.40	30,23,891.40
Exchange traded Fund (MF)						72,246.03	72,246.03
Government Securities					8,52,132.89	-	8,52,132.89
Infrastructure Investment Trusts	15,952.25				-	-	15,952.25
Mutual funds					-	47,826.23	47,826.23
Real Estate Investment Trust	19,056.60				-	-	19,056.60
Others					90,140.46		90,140.46
<b>Financial Assets At Amortised Cost</b>							
Debt	87,683.36	122.94	4,503.60	1,05,318.53		2,620.83	2,00,249.27
Government Securities					1,33,746.65		1,33,746.65
Others	-	-	-	-	-	-	-
<b>Total Credit Risk Exposure</b>	<b>20,08,287.77</b>	<b>93,722.33</b>	<b>13,356.09</b>	<b>2,00,945.30</b>	<b>68,44,468.02</b>	<b>31,74,766.54</b>	<b>1,23,35,546.05</b>

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It is the Group’s policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are derived in accordance with the Group’s rating policy. The attributable risk ratings are assessed and updated regularly.

The Group actively monitors its investments exposures to ensure that there is no significant concentration of credit risk.

**Expected credit loss**

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are measured at amortised cost and
- b) Financial assets (debt) that are measured as at FVTOCI

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

For the purpose of 12-month credit risk, Group has applied probability of default (PD) and loss given default (LGD) based on the credit rating of each securities. These PD and LGD for various ratings have been obtained from CRISIL and RBI respectively.

ECL allowance (or reversal) for the year is recognised as expense / income in the statement of profit or loss.

ECL allowance computed, basis above, during the period under consideration is as follows:

Movement of Allowances	Financial Asset
<b>As at 01 April, 2022</b>	2,080.35
Provided during the year	6.00
Amounts written off	-
Reversals of provision	(91.00)
<b>As at 31 March, 2023</b>	<b>1,995.35</b>
Provided during the year	1.00
Amounts written off	-
Reversals of provision	(706.03)
<b>As at 31 March, 2024</b>	<b>1,290.32</b>

**(iv) Insurance and Financial Risk of Insurance Business**

The principal risk the company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

**Life insurance contracts and investment contracts with and without discretionary participation feature (DPF)**

Ind AS 104 requires products offered by the Insurance Company to classify them in Insurance Contract and Investment Contract. Each contract needs to be classified in insurance contract and investment contract based on the risk they carry.

A contract would be an insurance contract and investment contracts with DPF if the benefit payable on death is higher

by:

at least 5% of the fund value at any time during the life on the contract for unit linked products, or

at least 5% of the premium at any time during the life of the contract for other than unit linked products

All other contract are categorised as Investment contracts.

Discretionary participating features contracts have the right to receive, as a supplement to guaranteed benefits, additional benefits whose amount and/or timing is contractually at the discretion of the issuer

For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.

The main risks that the Group is exposed to are as follows:

- a) Persistency risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected
- b) Mortality risk – risk of loss arising due to policyholder death experience being different than expected
- c) Morbidity risk – risk of loss arising due to policyholder health experience being different than expected
- d) Longevity risk – risk of loss arising due to the annuitant living longer than expected
- e) Investment return risk – risk of loss arising from actual returns being different than expected
- f) Expense risk – risk of loss arising from expense experience being different than expected
- g) Product and pricing risk – risk of loss due to incorrect pricing or not adhering to the product regulations or higher payouts due to ambiguity in terms and conditions
- h) Reinsurance risk – The Group enters into reinsurance agreements in order to mitigate insurance risk. However, this leads to default risk from the reinsurer at the time of claim payment or also concentration risk if all the risk is insured to one reinsurer.
- i) Concentration risk – The Group faces concentration risk by selling business to specific geography or by writing only single line business etc.
- j) Liquidity risk – The Group does not have sufficient financial resources available to meet its obligations as they fall due, or can secure them only at excessive cost.

### Control Measures

The actuarial department has set up systems to continuously monitor the Group's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposals. Some products offered by the company also have an investment guarantee. The interest rate risk is being hedged using forward rate agreement derivative. The group has also set aside adequate reserves to cover this risk.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into reinsurance agreements with multiple reinsurers. The Group has entered into a separate agreement with reinsurers to cover the catastrophic risks under individual and group business.

A further element of managing risk is to limit the exposure to individual segments of the population. In essence, being over-represented in any population segment will increase the variance of the company's experience, and so there are advantages to diversifying across all relevant population segments, at least until data is available to confirm which segments can be expected to have relatively favourable experience. At the present stage in the Group's development, the focus is on building new distribution and so geographical diversification is actively taking place.



**Insurance Contracts Liabilities**

**Change in liabilities**

Particulars	As at 31 March, 2024				As at 31 March, 2023			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
<b>Liability at the beginning of the year</b>	<b>57,33,586.89</b>	<b>34,64,518.08</b>	<b>22,95,889.41</b>	<b>1,14,93,994.38</b>	<b>51,41,136.65</b>	<b>32,84,424.30</b>	<b>15,61,344.90</b>	<b>99,86,905.85</b>
<b>Add/(Less)</b>								
Premium	6,86,532.63	5,21,597.24	7,50,770.41	19,58,900.29	7,02,688.51	5,40,496.80	4,94,822.78	17,38,008.09
Unwinding of the discount /Interest credited	3,38,841.23	1,73,340.73	1,40,650.04	6,52,831.99	3,11,608.33	1,70,668.29	1,01,565.14	5,83,841.75
Claim Liability released	(4,75,527.00)	(4,58,799.18)	(1,74,526.98)	(11,08,853.16)	(4,26,485.22)	(4,27,219.79)	(1,29,887.09)	(9,83,592.10)
New Business	29,740.68	2,38,974.64	3,76,359.12	6,45,074.45	29,941.19	1,60,691.55	3,46,681.68	5,37,314.43
Others	71,712.15	4,15,359.40	(66,938.81)	4,20,132.74	(25,302.58)	(2,64,543.07)	(78,638.01)	(3,68,483.65)
<b>Liability at the end of the year</b>	<b>63,84,886.58</b>	<b>43,54,990.91</b>	<b>33,22,203.20</b>	<b>1,40,62,080.69</b>	<b>57,33,586.89</b>	<b>34,64,518.08</b>	<b>22,95,889.41</b>	<b>1,14,93,994.38</b>

**Investment Contracts Liabilities**

Particulars	As at 31 March, 2024				As at 31 March, 2023			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
<b>At the beginning of the year</b>	-	<b>84,570.77</b>	-	<b>84,570.77</b>	-	<b>85,631.69</b>	-	<b>85,631.69</b>
<b>Additions</b>								
Premium	-	5,037.93	-	5,037.93	-	6,636.84	-	6,636.84
Interest and Bonus credited to policyholders	-	15,725.32	-	15,725.32	-	4,063.27	-	4,063.27
Withdrawals / Claims	-	13,830.49	-	13,830.49	-	11,530.81	-	11,530.81
Fee Income and Other Expenses	-	160.20	-	160.20	-	230.22	-	230.22
<b>At the end of the year</b>	-	<b>91,343.32</b>	-	<b>91,343.32</b>	-	<b>84,570.77</b>	-	<b>84,570.77</b>

**Reinsurance Assets**

Particulars	As at 31 March, 2024	As at 31 March, 2023
<b>At the beginning of the year</b>	<b>249,975.00</b>	<b>1,76,728.68</b>
<b>Add/(Less)</b>		
Impact of new business	(12,318.92)	8,319.00
Others	(10,676.87)	64,927.32
<b>At the end of the year</b>	<b>226,979.22</b>	<b>2,49,975.00</b>

**Deferred Acquisition Cost**

Particulars	Amount
<b>As at 01 April, 2022</b>	<b>48.57</b>
Expenses deferred	-
Amortisation	(12.24)
<b>As at 31 March, 2023</b>	<b>36.33</b>
Expenses deferred	-
Amortisation	(9.77)
<b>As at 31 March, 2024</b>	<b>26.56</b>

**Key assumptions**

The assumptions play vital role in calculating Insurance liabilities for the Group. Material judgement is required in determining the liabilities and in the choice of assumptions. Best estimate assumptions in use are based on historical

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(Rs. in lakhs)

and current experience, internal data, some judgement and as per guidance notes/actuarial practice standards. However for the purpose of valuation an additional level of prudence has been kept on all the best estimate assumptions known as MfAD (margin for adverse deviation). The Company keeps adequate MAD, as prescribed in APS 7 issued by the Institute of Actuaries of India (IAI), in all assumptions over best estimate value.

Best Estimate Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Assumptions can vary by type of product, duration, gender, distribution channel etc if the experience of any category is significantly different and data is credible for the respective category.

The key assumptions to which the estimation of liabilities is particularly sensitive are, as follows:

**i) Mortality and morbidity rates**

Assumptions are based on historical experience and for new products based on industry / reinsurers data. Assumptions may vary by type of product, distribution channel, gender etc.

An increase in mortality/morbidity rates will usually lead to a larger number/amount of claims (and claims could occur sooner than anticipated), which will increase the liability and reduce profits for the shareholders.

**ii) Longevity**

Assumptions are based on standard industry tables, adjusted when appropriate to reflect the company's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the liability and reduce profits for the shareholders.

**iii) Investment return and Discount Rate**

The rate of return is derived based on the investment portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current portfolio returns as well as expectations about future economic developments. An increase in investment return would lead to an increase in profits for the shareholders.

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholder.

**iv) Expenses and inflation**

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

**v) Lapse, surrender and partial withdrawal rates**

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the company's experience and usually vary by product type, policy duration and distribution channel.

An increase in lapse/surrender rates generally tends to reduce the value of insurance liability and therefore increase profits for shareholders. However, the direction of impact may vary depending upon the policy duration

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at which the lapse/surrender occurs.

The assumptions (post the margins for adverse deviations) that have the greatest effect on the statement of financial position and statement of profit or loss of the Group are listed below:

Assumptions for key categories of business impacting net liabilities	Mortality rates		Investment return		Lapse and surrender rates	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
<b>Insurance</b>						
Participating Life products - Endowment (closed to new business) - Life Gain Plus	61% to 171% of IALM 12-14	63% to 171% of IALM 12-14	5.95%	6.00%	2% to 24%	2% to 24%
Participating Life products - Whole Life (closed to new business) - Whole Life	46% to 218% of IALM 12-14	46% to 218% of IALM 12-14	5.95%	6.00%	2% to 27%	2% to 27%
Participating Life products - Endowment (open to new business) - Monthly Income Advantage Plan	57% to 140% of IALM 12-14	60% to 94% of IALM 12-14	5.95%	6.00%	2% to 16%	2% to 16%
Participating Life products - Endowment (open to new business) - Life Gain Premier	61% to 171% of IALM 12-14	63% to 171% of IALM 12-14	5.95%	6.00%	2% to 24%	2% to 24%
Participating Life products - Endowment (open to new business) - Smart Wealth Advantage Guarantee Plan-Par	64% to 140% of IALM 12-14	NA	5.95%	NA	2% to 12%	NA
Key Individual Linked product - Fast Track Super	43% to 123% of IALM 12-14	50% to 121% of IALM 12-14	6.35%	6.35%	3% to 28%	4% to 24%
Individual Non-Participating Life products - Savings - Guaranteed Monthly Income Plan	45% to 121% of IALM 12-14	46% to 123% of IALM 12-14	6.35%	6.35%	2.6% to 22%	0.8% to 11%
Individual Non-Participating Life products - Savings - Guaranteed Income Plan	45% to 121% of IALM 12-14	50% to 121% of IALM 12-14	6.35%	6.35%	2% to 22%	2% to 22%
Individual Non-Participating Life products - Savings - Smart Wealth Plan	51% to 93% of IALM 12-14	60% to 94% of IALM 12-14	6.35%	6.35%	0% to 15%	1% to 17%
Individual Non-Participating Life products - Savings - Smart Wealth Advantage guarantee plan	51% to 93% of IALM 12-14	60% to 94% of IALM 12-14	6.35%	6.35%	1% to 15%	1% to 12%
Individual Non-Participating Life products - Protection - Online Term Plan	24% to 75% of IALM 12-14	33% to 75% of IALM 12-14	6.35%	6.35%	0.8% to 11%	0.8% to 12%
Individual Non-Participating Life products - Protection - Smart Term Plan	24% to 75% of IALM 12-14	33% to 75% of IALM 12-14	6.35%	6.35%	0.8% to 11%	0.8% to 12%
Individual Non-Participating Life products - Protection - Smart Secure Plus plan	25% to 77% of IALM 12-14	33% to 77% of IALM 12-14	6.35%	6.35%	0.8% to 11%	1.6% to 13%
Group Credit Life - Credit Life Secure	41% to 114% of IALM 12-14	42% to 142% of IALM 12-14	6.35%	6.35%	2% to 3%	2% to 3%

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Portfolio assumptions by type of business impacting net liabilities	Partial Withdrawal		Renewal Per Policy Expense Assumptions		Inflation	
	31.03.2024	31.03.2023	31.03.2024	31.03.2023	31.03.2024	31.03.2023
<b>Insurance</b>						
With DPF	NA	NA	880.00	880.00	5.75% p.a.	5.70% p.a.
Linked Business	3.38%	2.50%	1210.00	1210.00	5.75% p.a.	5.70% p.a.
Others	NA	NA	715.00	715.00	5.75% p.a.	5.70% p.a.

\*Commission scales have been allowed in accordance with the Group practice.

**Sensitivity to Insurance Risk**

**Embedded Value (EV) and Value of New Business (VNB) Analysis:**

**Sensitivity analysis as at 31 March, 2024**

Sensitivity	EV		VNB	
	(Rs. Cr)	% Change	(Rs. Cr)	% Change
<b>Base Case</b>	<b>19,494.00</b>	--	<b>1,973.00</b>	--
Lapses/Surrender - 10% increase	19,644.00	1%	1,961.00	-1%
Lapses/Surrender - 10% decrease	19,324.00	-1%	1,980.00	0%
Mortality - 10% increase	18,994.00	-3%	1,844.00	-7%
Mortality - 10% decrease	19,995.00	3%	2,102.00	7%
Expenses - 10% increase	19,311.00	-1%	1,817.00	-8%
Expenses - 10% decrease	19,679.00	1%	2,128.00	8%
Risk free rates - 100 bps increase	19,209.00	-1%	1,979.00	0%
Risk free rates - 100 bps reduction	19,647.00	1%	1,928.00	-2%
Equity values - 10% immediate rise	19,819.00	2%	1,973.00	--
Equity values - 10% immediate fall	19,170.00	-2%	1,973.00	--

**Sensitivity analysis as at 31 March, 2023**

Sensitivity	EV		VNB	
	(Rs. Cr)	% Change	(Rs. Cr)	% Change
<b>Base Case</b>	<b>16,263.00</b>	--	<b>1,949.00</b>	--
Lapses/Surrender - 10% increase	16,276.00	0%	1,951.00	0%
Lapses/Surrender - 10% decrease	16,234.00	0%	1,941.00	0%
Mortality - 10% increase	15,910.00	-2%	1,866.00	-4%
Mortality - 10% decrease	16,620.00	2%	2,033.00	4%
Expenses - 10% increase	16,115.00	-1%	1,808.00	-7%
Expenses - 10% decrease	16,411.00	1%	2,090.00	7%
Risk free rates - 100 bps increase	16,129.00	-1%	2,051.00	5%
Risk free rates - 100 bps reduction	16,288.00	0%	1,804.00	-7%
Equity values - 10% immediate rise	16,456.00	1%	1,949.00	--
Equity values - 10% immediate fall	16,070.00	-1%	1,949.00	--

**Market consistent methodology**

The EV and VNB have been determined using a market consistent methodology which differs from the traditional EV approach in respect of the way in which allowance for the risks in the business is made.

For the market consistent methodology, an explicit allowance for the risks is made through the estimation of the Time Value of Financial Options and Guarantees (TVFOG), Cost of Residual Non-Hedgeable Risks (CRNHR) and Frictional Cost (FC) whereas for the traditional EV approach, the allowance for the risk is made through the Risk Discount Rate (RDR)

### Components of EV

The EV is calculated to be the sum of:

-Net Asset value (NAV) or Net Worth: It represents the market value of assets attributable to shareholders and is calculated as the adjusted Net Worth of the company (being the net shareholders' funds as shown in the audited financial statements adjusted to allow for all shareholder assets on a market value basis, net of tax).

- Value of In-force (VIF): This component represents the Present Value of Future expected post-tax Profits (PVFP) attributable to shareholders from the in-force business as at the valuation date, after deducting allowances for TVFOG, CRNHR and FC. Thus,  $VIF = PVFP - TVFOG - CRNHR - FC$

### Assumptions used in EV analysis:

#### A) Economic assumptions-

- The EV is calculated using risk free (government bond) spot rate yield curve taken from FIMMDA1 as at 31 March 2022.
- The spot rates beyond the longest available term of 40 years are assumed to remain at 40 year term spot rate level. The VNB is calculated using the beginning of respective quarter's risk free yield.
- No allowance has been made for liquidity premium because of lack of credible information on liquidity spreads in the Indian market.

#### B) Demographic assumptions

The lapse and mortality assumptions are approved by a Board committee and are set by product line and distribution channel on best estimate basis, based on the following principles:

- Assumptions are based on last one-year experience and expectations of future experience given the likely impact of current and proposed management actions on such assumptions.
- Aims to avoid arbitrary changes, discontinuities and volatility where it can be justified.
- Aims to exclude the impacts of non-recurring factors.

## 44. FAIR VALUE MEASUREMENT

### A Valuation principles and governance

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions. The responsibility of ongoing measurement resides with the business and product line divisions.

### B Financial instruments by fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised

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in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs:

**As at 31 March, 2024**

Particulars	Level 1	Level 2	Level 3	Total
<b>Asset measured at fair value:</b>				
<b>Derivative financial instrument</b>				
Forward rate agreements	-	40,952.32	-	40,952.32
<b>FVOCI Assets:</b>				
Government Securities	-	67,96,178.00	-	67,96,178.00
Debt Securities	-	19,69,831.00	-	19,69,831.00
Other Investments*	-	1,36,486.00	-	1,36,486.00
<b>FVTPL Assets:</b>				
Government Securities	-	9,15,508.00	-	9,15,508.00
Debt Securities	-	4,44,228.00	-	4,44,228.00
Equity Instruments	42,77,263.00	-	-	42,77,263.00
Mutual Funds	2,41,005.30	-	-	2,41,005.30
Alternate Investment Fund	-	34,004.00	-	34,004.00
Infrastructure Investment Trusts	33,299.00	-	-	33,299.00
Other Investments*	-	83,125.00	-	83,125.00
	<b>45,51,567.30</b>	<b>1,04,20,312.32</b>	<b>-</b>	<b>1,49,71,879.62</b>
<b>Liabilities measured at fair value</b>				
<b>Derivative financial instrument</b>				
Forward rate agreements	-	3,143.17	-	3,143.17
	<b>-</b>	<b>3,143.17</b>	<b>-</b>	<b>3,143.17</b>

\* other investment includes fixed deposits and reverse repo.

There have been no transfer between Level 1, 2 and 3 during the year.

**As at 31 March, 2023**

Particulars	Level 1	Level 2	Level 3	Total
<b>Asset measured at fair value:</b>				
Interest rate swap	-	7,617.26	-	7,617.26
<b>FVOCI Assets:</b>				
Government Securities	-	55,03,338.71	-	55,03,338.71
Debt Securities	-	15,15,820.33	-	15,15,820.33
Other Investments*	-	2,70,201.31	-	2,70,201.31
<b>FVTPL Assets:</b>				
Government Securities	-	8,52,132.89	-	8,52,132.89
Debt Securities	-	5,67,853.89	-	5,67,853.89
Equity Instruments	30,42,947.98	-	-	30,42,947.98
Mutual Funds	1,20,072.26	-	-	1,20,072.26
Alternate Investment Fund	-	23,090.05	-	23,090.05
Infrastructure Investment Trusts	15,952.25	-	-	15,952.25
Other Investments*	-	90,140.46	-	90,140.46
	<b>31,78,972.49</b>	<b>88,30,194.90</b>	<b>-</b>	<b>1,20,09,167.39</b>
<b>Liabilities measured at fair value</b>				
<b>Derivative financial instrument</b>				
Forward rate agreements	-	20,234.98	-	20,234.98
	<b>-</b>	<b>20,234.98</b>	<b>-</b>	<b>20,234.98</b>

\* other investment includes fixed deposits and reverse repo.

There have been no transfer between Level 1, 2 and 3 during the year.

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**C Valuation techniques**

Asset Classification	Valuation
Equity instruments	Listed equity shares are valued at fair value, being the last quoted closing price on NSE and in case the same is not available, then on BSE.
Preference shares	Listed preference shares to be valued at fair value, being the last quoted closing price on NSE and in case the same is not available, then on BSE.
Government Securities	The Government Securities and Special Bond / Oil Bond issued by Government of India are valued at prices (Gilt Values) obtained from CRISIL
State Government Bonds	State Government securities are valued at prices (SDL Values) obtained from CRISIL
Reverse Repo	Valued at cost plus interest accrued on reverse repo rate
Discounted Securities (Treasury Bills, Commercial Papers, Certificates of Deposit)	Valued at accreted cost on Straight line till the beginning of the day plus the difference between the redemption value and the cost spread uniformly (straight line method) over the remaining maturity period of the instruments. The income shall be recognised as discount accrued.
Fixed Deposits	Valued at cost plus interest accrued on agreed coupon rate
Infrastructure Investment Trusts (INVIT) and Real estate Investment Trusts (REIT)	Valued at Market Value (last Quoted price should not be later than 30 days). Where Market Quote is not available for the last 30 days, the Units shall be valued as per the latest NAV (not more than 6 months old) of the Units published by the trust
Additional Tier-1 bonds	Valued on the basis of values generated by bond valuer based on matrix released by Credit Rating Information Services of India Limited (CRISIL) on daily basis
Exchange Traded Fund	Listed Exchange Traded Fund units are valued at fair value, being the last quoted closing price on NSE and in case the same is not available, then on BSE
Mutual Fund	Valued at the previous day's Net Asset Value (NAV)
Alternate Investment Funds	Valued at Net Asset Value (NAV) if available or historical Cost less diminution in value of investments.
Debt Securities (Non-Convertible Debentures)	<p><b>Maturity &gt;182 days:</b> Valued on YTM basis by using spread over benchmark rates (matrix released by CRISIL on daily basis) to arrive at the yield for pricing the security. The benchmark spreads are incorporated in the CRISIL Bond Valuer on daily basis and accordingly the instruments are valued on yield to maturity basis depending upon its maturity buckets &amp; corresponding ratings</p> <p><b>Maturity &lt;182 days:</b> Securities purchased with residual maturity of up to 182 days are to be valued at cost plus the difference between the redemption value and cost spread uniformly over the remaining maturity period of the instrument. In case of securities with maturity &gt;182 days at the time of purchase, the last available valuation price should be used. Depending upon the premium or discount at the time of purchase, the price will be subject to amortisation/accretion</p> <p><b>Call option:</b> The securities with call option shall be valued (by CRISIL Bond Valuer) at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument</p> <p><b>Put option:</b> The securities with put option shall be valued (by CRISIL Bond Valuer) at the higher of the value as obtained by valuing the security to final maturity, and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments</p> <p><b>Put &amp; call option on the same day:</b> The securities with both Put and Call option on the same day would be deemed to mature on the Put/ Call day and would be valued accordingly (by CRISIL Bond Valuer)</p>

Asset Classification	Valuation
	<p><b>Annually compounding coupon:</b></p> <p>Securities having annual compounding coupons shall be valued on YTM basis by using spread over benchmark rates (matrix released by CRISIL Bond Valuer on daily basis) to arrive at the yield for pricing the security. The gross/dirty price so arrived shall be reduced by the coupon calculated from last interest payment date or allotment date whichever is earlier to arrive at the clean price. Such reduction shall take into account the compounding coupon calculations wherever applicable</p> <p><b>Coupon reset Paper:</b></p> <p>6 monthly benchmark coupon reset paper/Floater are to be valued at cost plus the difference between the redemption value and cost spread uniformly over the remaining maturity period of the instrument. Depending upon the premium or discount at the time of purchase, the price will be amortised/accreted. On the date of reset such accretion/amortisation shall also be reset for pricing</p> <p><b>NSE MIBOR Paper:</b></p> <p>NSE MIBOR instruments including those with daily put call options shall be valued at cost till the date of maturity</p>

**D Fair value of financial instruments not measured at fair value**

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities:

**As at 31 March, 2024**

Particulars	Notional amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Cash and cash equivalents	1,69,762.78	1,69,762.78	-	-	1,69,762.78
Bank balances other than cash and cash equivalents	4,781.50	4,781.50	-	-	4,781.50
Trade and other receivables	91,525.65	-	91,525.65	-	91,525.65
Loans and Advances					
Loan against policy	94,115.02	-	94,115.02	-	94,115.02
Security Deposit	4,578.97	-	4,578.97	-	4,578.97
Investment Securities -Measured at amortised cost	3,70,104.69	-	3,70,104.69	-	3,70,104.69
Other assets	3,36,974.29	-	3,36,974.29	-	3,36,974.29
<b>Total Financial Assets</b>	<b>10,71,842.90</b>	<b>1,74,544.28</b>	<b>8,97,298.62</b>	<b>-</b>	<b>10,71,842.90</b>
<b>Financial liabilities</b>					
Trade payables	1,48,654.17	-	1,48,654.17	-	1,48,654.17
Non-convertible subordinated debentures	52,069.84	-	52,069.84	-	52,069.84
Lease liability	31,552.51	-	31,552.51	-	31,552.51
Contract liabilities of life insurance	1,53,18,732.13	-	1,53,18,732.13	-	1,53,18,732.13
Other financial liability	1,97,495.61	-	1,97,495.61	-	1,97,495.61
<b>Total Financial Liabilities</b>	<b>1,57,48,504.26</b>	<b>-</b>	<b>1,57,48,504.26</b>	<b>-</b>	<b>1,57,48,504.26</b>



As at 31 March, 2023

Particulars	Notional amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
Cash and cash equivalents	1,22,590.18	1,22,590.18	-	-	1,22,590.18
Bank balances other than cash and cash equivalents	5,747.45	5,747.45	-	-	5,747.45
Trade and other receivables	68,123.82	-	68,123.82	-	68,123.82
Loans and Advances					
Loan against policy	80,292.59	-	80,292.59	-	80,292.59
Security Deposit	4,022.39	-	4,022.39	-	4,022.39
Investment Securities - Measured at amortised cost	3,33,995.92	-	3,33,995.92	-	3,33,995.92
Other assets	3,37,280.10	-	3,37,280.10	-	3,37,280.10
<b>Total Financial Assets</b>	<b>9,52,052.45</b>	<b>1,28,337.63</b>	<b>8,23,714.82</b>	<b>-</b>	<b>9,52,052.45</b>
<b>Financial liabilities</b>					
Trade payables	1,70,948.47	-	1,70,948.47	-	1,70,948.47
Non-convertible subordinated debentures	52,066.41	-	52,066.41	-	52,066.41
Lease liability	30,051.76	-	30,051.76	-	30,051.76
Contract liabilities of life insurance	1,22,57,015.39	-	1,22,57,015.39	-	1,22,57,015.39
Other financial liability	1,70,938.03	-	1,70,938.03	-	1,70,938.03
<b>Total Financial Liabilities</b>	<b>1,26,81,020.06</b>	<b>-</b>	<b>1,26,81,020.06</b>	<b>-</b>	<b>1,26,81,020.06</b>

**Valuation methodologies of financial instruments not measured at fair value**

**Short-term financial assets and liabilities:**

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, balances other than cash and cash equivalents, Security deposit, Policy loans, trade payables, Contract liabilities of life insurance and other financial liabilities. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

**Financial asset at amortised cost**

The fair values financial of held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk

**45. DERIVATIVE FINANCIAL INSTRUMENTS**

The Company has guaranteed products where the returns to the policy holders are fixed and the Company is exposed to interest rate risk on account of investment from receipt of subsequent premiums and sum of interest and maturity from investment made out of premiums received.

In accordance with the Regulations, the Company has executed International Swaps and Derivatives Association (ISDA) master agreements and two way Credit Support Annexure (CSA) with the banks. The Company uses Value at Risk (VAR) to measure and monitor risk of its derivatives portfolio. Derivatives are undertaken by the Company solely for the purpose of hedging interest rate risks on account of following:

- a. Reinvestment of maturity proceeds of existing fixed income investments;
- b. Investment of interest income receivable; and

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- c. Expected policy premium income receivable on insurance contracts which are already underwritten in Life and Pension & General Annuity business.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

As per Ind AS 109 "Financial Instruments", If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

The amount under Realised Hedge Reserves shall be recycled to Statement of Profit and Loss basis the forecasted transaction impacts the Statement of Profit and Loss. Till such time, the amount reflected as part of Realised Hedge Reserves will not be available for payment of dividends to Shareholders.

**A) Amount outstanding and Mark to Market values**

S.No.	Particulars	At March 31, 2024	At March 31, 2023
		Interest rate derivatives	Interest rate derivatives
<b>Cash Flow Derivatives</b>			
1	Derivatives (Outstanding Notional Amount)	25,67,934.67	18,71,055.67
2	Derivatives (Average Notional Amount)	23,27,900.00	15,96,859.00
3	Marked to market positions		
a)	Asset (+)	40,955.00	7,618.00
b)	Liability (-)	3,143.00	20,235.00
4	Credit exposure		
	Current Credit Exposure	40,955.00	7,618.00
	Potential Future Credit Exposure	87,525.00	57,218.00

**B) Benchmark wise derivative position**

For the year ended March 31, 2024

S.No.	Nature of the Derivative Contract	Benchmark	No of Deals	Notional amount of Derivative Contract o/s at the beginning of the Year	Fresh derivative contracts/ position taken during the Year	Derivative contracts/ positions terminated/ matured/ expired during the Year	Notional amount of Derivative Contract o/s at the end of the Year
1	Forward Rate Agreements (FRA)	MIBOR/OIS/ INBMK	541	18,71,055.67	11,00,471.00	4,06,107.00	25,65,419.67
2	Interest Rate Swaps (IRS)	MIOIS/ MIBOR	-	-	-	-	-
3	Interest Rate Futures (IRF)	GOI	1	-	5,025.00	2,510.00	2,515.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**For the year ended March 31, 2023**

S.No.	Nature of the Derivative Contract	Benchmark	No of Deals	Notional amount of Derivative Contract o/s at the beginning of the Year	Fresh derivative contracts/ position taken during the Year	Derivative contracts/ positions terminated/ matured/ expired during the Year	Notional amount of Derivative Contract o/s at the end of the Year
1	Forward Rate Agreements (FRA)	MIBOR/OIS/ INBMK	517	13,64,830.67	7,92,242.00	2,86,017.00	18,71,055.67
2	Interest Rate Swaps (IRS)	MIOIS/ MIBOR	-	-	-	-	-
3	Interest Rate Futures (IRF)	GOI	-	-	-	-	-

**C) Counterparty Wise derivative position**

S.No.	Particulars	As at March 31, 2024	As at March 31, 2023
1	Name of the Counterparty	JP Morgan Chase	JP Morgan Chase
		CITI Bank	Standard Chartered Bank
		Standard Chartered Bank	HSBC Bank
		ANZ Bank	DBS Bank
		Nomura Fixed Income Securities Ltd.	Credit Suisse
		Barclays Bank	CITI Bank
		Credit Agricole Bank	BNP Paribas
		DBS Bank	ICICI Bank
		ICICI Bank	HDFC Bank
		HSBC Bank	ANZ Bank
		HDFC Bank	Barclays Bank
		BNP Paribas	
		Deutsche Bank	
		Societe General Bank	
CCIL			
2	Credit Exposure		
	i. Current credit exposure	40,955	7,617
	ii. Potential future credit exposure	87,525	57,218
3	Notional of Derivative Contract Outstanding	25,67,934	18,71,056

**D) Derivative designated as hedging instruments**

**a) The impact of the hedging instruments on the balance sheet is, as follows**

**As at 31 March, 2024**

Derivative financial instruments	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
Forward Rate Agreements	25,65,418.98	37,809.15	Derivative Financial Asset/(Liability)	50,426.87
Interest Rate Swap	2,515.00	2.26	Derivative Financial Asset/(Liability)	2.26

**As at 31 March, 2023**

Derivative financial instruments	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
Forward Rate Agreements	18,71,056.00	(12,618.00)	Derivative Financial Asset/ Liability	9,368.00

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**b) The impact of hedged items on the balance sheet is, as follows:**

**As at 31 March, 2024**

Derivative financial instruments	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging
Forward Rate Agreements	(67,129.71)	63,787.30	-
Interest Rate Futures	(20.52)	4.63	-
Interest Rate Swap	-	1,524.68	-

**As at 31 March, 2023**

Derivative financial instruments	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging
Forward Rate Agreements	(20,228.00)	9,192.00	-
Interest Rate Swap	-	2,654.00	-

**c) The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:**

**As at 31 March, 2024**

Derivative financial instruments	Total hedging gain / (loss) recognised in OCI	Ineffectiveness recognised in profit/ (loss)	Line item in the statement of profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Cost of hedge reclassified from OCI to profit or loss	Line item in the statement of profit or loss
Forward Rate Agreements	55,524.12	(3,260.02)	NA	-	928.77	-	NA
Interest Rate Swap	-	-	-	-	1,129.49	-	-
Interest Rate Futures	4.63	(2.38)	-	-	-	-	-

**As at 31 March, 2023**

Derivative financial instruments	Total hedging gain / (loss) recognised in OCI	Ineffectiveness recognised in profit/(loss)	Line item in the statement of profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Cost of hedge reclassified from OCI to profit or loss	Line item in the statement of profit or loss
Forward Rate Agreements	4,507.00	(6,446.00)	NA	-	727.00	-	NA
Interest Rate Swap	-	-	-	-	1,353.00	-	-

**E) Movement in Hedge Reserve**

**Forward Rate Agreements:**

Hedge Reserve Account	As at 31.03.2024			As at 31.03.2023		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	1,520.44	7,671.38	9,191.82	9,197.68	(3,785.91)	5,411.77
Add: Changes during the year	5,819.57	49,704.68	55,524.25	(6,950.62)	11,457.29	4,506.67
Less: Amounts reclassified to The Statement of Profit & Loss Account	928.77	-	928.77	726.62	-	726.62
<b>Balance at the end of the year</b>	<b>6,411.24</b>	<b>57,376.06</b>	<b>63,787.30</b>	<b>1,520.44</b>	<b>7,671.38</b>	<b>9,191.82</b>

**Interest Rate Swaps:**

Hedge Reserve Account	As at 31.03.2024			As at 31.03.2023		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	2,654.16	-	2,654.16	4,007.26	-	4,007.26
Add: Changes during the year	-	-	-	-	-	-
Less: Amounts reclassified to The Statement of Profit & Loss Account	1,129.49	-	1,129.49	1,353.10	-	1,353.10
<b>Balance at the end of the year</b>	<b>1,524.67</b>	<b>-</b>	<b>1,524.67</b>	<b>2,654.16</b>	<b>-</b>	<b>2,654.16</b>

**Interest Rate Futures:**

Hedge Reserve Account	As at 31.03.2024			As at 31.03.2023		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	-	-	-	NA	NA	NA
Add: Changes during the year	-	5.00	5.00	NA	NA	NA
Less: Amounts reclassified to The Statement of Profit & Loss Account	-	-	-	NA	NA	NA
<b>Balance at the end of the year</b>	<b>-</b>	<b>5.00</b>	<b>5.00</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

**46. MATURITY PROFILE**

The following table summarises the maturity profile of the assets and liabilities of the company based on remaining contractual obligations, including interest payable and receivable.

The company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow.

The table below summarises the expected utilisation or settlement of assets and liabilities. Maturity analysis on expected maturity bases:

Particulars	As at 31.03.2024			As at 31.03.2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Financial assets</b>						
Cash and Cash Equivalents	1,69,762.78	-	1,69,762.78	1,22,590.18	-	1,22,590.18
Bank balances other than cash and cash equivalents	4,761.50	20.00	4,781.50	5,716.25	31.20	5,747.45
Derivative financial instruments	40,952.32	-	40,952.32	7,617.26	-	7,617.26
Trade Receivables	91,525.65	-	91,525.65	68,123.82	-	68,123.82
Investments	-	-	-	-	-	-
at amortised Cost	7,121.36	3,62,983.33	3,70,104.69	1,790.11	3,32,205.81	3,33,995.92
at Fair Value through Other Comprehensive Income	5,07,613.85	83,94,881.15	89,02,495.00	4,61,081.74	68,28,278.60	72,89,360.34
at Fair Value through Profit and Loss	7,16,518.66	53,11,913.64	60,28,432.30	6,46,246.60	40,65,943.19	47,12,189.78
Other Financial Assets	1,06,539.17	3,29,129.12	4,35,668.28	80,657.05	3,40,938.03	4,21,595.08
<b>Total financial assets</b>	<b>16,44,795.29</b>	<b>1,43,98,927.23</b>	<b>1,60,43,722.52</b>	<b>13,93,823.00</b>	<b>1,15,67,396.83</b>	<b>1,29,61,219.84</b>
<b>Non Financial Assets</b>						
Current tax assets (net)	1,315.96	445.16	1,761.12	1,322.58	255.08	1,577.66

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

Particulars	As at 31.03.2024			As at 31.03.2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Deferred tax assets (net)	-	233.81	233.81	-	385.68	385.68
Investment Property	-	76,228.01	76,228.01	-	77,692.08	77,692.08
Property, plant and equipment	-	12,449.20	12,449.20	-	10,955.15	10,955.15
Capital work-in progress	197.59	-	197.59	-	81.10	81.10
Goodwill	-	52,525.44	52,525.44	-	52,525.44	52,525.44
Intangible assets	34.57	28,990.82	29,025.39	-	23,671.04	23,671.04
Right of use asset	-	28,094.33	28,094.33	-	27,534.81	27,534.81
Other non-financial assets	25,302.57	7,806.87	33,109.45	20,059.61	6,675.70	26,735.31
<b>Total non-financial assets</b>	<b>26,850.69</b>	<b>2,06,773.64</b>	<b>2,33,624.34</b>	<b>21,382.19</b>	<b>1,99,776.08</b>	<b>2,21,158.27</b>
<b>Total assets</b>	<b>16,71,645.99</b>	<b>1,46,05,700.87</b>	<b>1,62,77,346.86</b>	<b>14,15,205.19</b>	<b>1,17,67,172.92</b>	<b>1,31,82,378.11</b>
<b>Financial Liabilities</b>						
Trade Payables	1,48,557.60	96.57	1,48,654.17	1,70,911.39	37.08	1,70,948.47
Derivative financial instruments	3,143.17	-	3,143.17	20,234.98	-	20,234.98
Lease Liability	5,803.67	25,748.84	31,552.51	5,400.22	24,651.54	30,051.76
Contract liabilities of life insurance	5,41,647.25	1,47,77,084.88	1,53,18,732.13	4,22,974.54	1,18,34,040.85	1,22,57,015.39
Other Financial Liabilities	1,97,323.86	52,241.59	2,49,565.45	1,70,945.09	52,059.34	2,23,004.44
<b>Total financial liabilities</b>	<b>8,96,475.54</b>	<b>1,48,55,171.89</b>	<b>1,57,51,647.43</b>	<b>7,90,466.22</b>	<b>1,19,10,788.82</b>	<b>1,27,01,255.04</b>
<b>Non financial liabilities</b>						
Provisions	1,445.05	4,424.16	5,869.21	1,131.70	3,704.34	4,836.04
Deferred tax liabilities (net)	-	587.70	587.70	-	1.41	1.41
Other Non-financial Liabilities	79,353.72	2,934.76	82,288.48	76,087.13	3,348.83	79,435.96
<b>Total non-financial liabilities</b>	<b>80,798.77</b>	<b>7,946.62</b>	<b>88,745.39</b>	<b>77,218.83</b>	<b>7,054.58</b>	<b>84,273.41</b>
<b>Total liabilities</b>	<b>9,77,274.31</b>	<b>1,48,63,118.51</b>	<b>1,58,40,392.82</b>	<b>8,67,685.05</b>	<b>1,19,17,843.40</b>	<b>1,27,85,528.45</b>
<b>Equity</b>						
Equity share capital	-	6,872.51	6,872.51	-	6,872.21	6,872.21
Other equity	-	3,79,720.06	3,79,720.06	-	3,44,951.65	3,44,951.65
<b>Equity attributable to owners of the Company</b>	<b>-</b>	<b>3,86,592.57</b>	<b>3,86,592.57</b>	<b>-</b>	<b>3,51,823.86</b>	<b>3,51,823.86</b>
Non Controlling Interest	-	50,361.47	50,361.47	-	45,025.80	45,025.80
<b>Total equity</b>	<b>-</b>	<b>4,36,954.04</b>	<b>4,36,954.04</b>	<b>-</b>	<b>3,96,849.66</b>	<b>3,96,849.66</b>
<b>Total liabilities and equity</b>	<b>9,77,274.31</b>	<b>1,53,00,072.55</b>	<b>1,62,77,346.86</b>	<b>8,67,685.05</b>	<b>1,23,14,693.06</b>	<b>1,31,82,378.11</b>

**47. INVESTMENT PROPERTY**

Information regarding income and expenditure of Investment property

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
Rental income derived from investment properties	7,592.02	7,066.00
Direct operating expenses (including repairs and maintenance) generating rental income	(279.97)	(267.00)
<b>Profit arising from investment properties before depreciation and indirect expenses</b>	<b>7,312.04</b>	<b>6,799.00</b>
Less – Depreciation expense	1,464.77	1,460.77
<b>Profit arising from investment properties before indirect expenses</b>	<b>5,847.28</b>	<b>5,338.23</b>

As at March 31, 2024 and March 31, 2023, the fair values of the properties are Rs. 97,562.00 lakhs and Rs. 90,730.35 lakhs respectively. Valuation with respect to property bought in earlier year is based on valuations performed by an accredited independent valuer. Fair value of investment property is based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**Reconciliation of fair value:**

Particulars	Commercial properties
<b>Opening balance as at 01 April, 2022</b>	<b>87,095.35</b>
Fair value difference	3,635.00
<b>Closing balance as at 31 March, 2023</b>	<b>90,730.35</b>
Fair value difference	6,831.00
<b>Closing balance as at 31 March, 2024</b>	<b>97,561.35</b>

**Description of valuation techniques used and key inputs to valuation on investment properties:**

S. No.	Investment properties	Valuation technique	Significant unobservable Inputs	Range (weighted average) 31.03.2024	Range (weighted average) 31.03.2023
1	Office property (Bangalore - Nalapad Brigade)	Income capitalisation approach (refer below)	Estimated rental value per sq. ft. per month	Rs. 55 - Rs. 60	Rs. 55 - Rs. 60
			Interest on deposit	5.50%	5.50%
			Property tax, insurance and others	Rs. 1.02 Mn p.a	Rs. 0.924 Mn p.a.
			Yield rate	7.25%	7.25%
2	Office property (Bangalore - Prestige Technostar)	Income capitalisation approach (refer below)	Estimated rental value per sq. ft. per month	Rs. 55 - Rs. 60	Rs. 55 - Rs. 60
			Interest on deposit	6.00%	6.00%
			Property tax, insurance and others	Rs. 6.70 Mn p.a	Rs. 6.38 Mn p.a.
			Yield rate	8.00%	7.50%
3	Office property (Pune)	Discounted Cash Flow Approach (refer below)	Estimated rental value per sq. ft. per month	Rs 75- Rs 84	Rs. 70 - Rs. 80
			Interest on deposit	5.50%	6.00%
			Property tax and insurance	Rs 7.22 mn p.a	Rs 7.18 mn p.a
			Yield rate	8.00%	8.00%
4	Office property (Noida)	Discounted Cash Flow Approach (refer below)	Estimated rental value per sq. ft. per month	Rs. 100 - Rs. 110	Rs. 100 - Rs. 110
			Interest on deposit	6.00%	5.50%
			Property tax and insurance	Rs. 0.86 Mn p.a	0.49% of rental income
			Yield rate	8.00%	8.25%
5	Office property (Navi Mumbai)	Discounted Cash Flow Approach (refer below)	Estimated rental value per sq. ft. per month	Rs 95- Rs 118	Rs. 95 - Rs. 100
			Interest on deposit	6.00%	6.00%
			Property tax and insurance	Rs 2.73 psf p.m. on leasable area	Rs 2.73 psf p.m. on leasable area
			Yield rate	8.00%	8.00%

Income Capitalisation Method involves capitalising a normalised single - year net income estimate by an appropriate yield. This approach is best utilised with stable revenue producing assets, whereby there is little volatility in the net income.

The Discounted Cash Flow Methodology is based upon an estimation of future results. The methodology begins with a set of assumptions as to the projected income and expenses of the property. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions.

The Group has no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

**48. DISCLOSURE UNDER SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED)**

Particulars	As at 31.03.2024	As at 31.03.2023
(i) Amounts payable to suppliers under MSME Development Act, 2006 (suppliers) as at year end		
- Principal	20.08	187.07
- Interest due thereon	-	-
(ii) Payments made to suppliers beyond the appointed day during the year		
- Principal	-	-
- Interest paid thereon	-	-
(iii) Amount of Interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSME Development Act, 2006	-	-
(iv) Amount of interest accrued and remaining unpaid as on last day	-	-
(v) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. The Group has made an assessment of interest payable under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and has concluded that it is in compliance with the MSMED Act and rules thereto and accordingly, concluded that there is no interest liability dues as at the year end.

**49. CORPORATE SOCIAL RESPONSIBILITY (CSR)**

As per Section 135 of the Companies Act, 2013, the Group has provided for & spent Rs. 1000.00 lakhs (31 March, 2023: Rs. 1000.00 lakhs) on various CSR initiatives, during the year, which are as given below:

Particulars	31.03.2024	31.03.2023
(a) amount required to be spent by the company during the year,	431.00	616.00
(b) amount of expenditure incurred*,	1000.00	1000.00
(c) shortfall at the end of the year,	-	-
(d) total of previous years shortfall,	-	-
(e) reason for shortfall,	-	-
(f) nature of CSR activities,	Education, Health & Environment	Education, Health & Environment
(g) details of related party transactions - contribution paid to Max India Foundation (CSR trust)	800.00	640.00
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

\*there is no unspent amount for the year under section 135 (5) of Companies Act, 2013



NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**50. ADDITIONAL INFORMATION PURSUANT TO SCHEDULE III OF COMPANIES ACT, 2013 FOR CONSOLIDATED FINANCIAL STATEMENT FOR THE YEAR ENDED MARCH 31, 2024**

Name of the entity	Net Assets		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount (Rs. In lakhs)	% of Consolidated Profit and Loss after tax	Amount (Rs. In lakhs)	% of Consolidated OCI	Amount (Rs. In lakhs)	% of Consolidated Total Comprehensive Income	Amount (Rs. In lakhs)
<b>Parent</b>								
Max Financial Services Limited	154.53%	6,75,207.08	-2.86%	-1,123.23	(4.76%)	(10.06)	-2.87%	-1,133.30
<b>Subsidiary</b>								
Max Life Insurance Company Limited	89.27%	3,90,066.24	103.10%	40,477.24	104.76%	221.60	103.11%	40,698.84
Max Life Pension Fund Management Limited	1.24%	5,416.46	-0.24%	-94.05	-	-	-0.24%	-94.05
Max Financial Employees Welfare Trust	0.00%	(0.56)	0.00%	0.59	-	-	0.00%	0.59
Eliminations/ Consolidation Adjustments	(145.03%)	(6,33,735.19)	0.00	-	-	-	0.00	-
<b>Total</b>	<b>100.00%</b>	<b>4,36,954.03</b>	<b>100.00%</b>	<b>39,260.55</b>	<b>100.00%</b>	<b>211.54</b>	<b>100.00%</b>	<b>39,472.08</b>

**Additional information pursuant to Schedule III of Companies Act, 2013 for Consolidated financial statement for the year ended March 31, 2023**

Name of the entity	Net Assets		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount (Rs. In lakhs)	% of Consolidated Profit and Loss after tax	Amount (Rs. In lakhs)	% of Consolidated OCI	Amount (Rs. In lakhs)	% of Consolidated Total Comprehensive Income	Amount (Rs. In lakhs)
<b>Parent</b>								
Max Financial Services Limited	170.43%	6,76,340.38	3.07%	1,386.95	0.01	(5.70)	3.11%	1,381.25
<b>Subsidiary</b>								
Max Life Insurance Company Limited	87.92%	3,48,928.71	96.91%	43,793.11	99.28%	(791.17)	96.87%	43,001.94
Max Life Pension Fund Management Limited	1.39%	5,510.51	0.02%	10.51	-	-	0.02%	10.51
Max Financial Employees Welfare Trust	0.00%	(1.15)	0.00%	(1.25)	-	-	0.00%	(1.25)
Eliminations/ Consolidation Adjustments	(159.74%)	(6,33,928.79)	0.00	0.08	-	-	0.00	0.08
<b>Total</b>	<b>100.00%</b>	<b>3,96,849.66</b>	<b>100.00%</b>	<b>45,189.40</b>	<b>100.00%</b>	<b>(796.87)</b>	<b>100.00%</b>	<b>44,392.52</b>

Notes:

- 1) MLIC 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 Rs. 55 crores to manage pension fund business. Initial paid up capital of Rs. 55 crores has been infused in the month of April 2022.

**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS**

(Rs. in lakhs)

- 2) Post receipt of Board approval and Shareholder’s approval on April 6, 2022 and May 9, 2022 respectively, the Company has incorporated “Max Financial Employees Welfare Trust (EWT)” under the Indian Trust Act, 1882 on May 11, 2022. In terms of Max Financial Employees Stock Option Plan - 2022 (“ESOP Plan - 2022”), EWT is permitted to acquire equity shares of the Company from the secondary market which shall be transferred to option-holders of the Company and its subsidiary companies on exercise of options.

**51. MATERIAL PARTLY-OWNED SUBSIDIARY**

Financial information of subsidiary that have material non-controlling interests is provided below:

Name of the entity	Principal Place of Business	Proportion of Ownership Interest	
		As at 31.03.2024	As at 31.03.2023
Max Life Insurance Company Limited (refer note 62 and 63)	India	87.00%	87.00%

Particulars	As at 31.03.2024	As at 31.03.2023
Proportion of interest held by non-controlling interest	13.00%	13.00%
Accumulated balances of material non-controlling interest	50,361.47	45,025.80
<b>Summarised financial information for material non-controlling interest</b>		
Financial Assets	20,86,505.16	16,85,646.05
Non-Financial Assets	23,380.71	21,799.33
Financial Liabilities	20,47,797.11	16,51,276.33
Non-Financial Liabilities	11,380.63	10,808.24

Particulars	Year ended 31.03.2024	Year ended 31.03.2023
<b>Profit/(loss) allocated to material non-controlling interest:</b>		
Revenue from Operations	6,05,355.56	4,07,822.63
Profit for the period	5,262.05	5,693.12
Other comprehensive income	28.81	(102.85)
Total comprehensive income	5,290.86	5,590.27
<b>Cash flow allocated to material non-controlling interest:</b>		
Cash flow from/(used in) operating activities	79,584.74	1,29,457.45
Cash flow from/(used in) investing activities	(65,240.11)	(1,22,035.91)
Cash flow from/(used in) financing activities	(1,532.65)	(1,418.73)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>12,811.98</b>	<b>6,002.82</b>

**52. TRADE RECEIVABLES- AGEING AS AT 31.03.2024**

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	91,525.65	-	-	-	-	91,525.65
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>91,525.65</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91,525.65</b>

**Trade Receivables- Ageing as at 31.03.2023**

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	68,123.82	-	-	-	-	68,123.82
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>68,123.82</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>68,123.82</b>

**53. TRADE PAYABLES- AGEING AS AT 31.03.2024**

As at 31.03.2024

Particulars	Unbilled and Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
MSME	5.13	14.87	-	-	-	20.00
Others	1,27,468.90	21,067.70	63.08	27.60	5.89	1,48,633.16
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
<b>Total</b>	<b>1,27,474.03</b>	<b>21,082.57</b>	<b>63.08</b>	<b>27.60</b>	<b>5.89</b>	<b>1,48,654.17</b>

**Trade Payables- Ageing as at 31.03.2023**

Particulars	Unbilled and Not Due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
MSME	10.17	177.21	-	-	-	187.38
Others	1,46,709.37	24,014.64	19.78	11.35	5.95	1,70,761.10
Disputed MSME	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-
<b>Total</b>	<b>1,46,719.54</b>	<b>24,191.85</b>	<b>19.78</b>	<b>11.35</b>	<b>5.95</b>	<b>1,70,948.47</b>

**54. CAPITAL WORK-IN PROGRESS (CWIP) AGING SCHEDULE**

As at 31.03.2024

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	197.59	-	-	-	197.59

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**As at 31.03.2023**

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	81.10	-	-	-	81.10

**Intangible assets under development aging schedule**

**As at 31.03.2024**

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
IT projects in progress	5,650.37	17.75	-	-	5,668.12

**As at 31.03.2023**

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
IT projects in progress	3,827.65	34.94	-	-	3,862.59

As on year ended March 31, 2024 and March 31, 2023, there are no capital work-in-progress, intangible assets under development projects whose completion is overdue or has exceeded its cost compared to its original plan.

55. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
56. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
57. The Company is primarily engaged in the business of growing and nurturing business investments in its subsidiary. The investments (financial assets) and dividend income (financial income) on the same has resulted in financial income to be in excess of 50% of its total income and its financial assets to be more than 50% of total assets. The management is of the view supported by legal opinion that the Company is an Unregistered Core Investment Company (Unregistered CIC) as laid down in the "Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016", as amended. Hence, registration under Section 45-IA of the Reserve Bank of India Act, 1934 is not required.
58. 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.
59. Post receipt of Board approval and Shareholder's approval on April 6, 2022 and May 9, 2022 respectively, the Company has incorporated "Max Financial Employees Welfare Trust (EWT)" under the Indian Trust Act, 1882 on May 11, 2022. In terms of Max Financial Employees Stock Option Plan - 2022 ("ESOP Plan - 2022"), EWT is permitted to acquire equity shares of the Company from the secondary market which shall be transferred to option-holders of the Company and its subsidiary companies on exercise of options.
60. 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 ('MLIC') 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 was subject to receipt of requisite regulatory approvals.

The Company had received approval from Insurance Regulatory and Development Authority of India ('IRDAI') vide its letter dated November 25, 2022. Pursuant to the approval, on December 8, 2022, the Company acquired residual 99,136,573 equity shares of face value of Rs. 10 each constituting 5.17% equity stake held by MSI in MLIC at a price of Rs. 85 per share. On acquisition of the aforesaid stake in MLIC, the shareholding held by the Company in MLIC increased to 87%.

## NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

- 61.** 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 MLIC, 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, MLIC, 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 MLIC ("Agreements"). Pursuant to receipt of all approvals, Axis Bank had acquired 9.002% of the equity share capital of MLIC and Axis Bank subsidiaries acquired 3% of the share capital of MLIC as per Rule 11UA valuation of the Income-tax Rules, 1962 upto March 31, 2022.

On January 9, 2023 the Company executed revised agreements with the parties in terms of which Axis Entities have the right to purchase the balance 7% equity stake of MLIC from the Company at Fair Market Value using Discounted Cash Flows instead of valuation as per Rule 11UA of the Income Tax Rules, 1962. This revision in valuation methodology has been done consequent to the guidance received by MLIC from IRDAI.

The Board of Directors of the Company in its meeting held on August 9, 2023 took note of MLIC's proposal to raise further capital by way of a preferential issue of equity shares to Axis Bank, for an aggregate investment of up to Rs. 1,612 crores in MLIC, at fair market value determined basis DCF methodology ("Proposed Infusion"). This revision from secondary sale of transfer of shares to primary issuance of MLIC shares to Axis Bank has been done consequent to the MLIC funding requirements.

In this regard, the shareholders of the Company approved the transaction on September 27, 2023. Max Life has received approval from IRDAI vide its letter dated February 6, 2024 for the Proposed infusion. Axis Bank has received approval from Competition Commission of India (CCI) vide its letter dated April 2, 2024 for the Proposed infusion. Pursuant to receipt of all regulatory approvals, Axis Bank had subscribed to 6.002% of the equity share capital of MLIC on April 17, 2024. On completion of the Proposed Infusion, Axis Entities collectively hold 19.02% of the equity share capital of Max Life and the Company's shareholding in Max Life stood reduced to 80.98% of the equity share capital of Max Life effective April 17, 2024.

In addition, the Axis Entities would have the right to purchase 0.98% of the equity share capital of MLIC from the Company within the timeframe which was earlier agreed between the parties (i.e., 42 months from April 6, 2021). Pending receipt of requisite regulatory approvals, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the financial results.

- 62.** On October 14, 2022, MLIC, received an Order from the IRDAI imposing penalty aggregating to Rs. 3.00 crores alleging violations/non-compliance with directions issued by the IRDAI with respect to transactions involving the Company and Axis Entities relating to transfer of shares of MLIC during March 2021 and April 2021. These transactions were approved by the Board of Directors and shareholders of the Company and MLIC. On October 17, 2022, MLIC paid the aforesaid penalty amount as directed in the Order.
- 63.** No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 64.** During the year ended March 31, 2024, the subsidiary company has received a favourable order from Hon'ble Delhi High Court in August 2023 directing the Income Tax Authority to release the refunds of past assessment years which had been adjusted with outstanding demands of Assessment year 2017-18. The Company has accounted such refunds pertaining to earlier years during the year ended March 31, 2023. Accordingly, the Provision for Taxation in Statement of Profit & Loss comprises the provision for current tax of Rs. 49 crores for the year ended March 31, 2024 and reversal of provision for tax of Rs. 34 crores for earlier periods.
- 65.** During the year ended March 31, 2024, the subsidiary company has reassessed the useful lives of certain business applications. Management believes that the revised useful lives of the assets reflect the period over which these assets are expected to be used based on the technical inputs and capability analysis. As a result of the change, the charge in the statement of profit and loss on account of depreciation has reduced by Rs. 2.04 crores (March 31, 2023: Rs. 42.85 crores).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(Rs. in lakhs)

**66. OTHER STATUTORY INFORMATION**

- i) The title deeds of immovable properties (other than immovable properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Group.
- ii) The Group does not have any transactions with struck off Companies under section 248 or section 560 of Companies Act, 2013.
- iii) The Group does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- iv) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- v) The Group is not declared wilful defaulter any bank or financial institutions or lender during the year.
- vi) The Group has not created any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- vii) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. (Such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- viii) The Group has not advanced or loaned or invested funds to any person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries
- ix) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

**67.** There are no standards that are notified and not yet effective as on the date.

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

**69.** The Consolidated financial statements were approved for issue by the Board of Directors on May 7, 2024.

For **S R Battliboi & Co LLP**  
Chartered Accountants  
Firm's Registration No. 301003E/E300005

**Pikashoo Mutha**  
Partner  
Membership No. 131658

Place : Mumbai  
Date : May 7, 2024

**For and on behalf of the Board of Directors of  
Max Financial Services Limited**

**Dinesh Kumar Mittal**  
(Director)  
DIN No:00040000  
Place : Noida

**Sahil Vachani**  
(Director)  
DIN No:00761695  
Place : Noida

**V Krishnan**  
(Manager)  
Place : Noida

**Amrit Singh**  
(Chief Financial Officer)  
Place : Gurugram


**Piyush Soni**  
(Company Secretary)  
M.No. - ACS-39924  
Place : Gurugram


Date : May 7, 2024




## **MAX FINANCIAL SERVICES LIMITED**

Max Towers, L-21, C-001/A/1, Sector - 16B, Noida - 201301 (U.P.)  
Telephone: +91 120 469 6000 | [www.maxfinancialservices.com](http://www.maxfinancialservices.com)

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# **NOTICE OF ANNUAL GENERAL MEETING**





## MAX FINANCIAL SERVICES LIMITED

(CIN: L24223PB1988PLC008031)

**Registered Office:** Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144 533  
Tel: 01881-462000,462001

**Corporate Office:** L20M, Max Towers, Plot No. C-001/A/1, Sector 16B, Noida-201301  
Tel: 0120-4696000 | www.maxfinancialservices.com | E-mail: investorhelpline@maxindia.com

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 36<sup>th</sup> (Thirty-sixth) Annual General Meeting ('AGM') of the members of Max Financial Services Limited ('the Company') will be held on Friday, August 23, 2024, at 1000 hrs. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM") to transact the following businesses:

### Ordinary Business:

To consider and, if thought fit, to pass the following resolutions as **Ordinary Resolutions**:

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2024, together with the Reports of the Board of Directors and Auditors thereon.
2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2024, together with the Report of the Auditors thereon.
3. To appoint Mr. Analjit Singh (DIN: 00029641), who retires by rotation and being eligible offers himself for re-appointment as a Director.
4. To appoint Mr. Sahil Vachani (DIN: 00761695), who retires by rotation and being eligible offers himself for re-appointment, as a Director.

### Special Business:

5. To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution** regarding the material related party transactions between Max Life Insurance Company Limited, a material subsidiary of the Company and its related party, viz., Axis Bank Limited for payment of fees/ commission for distribution of life insurance

products, display of publicity materials, procuring banking services, and other related business:

**"RESOLVED THAT** pursuant to Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), as may be applicable from time to time, and pursuant to the approval of the Audit Committee and of the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to Max Life Insurance Company Limited ('Max Life'), a material subsidiary of the Company, for entering into and/ or continuing with the existing contracts/ arrangements/ transactions for payment of fees/ commission for distribution of life insurance products, display of publicity materials, procuring banking services, and other related business from Axis Bank Limited in accordance with the rules and regulations prescribed by the Insurance Regulatory and Development Authority of India, as detailed in the explanatory statement annexed to this notice, notwithstanding the fact that the aggregate value of such transactions, either individually or taken together with previous transactions, during the period from October 1, 2024 and up to the date of next annual general meeting of the Company to be held in the year 2025 may exceed Rs. 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such other threshold, as may be prescribed from time to time, provided however, that the said

contracts/ arrangements/ transactions shall be carried out on an arm's length basis and in the ordinary course of business by Max Life and Axis Bank Limited."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all such actions as it may deem expedient in this regard and to settle all questions,

difficulties or doubts that may arise in this regard, as it may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Committee(s)/ Director(s)/ Officer(s) of the Company, to give effect to this resolution."

By Order of the Board  
For **Max Financial Services Limited**

Place: Noida  
Date: July 26, 2024

Regd. Office: Bhai Mohan Singh Nagar  
Railmajra, Tehsil Balachaur  
District Nawanshahr, Punjab – 144 533

**Piyush Soni**  
**Company Secretary & Compliance Officer**  
**Membership No. ACS - 39924**

## NOTES

1. An Explanatory Statement pursuant to the provisions of Section 102 of the Act, read with the relevant Rules made thereunder setting out the material facts and reasons, in respect of item no. 5 is annexed hereto and forms part of this Notice.
2. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/ 2020, 17/ 2020, 20/ 2020, 02/ 2021, 21/ 2021, 10/ 2022 and 09/2023 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, December 28, 2022 and September 25, 2023, respectively ("MCA Circulars"), permitted the holding of AGM through Video Conferencing/ Other Audio Visual Means ("VC/ OAVM") facility without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 36th AGM of the Company is being conducted through VC or OAVM without the physical presence of the Members at a venue. The deemed venue for the 36th AGM shall be the Registered Office of the Company.
3. The Company has appointed National Securities Depository Ltd ("NSDL"), to provide the VC facility for conducting the AGM and for voting through remote e-voting and e-voting at the AGM. The procedure for participating in the meeting through VC/ OAVM is explained in these notes.
4. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement for the appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. The attachment of the route map for the AGM venue is also not required.
5. Pursuant to the provisions of Sections 112 and 113 of the Act, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/ OAVM and participate thereat and cast their votes through e-voting.
6. The Members can join the AGM in the VC/ OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/ OAVM will be made available for 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee Auditors, etc. who are allowed to attend the AGM without restriction on account of a first come first served basis.
7. The attendance of the Members attending the AGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The recorded transcript of this meeting, shall as soon as possible, be made available on the website of the Company viz. [www.maxfinancialservices.com](http://www.maxfinancialservices.com).
9. According to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and the MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using a remote e-voting system as well as e-voting during the AGM will be provided by NSDL.
10. Pursuant to MCA Circulars and SEBI Circulars, the Annual Report for F.Y. 2023-24 and the Notice of the 36<sup>th</sup> Annual General Meeting of the Company are being sent in electronic mode to Members whose e-mail address is registered with the Company/Registrar & Transfer Agent or the Depository Participant(s).  
  
Those Members, who have not yet registered their email addresses and consequently, have not received the Notice and the Annual Report, are requested to get their email addresses and mobile numbers registered by following the guidelines mentioned in these notes.
11. The notice of AGM along with the Annual Report will be sent to those members/ beneficial owners whose

names will appear in the register of members/ list of beneficiaries received from the depositories as of Friday, July 19, 2024 (i.e., the BenPos date for sending the Annual Report and AGM Notice).

12. In line with the MCA Circulars and SEBI Listing Regulations, 2015, the Annual Report and Notice calling the AGM have been uploaded on the website of the Company at [www.maxfinancialservices.com](http://www.maxfinancialservices.com).

The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

13. AGM shall be convened through VC/ OAVM in compliance with applicable provisions of the Act read with MCA Circulars.
14. Particulars of the Directors to be appointed/re-appointed at this AGM in terms of the Secretarial Standard 2 issued by Institute of Company Secretaries of India ("ICSI") and notified by the Ministry of Corporate Affairs ("MCA") and SEBI Listing Regulations is attached as **Annexure-A**.
15. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, August 17, 2024, to Friday, August 23, 2024 (both days inclusive).
16. Members are requested to send all their correspondence directly to Mas Services Limited, Registrar and Transfer Agent ("RTA") of the Company at T-34, 2<sup>nd</sup> Floor, Okhla Industrial Area Phase II, New Delhi – 110 020. Tel-011-41320335/26387281-83, E-mail: [investor@masserv.com](mailto:investor@masserv.com)
17. As per Regulation 40 of SEBI Listing Regulations, 2015 as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's RTA for assistance in this regard.

18. In accordance with SEBI (Listing Obligations and Disclosure Requirements) (4<sup>th</sup> amendment) Regulations, 2018 notified on June 08, 2018, and further notification dated November 30, 2018, any request for physical transfer of shares shall not be processed with effect from April 01, 2019.

**Further, in compliance with SEBI circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only:-**

- i. Issue of duplicate share certificate
- ii. Claim from unclaimed suspense account
- iii. Renewal/Exchange of securities certificate
- iv. Endorsement
- v. Sub-division / splitting of a securities certificate
- vi. Consolidation of securities certificates/folios
- vii. Transmission
- viii. Transposition

For this purpose, the securities holder/ claimant shall submit a duly filled-up Form ISR-4 which is hosted on the website of the Company as well as on the website of MAS Services Ltd., Registrar, and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy.

**Members holding shares in physical form are requested to dematerialize their holdings at the earliest.**

19. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021, read with circulars dated December 14, 2021 and March 16, 2023, has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) Specimen signature and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company on or before October 1, 2023. In terms of the said Circulars, shareholding of those members who have not completed the KYC norms and furnishing of nomination details to RTA before the said date, stood frozen from the said date, i.e., October 1, 2023.

In view of the above, shareholders of the Company holding securities in physical form are requested to

provide the following documents/details to RTA:

- i. PAN; (using ISR-1)
- ii. Nomination in Form No.SH-13 or submit the declaration to 'Opt-out' in Form ISR-3;
- iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- iv. Bank Account details including Bank name and branch, Bank account number, IFS code;
- v. Specimen signature. (using ISR-2)
- vi. Any cancellation or change in nomination shall be provided in Form No.SH-14

All of the above-required documents/details are to be sent to the address of the registered office of the RTA. The shareholders can download the forms mentioned in the SEBI circular from the website of the Company or RTA website i.e., [www.masservices.com](http://www.masservices.com)

**A separate communication has already been sent to the respective shareholders in this regard.**

20. Members are requested to intimate changes/updates, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, Mas Services Limited for shares held in physical form, with relevant documents that may be required.
21. The Company has designated an exclusive Email Id: [investorhelpline@maxindia.com](mailto:investorhelpline@maxindia.com) for redressal for Shareholders'/Investors' complaints/grievances. In case you have any queries, complaints, or grievances, then please write to us at the above-mentioned e-mail address.
22. All the documents referred in the notice and explanatory statement thereto are open for inspection at the Registered Office of the Company during working hours between 10.00 a.m. and 1.00 p.m., except on holidays from the date of circulation of this Notice up to the date of AGM i.e., Friday, August 23, 2024.

The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or

Arrangements in which Directors are interested and all the documents referred to in the Notice and explanatory statement including certificate from the Secretarial Auditors of the Company under Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2021 will be available electronically for inspection by the members during the AGM.

23. Pursuant to Section 72 of the Act, Member(s) of the Company may nominate a person in whose name the shares held by him/ her/ them shall vest in the event of his/ her/ their unfortunate death. Member(s) holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
24. The Company declared the Final Dividend for the financial year 2015-16 on September 27, 2016. The unpaid/unclaimed dividend for the aforesaid Final Dividend for FY 2015-16 was due for transfer to IEPF Authority on October 18, 2023.

Further, the equity shares on which dividends have not been claimed/ encashed for a continuous period of the last seven years i.e., from F.Y.2015-16 shall also be mandatorily transferred by the Company to IEPF as per the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

In this regard, the Company had given adequate notice individually to the concerned shareholders on June 30, 2023, through Registered Post advising them to encash the said dividend. Further, the Company had published an advertisement on July 7, 2023, to the members of the Company, advising them to encash the said dividend in Business Standard (English), all editions and Desh Sewak (Punjabi), Chandigarh edition for the information of the members of the Company.

In this regard, a sum of Rs. 19,42,212/- which was lying as unpaid/unclaimed dividend in the Dividend Account No. 000184400012183 viz., Final Dividend for FY 2015-16 of the Company with Yes Bank was remitted to IEPF on October 25, 2023. Further, 1,10,529 equity shares of Rs. 2/- each were also transferred by the Company to Investor Education and Protection Fund on November

16, 2023, as per Section 124(6) of the Companies Act 2013, being shares in respect of which dividend have not been encashed or claimed for seven consecutive years or more.

On transfer of the aforesaid equity shares to IEPF, the members will now have recourse to IEPF to reclaim the shares by providing documentary evidence to IEPF as provided under the Companies Act, 2013.

The Company has been sending reminders to Members having unpaid/ unclaimed dividends before the transfer of such dividend(s) to IEPF. Details of the unpaid/ unclaimed dividend are also uploaded on the website of the Company at [www.maxfinancialservices.com](http://www.maxfinancialservices.com).

The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 is available on [www.iepf.gov.in](http://www.iepf.gov.in)

25. The Board of Directors has appointed Mr. Rupesh Agarwal, Managing Partner (CP No. 5673), and failing him Mr. Shashikant Tiwari (CP No. 13050), Partner of M/s Chandrasekaran Associates, Practicing Company Secretaries having office at 11F, Pocket-IV, Mayur Vihar Phase-I, Delhi – 110091, as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed for the said purpose.

**The process and manner of remote e-voting and joining the Annual General Meeting are explained herein below:**

The remote e-voting period begins on Monday, August

19, 2024, at 9 A.M. (IST) and ends on Thursday, August 22, 2024, at 5 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e., Friday, August 16, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as of the cut-off date.

Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again. The person who is not the member or beneficial owner as on the cut-off date should treat this Notice for information purpose only.





**NSDL e-Voting system consists of “Two Steps” which are mentioned below:**

**Step 1: Access to the NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode**

As per SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, on the e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access the e-Voting facility.

The login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL can login as follows:</p>	<p>If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open the web browser by typing the following URL: <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the <b>“Beneficial Owner”</b> icon under “Login” which is available under the <b>“IDeAS”</b> section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see the e-Voting page. Click on options available against the company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to the NSDL e-Voting website for casting your vote during the remote e-Voting period or joining a virtual meeting &amp; voting during the meeting.</p> <p>If the user is not registered for IDeAS e-Services, the option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>“Register Online for IDeAS”</b> Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>Visit the e-Voting website of NSDL. Open the web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of the e-Voting system is launched, click on the icon “Login” which is available under the ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP, and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-Voting page. Click on options available against the company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to the e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining a virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for a seamless voting experience.</p> <div style="text-align: center; border: 1px solid #ccc; padding: 10px; margin-top: 10px;"> <p style="color: #0070C0; font-weight: bold;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL can login as follows:	<p>Existing users who have opted for Easi / Easiest, can log in through their user id and password. An option will be made available to reach the e-Voting page without any further authentication. The URL for users to log in to Easi / Easiest is <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e., NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>If the user is not registered for Easi/Easiest, the option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>Alternatively, the user can directly access the e-Voting page by providing a demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, the user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
Individual Shareholders holding securities in demat mode can also login through their depository participants as follows:	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see an e-voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on options available against the company name or <b>e-Voting service provider NSDL</b> and you will be redirected to the e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve their User ID/ Password are advised to use Forget User ID and Forget Password option available at the abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to logging in through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact the NSDL helpdesk by sending a request to <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll-free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request to <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contacting at 022- 23058738 or 022-23058542-43



**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

Visit the e-Voting website of NSDL. Open the web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

Once the home page of the e-Voting system is launched, click on the icon "Login" which is available under the 'Shareholder/Member' section.

A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

1. Your User ID details are given below :

**Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical**

**Your User ID is:**

- a) For Members who hold shares in a demat account with NSDL.

8 Character DP ID followed by 8 Digit Client ID

For example, if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*.

- b) For Members who hold shares in demat account with CDSL.

16 Digit Beneficiary ID

For example, if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*

- c) For Members holding shares in Physical Form.

EVEN Number followed by Folio Number registered with the company

For example, if folio number is 001\*\*\* and EVEN is 101456 then the user ID is 101456001\*\*\*

2. Password details for shareholders other than Individual shareholders are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to log in and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

- c) How to retrieve your 'initial password'?

- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for the NSDL account, the last 8 digits of the client ID for the CDSL account, or the folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow the steps mentioned below in the **process for those shareholders whose email ids are not registered**

3. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

Click on the "**Forgot User Details/Password?**"(If you are holding shares in your demat account

with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

**Physical User Reset Password?** (If you are holding shares in physical mode) option is available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

If you are still unable to get the password by the aforesaid two options, you can send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name, and your registered address, etc.

Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

4. After entering your password, tick on Agree to “Terms and Conditions” by selecting the check box.
5. Now, you will have to click on the “Login” button.
6. After you click on the “Login” button, the Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join the General Meeting on the NSDL e-Voting system.**

**How to cast your vote electronically and join the General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and cast your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote, and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast

successfully” will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [rupesh@cacsindia.com](mailto:rupesh@cacsindia.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and the e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact Mr. Amit Vishal, Senior Manager, National Securities Depository Limited, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 at telephone nos. 1800-222-990 (toll free) or 022-2499 4360 or at e-mail ID [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) alternatively, you may contact Mr. Piyush Soni, Company Secretary & Compliance Officer at Email id: [investorhelpline@maxindia.com](mailto:investorhelpline@maxindia.com), phone no.:+91- 120- 4696000 or Mr. Sharvan Mangla, General Manager, MAS Services Limited, Registrar and Transfer Agent of the Company, at T-34, 2nd Floor, Okhla Industrial Area, Phase – II, New Delhi – 110020, e-mail: [investor@masserv.com](mailto:investor@masserv.com), phone no. +91 11 2638 7281/82/83/41320335.

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

In case shares are held in physical mode, members may obtain the login id and password by sending scanned copy of (i) a signed request letter mentioning your name, folio number and complete address (including email); (ii) the share certificate (front and back) and (iii) the PAN card and any one self attested document (such as Aadhaar Card, Driving License, Bank Statement, Election Card, Passport, etc.) in support of the address of the member as registered with the Company by email to investor@masserv.com.

In case shares are held in demat mode, members may obtain the login id and password by sending scanned copy of (i) a signed request letter mentioning your name, DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), (ii) client master or copy of Consolidated Account statement and (iii) the PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@maserv.com. If the members is an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained in **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**

Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

1. As per the SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access the e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -**

1. The procedure for e-Voting on the day of the AGM

is the same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
5. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

Member will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at <https://www.evoting.nsdl.com>.

1. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under **Join General Meeting** menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow

Camera and use the Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email Id mentioning their name, DP ID and Client ID / Folio No., PAN, Mobile No. to the Registrar and Share Transfer agent of the Company at investor@masserv.com and to the Company at investorhelpline@maxindia.com on or before Saturday, August 17, 2023.

5. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
6. Members who are desirous to expressing their views/asking questions during the AGM, shall join the AGM through a device with camera/webcam facility.
7. All investors, including Institutional Investors, are encouraged to cast their vote on the proposed Resolutions and also attend the AGM through VC/OAVM.

#### **Other Instructions**

1. The e-voting rights of members shall be in proportion of their shares in the paid-up equity share capital of the Company as on the cut-off date, i.e., closure of business hours of Friday, August 16, 2024. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system.

2. Any persons who acquires shares of the Company and becomes a Member of the Company after mailing of the Notice and holding shares as of the cut-off date i.e., closure of business hours of Friday, August 16, 2024, shall be entitled to avail remote e-voting facility or e-voting during the AGM. They may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
3. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the Meeting, thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two working days/ three days (whichever is earlier) of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The Chairman or the authorized person shall declare the results.
4. The result declared along with the Scrutinizers, Report shall be immediately placed on the Notice Board of the Company at its Registered Office, Corporate Office, Company's website www.maxfinancialservices.com and on the website of NSDL www.evoting.nsdl.com. The Company shall simultaneously forward the results to National Stock Exchange of India Limited (<https://www.nseindia.com>) and BSE Limited (<https://www.bseindia.com/>), where the shares of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

As required under Section 102 of the Companies Act, 2013 ('the Act') read with the relevant Rules made thereunder (the 'Act'), Regulation 36 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, ('SEBI Listing Regulations') and

other applicable provisions, if any, the following explanatory statement sets out all material facts relating to the business set out at item no. 5.

**Item No. 5**

As per Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI Listing Regulations'), all Related Party transactions, if material, require prior approval of Members, even if such transactions were in ordinary course of business and at arms' length. Further, as per extant SEBI Listing Regulations, "related party transaction" for a listed company includes a transaction involving a transfer of resources, services or obligations between any of the subsidiaries of the listed entity on one hand and a related party of the subsidiaries on the other hand. Further, in terms of SEBI Listing Regulations, a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs 1,000 Crores or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Arising from the above regulations, the existing contracts/ arrangements/ transactions for payment of fees/ commission for distribution of life insurance products in its capacity as corporate agent of Max Life Insurance Company Limited ('Max Life'), display of publicity materials, procuring banking services and other related business by Max Life, a material subsidiary of the Company to its related party, viz., Axis Bank Limited, qualify as a related party transaction under SEBI Listing Regulations.

Further pursuant to the Clarification issued by SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022, and in line with the SEBI Circulars issued in this regard, the said resolution is being placed for the approval of members, so as to obtain their approval for this resolution for the period from October 1, 2024 and thereafter till the next annual general meeting of the Company to be held in the year 2025 or fifteen months from the date of this Annual General Meeting, whichever is earlier. In this regard, the management would like to draw the attention of the shareholders to the approval accorded earlier in the 35<sup>th</sup> Annual General Meeting of the Company held on August 22, 2023 for the period until September 30, 2024 for such material related party transactions between Max Life and Axis Bank. The Company confirms that the transactions between Max Life Insurance and Axis Bank till September 30, 2024 (including the fees/ commission paid to Axis Bank) shall be in adherence with the approval from the shareholders of the Company obtained in the last AGM held on August 22, 2023. The detailed particulars of the transactions are enclosed for the perusal of the members.

The Audit Committee and the Board of Directors have approved the proposed related party transactions and have noted that although these transactions are in the ordinary course of business and are at arm's length price, they may qualify as material related party transactions under the SEBI Listing Regulations. Accordingly, the approval of the members is sought for the same for which requisite details are furnished hereunder as per extant regulations for the perusal of the members.

Sr. No.	Particulars	Details of transactions
1.	Name of the related party and relationship	The material related party transaction is between a subsidiary of the Company, viz., Max Life Insurance Company Limited ('Max Life') and its related party, Axis Bank Limited ('Axis Bank')
2.	Type and particulars of the proposed transaction	Fees/ Commission/ rewards for distribution of life insurance products, display of publicity materials, procuring banking services and other related business.
3.	Value of the proposed transaction	<p>Max Life pays fees/ commission/ rewards for distribution of life insurance products as per agreement with Axis Bank in accordance with IRDAI regulations/ stipulations. The level of payment is dependent on various factors i.e. business volume, product mix, regulatory guidelines etc. Max Life also uses the extensive network of branches etc. of Axis Bank for display of publicity material for the purpose of insurance awareness. Banking Services are at the standard market rates. It is expected that the value of the transaction for FY 2024-25 and up to the date of next AGM shall be as follows:</p> <ul style="list-style-type: none"> <li>From October 1, 2024 to March 31, 2025, the payment to Axis Bank is expected to be upto INR 1100 crores</li> <li>From April 1, 2025 to September 30, 2025, the payment of proposed fees/ commission to Axis Bank is expected to be upto INR 889 crores.</li> </ul> <p>The proposed payment to Axis Bank are at arm's length price and in the normal course of business.</p>
4.	Material terms	Axis Bank is a corporate agent registered with Insurance Regulatory and Development Authority of India ("IRDAI") in accordance with the applicable laws. Max Life has entered into agreements with Axis Bank for sale/ renewal of life insurance products. Max Life pays Axis Bank fees/ commission/rewards for procuring such services in accordance with IRDAI regulations/ stipulations. Other mentioned services which form a small portion of the total fees being paid to Axis Bank are also on Arms' Length basis and are in the normal course of business.
5.	Nature of concern or interest of the related party (financial/otherwise)	Financial
6.	Tenure of the proposed transaction	The material agreement of the proposed transaction i.e., the corporate agency agreement with Axis Bank is in accordance with the applicable laws for a tenure of 6 ½ years (renewed agreement effective from April 1, 2021) extendable up-to 11 ½ years. The agreement may be further renewed for a period as may be agreed between the parties.
7.	Percentage of Company's annual consolidated turnover for immediately preceding financial year (Based on consolidated turnover of financial year ended March 31, 2024)	% of consolidated turnover of the Company: Estimated at ~4.27%
8.	If the transaction relates to any loans, inter-corporate deposits, advance or investments made or given by the listed entity or its subsidiary:	
	(i) details of the source of funds in connection with the proposed transaction	Not Applicable
	(ii) Details of financial indebtedness is incurred	Not Applicable

	(iii) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable
	(iv) The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transactions	Not Applicable
9.	Justification as to why the related party transaction is in the interest of the listed entity	<p>Max Life has gross premium income of Rs. 29,529 crores and a Claims Paid Ratio of 99.65% in FY24. It currently has over 5.3 million policies in force. Max Life Insurance offers comprehensive long-term savings, protection and retirement solutions through its high-quality agency distribution and multi-channel distribution partners. The banca partnership leverages increased insurance awareness amongst the prospective customers along with better insurance penetration and sales.</p> <p>The strategic benefits of this banca partnership is multi-pronged and will continue to unfold over a long period of time. The combined trust of Max Life and Axis Bank franchise will hold Max Life in good stead and therefore is in the best interest of the Company and its flagship subsidiary company, Max Life.</p>
10.	Valuation or other external party report	Not Applicable

Pursuant to Regulation 23 of the Listing Regulations, members may also note that no related party of the Company shall vote to approve the resolution no. 5 whether the entity is a related party to the particular transaction or not.

None of the directors or the key managerial personnel of the Company and their relatives, are either

financially or otherwise concerned or interested in the ordinary resolution, as set out in item no. 5 of this notice. Mr. Rajiv Anand Mr. Subrat Mohanty and Mr. Girish Paranjpe (being common directors of Max Life and Axis Bank) and their respective relatives, may be deemed to be concerned or interested in the ordinary resolution, as set out in item no. 5 of this notice.

By Order of the Board  
For **Max Financial Services Limited**

Place: Noida  
Date: July 26, 2024

**Piyush Soni**  
**Company Secretary & Compliance Officer**  
**Membership No. ACS - 39924**

Regd. Office: Bhai Mohan Singh Nagar  
Railmajra, Tehsil Balachaur  
District Nawanshahr, Punjab – 144 533

**ANNEXURE -A**

The details of Directors seeking appointment/re-appointment, pursuant to Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards-2 on General Meeting issued by the Institute of Company Secretaries of India are appended below:

<b>Name of the Director &amp; DIN</b>	<b>Mr. Analjit Singh (DIN: 00029641)</b>	<b>Mr. Sahil Vachani (DIN: 00761695)</b>
<b>Date of Birth / Age</b>	11.01.1954/70 years	30.04.1983/41 years
<b>Brief Resume (including nature of expertise in specific functional areas and qualification)</b>	<p>Mr. Analjit Singh is the Founder &amp; Chairman of The Max Group, a \$5-bn Indian multi-business enterprise, with interests in life insurance (Max Life), real estate (Max Estates), senior living (Antara). The Max Group is renowned for successful joint ventures with some pre-eminent firms including Axis Bank, Mitsui Sumitomo &amp; Toppan, Japan, New York Life Insurance Company, Bupa Plc, Life Healthcare, SA, DSM, Netherlands, Hutchison Whampoa, Motorola, Lockheed Martin, and others.</p> <p>Amongst privately held family businesses, Mr. Analjit Singh is the founder of Leeu Collection, a group of leisure boutique hotels in Franschhoek, South Africa; The Lake District, UK; and soon to be opened in Florence, Italy. The Leeu Collection also includes a significant presence in the wine and viticulture sector through Mullineux Leeu Family Wines in SA, a four-time winner of 'Platters Winery of the year' over the past 9 years. In addition, the private arm has a substantial investment in Alajmo SpA, Italy and Riga Foods, India.</p>	<p>Mr. Sahil Vachani is the Vice Chairman and Managing Director of Max Estates Limited. He is the driving force behind Max Estates Ltd. and aims to revolutionize the Indian real estate landscape by bringing in Max Group's values of Sevabhav, Excellence and Credibility to the sector.</p> <p>Since its inception in 2016, Max Estates Ltd. has offered exceptional experiences for residential and commercial use, with utmost attention to detail, design and lifestyle under his leadership. With a future forward vision to enhance quality of life through the spaces created by the organisation, Mr. Sahil Vachani has introduced the concept of WorkWell and LiveWell in India, which caters to the holistic well-being of the users of Max Estates' premises. This operating philosophy is centred on 9 tenets of holistic wellbeing across physical, emotional, social, and environmental aspects, and serves as a guiding force for the organisation. Under his guidance, the organisation has also successfully partnered with New York Life for strategic collaborations and investment. Mr. Sahil Vachani has also guided the organisation to foster partnerships with Real Estate Technology players to re-define 'customer experience' and 'operational efficiency', a first in the commercial real estate space.</p>



Mr. Analjit Singh was awarded the Padma Bhushan, India's third highest civilian honour, by the President of India in 2011. An alumnus of The Doon School and Shri Ram College of Commerce, University of Delhi, Mr. Analjit Singh holds an MBA from the Graduate School of Management, Boston University. He has been conferred with an honorary doctorate by Amity University. He also serves as the Honorary Consul General of the Republic of San Marino in India.

Mr. Analjit Singh is the Chairman of the listed companies of Max Group, viz., Max Financial Services Limited, Max India Limited and Max Estates Limited and earlier, the Founder Chairman of Max Life Insurance Company Limited; Max Healthcare; Hutchison Max Telecom; Max Bupa and so on. He also served as a Director on the Board of Sofina NV/ SA, Belgium till March 2022 and was the Non-Executive Chairman of Vodafone India till August 2018.

Mr. Analjit Singh was a member of the Founder Executive Board of the Indian School of Business (ISB), India's top-ranked B-School and has served as Chairman of the Board of Governors of The Indian Institute of Technology, The Doon School, and Welham Girls' School. In addition, he served on the Prime Minister's Indo-US CEO and Indo-UK CEO Council for over a decade.

Mr. Sahil Vachani's direction has led Max Estates Ltd. to be recognised as the developer of the year by ET Now, in 2020, and has helped the developments achieve several awards across sustainability, ESG, architecture, as well as highly credible ratings from both LEED and IGBC as a recognition of their excellent sustainability efforts. His empathetic governance has been dedicated to a continuous commitment to employee well-being and safety with a deep respect for human rights, competitive wages, and non-discrimination in hiring. Mr. Sahil Vachani was also honoured with a feature in BW Disrupt's 40 under 40 publication for his excellent work in the industry. He is also part of YPO - Delhi Chapter

Under Mr. Sahil Vachani's guidance, Max Estates has achieved tremendous success, with reputed brands from various sectors choosing Max Estates' commercial developments in a move to quality workspaces, and Max Estates' first residential development witnessing successful pre-launch sales, a true testament to the consumers' belief in Sahil's vision and management.

He holds a Bachelor's degree in Management Sciences from the University of Warwick, U.K. backed up by an Executive Management Program on Disruptive Innovation from the Harvard Business School.

	<p>He has been felicitated by Senator Hillary Clinton, former US Secretary of State, on behalf of the Indian American Centre for Political Awareness for his outstanding achievement in presenting the international community with an understanding of a modern and vibrant India and for creating several successful joint ventures with leading American companies and promoting business ties with the USA.</p> <p>He has been honoured with the Ernst and Young Entrepreneur of the Year Award (Service Category) and the Golden Peacock Award for Leadership and Service Excellence. In 2014 he was awarded with Spain's second highest civilian honour, the Knight Commander of the Order of Queen Isabella, and the Distinguished Alumni Award from Boston University.</p>	
<p><b>Date of first appointment on board</b></p>	<p>23-07-2018</p>	<p>25-05-2018</p>
<p><b>The skills and capabilities required for the Independent Director (ID) role and the manner in which the proposed ID meets such requirements</b></p>	<p>I. Industry and sector experience or knowledge: understand the Company's business, policies, and culture and knowledge of the industry in which the Company operates;</p> <p>II. Leadership and governance: Board experience, responsible for taking decisions, keeping in mind the interest of all stakeholders;</p> <p>III. Strategic thinking and decision making: Having experience in decision making keeping in mind the interest of shareholders;</p> <p>IV. Experience in M&amp;A, business restructuring and joint ventures; and</p> <p>V. Financial Skills: Experience in financial management; risk assessment; treasury and fundraising initiatives.</p>	<p>I. Industry and sector experience or knowledge: understand the Company's business, policies, and culture and knowledge of the industry in which the Company operates;</p> <p>II. Leadership and governance: Board experience, responsible for taking decisions, keeping in mind the interest of all stakeholders;</p> <p>III. Strategic thinking and decision making: Having experience in decision making keeping in mind the interest of shareholders;</p> <p>IV. Experience in M&amp;A, business restructuring and joint ventures; and</p> <p>V. Financial Skills: Experience in financial management; risk assessment; treasury and fundraising initiatives.</p>

<b>Terms and conditions of re - appointment</b>	Not Applicable.  As the director retires by rotation and being eligible offers himself for re-appointment, as a Director.	Not Applicable.  As the director retires by rotation and being eligible offers himself for re-appointment, as a Director.
<b>Directorships in other Listed Companies</b>	Max India Limited  Max Estates Limited	Max Estates Limited
<b>Directorships in other Companies</b>	Max Ventures Investment Holdings Private Limited Piveta Estates Private Limited Delhi Guest Houses Private Limited BAS Enterprises Private Limited P V T Ventures Private Limited Max Ventures Private Limited Siva Realty Ventures Private Limited SKA Diagnostic Private Limited LGO Pte Ltd. (Singapore) Drugyel Estates Pvt ltd (Bhutan) Leeu Collection (Pty) Ltd (South Africa) Leeu Dassenberg Estates (Pty) ltd (South Africa) Capstone 1458 (Pty) Ltd (South Africa) Klein Dassenberg Estates (Pty) Ltd (South Africa) Roundstone Pty Ltd (South Africa) Mullineux and Leeu Family Wines Pty Ltd (South Africa) Le Quartier Francais (Pty) Ltd (South Africa) Leeu Holdings Ltd (Cyprus) Leeu Marketing International Ltd (UK) The Unstuffy Hotel Co Ltd (UK) LGOX DMCC (Dubai) Leeu Italy S.p. A (Italy) Alajmo S.p. A (Italy)	Max Life Insurance Company Limited Max Ventures Investment Holdings Private Limited Siva Enterprises Private Limited Piveta Estates Private Limited Icare Health Projects and Research Private Limited Max Ventures Private Limited TVP Investments Private Limited Vitasta Estates Private Limited Trophy Estates Private Limited Hometrail Properties Private Limited Wegmans Business Park Private Limited Max I. Limited Twiggy Ventures Private Limited SKA Diagnostic Private Limited Max Skill First Limited Siva Realty Ventures Private Limited Leeu Collection (Pty) Ltd (South Africa) Leeu Dassenberg Estates (Pty) ltd (South Africa) Capstone 1458 (Pty) Ltd (South Africa) Le Quartier Francais (Pty) Ltd (South Africa) Roundstone Pty Ltd (South Africa) Mullineux and Leeu Family Wines Pty Ltd (South Africa) Leeu Marketing International Ltd (UK) The Unstuffy Hotel Co Ltd (UK) LGOX DMCC (Dubai) Leeu Italy S.p. A (Italy) LGO Pte Ltd (Singapore) Drugyel Estates Pvt ltd (Bhutan)
<b>Listed entities from which the person has resigned in past three years</b>	Max Ventures and Industries Limited <i>(Pursuant to the scheme of merger, Max Ventures and Industries Limited was merged with Max Estates Limited w.e.f. 31-07-2023.)</i>	Max Ventures and Industries Limited <i>(Pursuant to the scheme of merger, Max Ventures and Industries Limited was merged with Max Estates Limited w.e.f. 31-07-2023.)</i>

<b>Committee memberships in Companies</b>	<ol style="list-style-type: none"> <li>1. Max India Limited - Nomination and Remuneration Committee - Member</li> <li>2. Max Financial Services Limited - Nomination and Remuneration Committee - Member</li> <li>3. Max Estates Limited - Nomination and Remuneration Committee - Member</li> </ol>	<ol style="list-style-type: none"> <li>1. Max Estates Limited -Audit Committee – Member, Stakeholders Relationship Committee – Member, Investment and Finance Committee – Member, Risk Management and Sustainability Committee – Member</li> <li>2. Max Financial Services Limited - Stakeholders Relationship Committee – Chairman</li> <li>3. Max Ventures Investment Holdings Private Limited - Investment and Finance Committee – Member</li> </ol>
<b>Shareholding in the Company including beneficial ownership</b>	1,10,000 Equity shares of Rs. 2/- each	-
<b>Details of Remuneration last drawn (FY 2023-24)</b>	Sitting Fees: Rs. 6,00,000/-	Sitting Fees: Rs. 6,00,000/-
<b>Proposed Remuneration</b>	Sitting Fees of Rs. 1 lakh per meeting for attending meetings of the Board and Committee, thereof and commission, if any, approved by the Board of Directors, from time to time.	Sitting Fees of Rs. 1 lakh per meeting for attending meetings of the Board and Committee, thereof and commission, if any, approved by the Board of Directors, from time to time.
<b>Number of meetings of the Board attended during the year</b>	Five out of five meetings were held during the year	Five out of five meetings were held during the year
<b>Related to any other Director/KMP of the Company</b>	Mr. Sahil Vachani – Son-in-law	Mr. Analjit Singh – Father-in-law