



MAX FINANCIAL SERVICES LIMITED

CIN: L24223PB1988PLC008031

Registered Office: Bhai Mohan Singh Nagar, Village Railmajra,
Tehsil Balachaur, District Nawanshahr, Punjab – 144 533

Tel: 01881-462000, 462001 Fax: 01881- 273607

Website: www.maxfinancialservices.com

E-mail: investorhelpline@maxindia.com

April 28, 2020

Mr. Piyush Tanna

Chief Manager

Surveillance Department

National Stock Exchange of India Limited(NSE).

Exchange Plaza, Bandra Kurla Complex,

Bandra East, Mumbai – 400051

Dear Sir,

Ref: Clarification /Confirmation on news item appearing in “Media/Publication”

This is with reference to your letter ref no. Ref. No.: NSE/CM/Surveillance/9425 dated April 28, 2020

In this regard, we would like to inform you that the Board of directors of the Company in their meeting held yesterday night had approved entering into definitive agreements with Axis Bank Limited for the sale of 29% of the equity share capital of Max Life Insurance Company Limited (“**Max Life**”), a material subsidiary of the Company, to Axis Bank Limited which will have the effect of Max Life becoming a 70:30 joint venture between the Company and Axis Bank Limited after series of transactions.

In this regard, the Company had made disclosure to the stock exchanges under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with press release today morning for the dissemination of information. A copy of the same is enclosed for your kind information.

Thanking you

Yours faithfully

For **Max Financial Services Limited**

Sd/-

V. Krishnan

Company Secretary & Compliance Officer

Encl : As above



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April 28, 2020

To,

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

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

NSE Scrip Symbol: MFSL

BSE Scrip Code: 500271

Dear Sirs/Ma'am,

Subject: Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is with reference to our earlier disclosure letter dated February 20, 2020 on execution of a Confidentiality and Exclusivity Agreement by Max Financial Services Limited ("Company") with Axis Bank Limited ("Axis Bank") to explore a long-term strategic partnership.

In this regard, in terms of the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligation and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we would like to inform you that the Board of Directors of the Company had approved in its meeting held on April 27, 2020 to enter into definitive agreements with Axis Bank for the sale of 29% of the equity share capital of Max Life Insurance Company Limited ("Max Life"), a material subsidiary of the Company, to Axis Bank which will have the effect of Max Life becoming a 70:30 joint venture between the Company and Axis Bank after series of transactions.

The said transaction is subject to receipt of requisite regulatory approvals and satisfaction conditions precedent.

The details required under Regulation 30 of the SEBI Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 are given in Annexure A to this letter. Further, we enclose (i) the press release and (ii) the Investors and Analysts call invite issued in this regard.

You are requested to take note of above.

Thanking you,

For Max Financial Services Limited

Sd/-

V. Krishnan

Company Secretary & Compliance Officer

Encl: As above.

Annexure A

S. No.	PARTICULARS	DETAILS
1.	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year	Contribution by Max Life in the total income and net worth of the Company, during the last financial year, i.e., 2018-2019 (on consolidated basis): Total Comprehensive Income: INR 392.76 Cr 94.01%) Net Worth: INR Rs 2769.27 Cr (97.75%)
2.	Date on which the agreement for sale has been entered into	April 27, 2020
3.	The expected date of completion of sale/disposal	Expected to be completed within the current calendar year subject to receipt of all regulatory approvals (including from Competition Commission of India, Reserve Bank of India and Insurance Regulatory and Development Authority of India).
4.	Consideration to be received from such sale/disposal	Consideration payable by Axis Bank to the Company, for purchase of the Sale Shares, shall be arrived basis the valuation of Max Life conducted as per Rule 11UA read with Rule 11UAA of the Income-tax Rules, 1962.
5.	Brief details of buyer and whether any of the buyers belong to the promoter/promoter group/ group companies. If yes, details thereof	Axis Bank, a scheduled commercial bank, is the buyer with respect to purchase of 29% of the equity share capital of Max Life. Axis Bank does not belong to promoter/promoter group/group companies.
6.	Whether the transactions would fall within related party transactions? If yes whether the same is done at "arm's length"	No, the transaction will not qualify as a related party transaction as per Companies Act, 2013.
7.	Additionally, in case of a slump sale, indicative disclosures provided for amalgamation/merger, shall be disclosed by the listed entity with respect to such slump sale	Not applicable
8.	Name of the parties with whom the agreement is entered.	Various transaction documents executed between the Company, Axis Bank, Max Life, Mitsui Sumitomo Insurance Company Limited ("MSI") (existing shareholder of Max Life) and the promoters of the Company (namely, Mr. Analjit Singh and Max Ventures Investment Holding Private Limited)
9.	Purpose of entering into the agreement.	To strengthen the Max Life franchise and bring long term orientation to its existing, highly successful relationship with Axis Bank and thus Axis Bank becoming a joint-venture partner in the business.

10.	Shareholding, if any, in the entity with whom the agreement is executed.	The Company does not hold any equity shares in Axis Bank.
11.	Significant terms of the agreement (in brief), special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure, etc.	The definitive agreements provide for certain rights with regard to: - Governance of Max Life including the right of appointment of nominee directors, and affirmative vote rights for Axis Bank and the Company. Post closing of the transaction, the Company will have the right to nominate 4 (four) directors on the Board of Directors of Max Life ('Max Life Board') and Axis Bank will have the right to nominate 3 (three) directors on the Max Life Board. - The Company and Axis Bank intend to create long term value for all shareholders of Max Life by working towards a merger of the Company with Max Life. Should the merger not be completed by a pre-agreed timeline, the parties have contractually agreed on certain other outcomes which are detailed in the transaction documents including a swap up Axis Bank's shareholding to Max Financial, tax consequence of which will be equally borne by the parties. ("Value Creation Options"). If the Value Creation Options are not consummated within 63 months from the closing, the transactions provide for a put option for Axis Bank on the Company to sell all shares held by Axis Bank in Max Life at a price of INR 294 per share (subject to adjustments mutually agreed between parties) within 9 months of exercise of such put option. - Customary rights like minority protection rights for Axis Bank at Max Life level, anti dilutive provisions, consequences of identified events of default form a part of the inter-se agreements.
12.	Whether the said parties are related to promoter/promoter group/group companies in any manner. If yes, nature of relationship.	Promoter/ Promoter Group/ Group companies do not have any interest in Max Life, except to their shareholding in the Company.
13.	In case of issue of shares to the parties, details of issue price, class of shares issued.	Not applicable
14.	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of	Upon the closing of the transaction, the Company will have the right to nominate 4 (four) directors on the Max Life Board and Axis Bank will have the right to nominate 3 (three) directors on the Max Life

	interest arising out of such agreements, etc;	Board. One nominee director of the Promoter group on the Board of MFSL shall be a person identified by Axis Bank.
15.	In case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s): a) name of parties to the agreement; b) nature of the agreement; c) date of execution of the agreement; d) details of amendment and impact thereof or reasons of termination and impact thereof.	Not applicable.

28th Apr 2020 - Mumbai, New Delhi

Max Life to be 70:30 joint venture between Max Financial Services and Axis Bank

- *Deal marks coming together of 3rd largest private bank and 4th largest private life insurer*
- *Strategic transaction to strengthen the franchise and bring long term orientation to the relationship*
- *Axis Bank to own 30% stake in Max Life post transaction closure*
- *Max Life to include Axis Bank logo in its brand tag line to demonstrate the close knit partnership*

Axis Bank Limited (Axis Bank) and Max Financial Services Limited (MFS) announced the signing of definitive agreements to become joint venture partners in Max Life Insurance Company Limited (Max Life). Axis Bank will hold 30% stake in Max Life post transaction closure. The development will result in a mutually beneficial and enduring relationship between Axis Bank and Max Life and bring the stability of a long term partnership to India's fourth largest private life insurance franchise. The joint venture arrangement will significantly improve Max Life's competitive position vis a vis its competitors, including the other large bank owned private life insurers.

The Boards of Axis Bank, MFS and Max Life approved the transaction late on 27th April 20. This is an outcome of the inter-se discussions after the three companies had signed a confidentiality and exclusivity arrangement on 20th Feb 2020 to explore the possibility of a long-term strategic partnership between Axis Bank and Max Life.

Max Financial Services presently holds a 72.5% stake in Max Life and Mitsui Sumitomo Insurance (MSI) owns 25.5% stake. Axis Bank also has a minor stake in the life insurer.

The aforesaid transaction with Axis Bank follows the ongoing swapping by MSI of 20.6% stake that it holds in Max Life with a 21.9% stake in MFS. MFS also plans to purchase MSI's balance stake in Max Life. Post completion of the series of transactions, Max Life will become a 70:30 joint-venture between MFS and Axis Bank. The proposed transactions are subject to approval of requisite corporate and regulatory authorities (including IRDAI, RBI and CCI).

Max Life's tag line will include Axis Bank's name, which will further enhance customer trust in the brand and highlight the strength of the partnership.

Axis Bank is the third largest private bank and Max Life is the fourth largest private life insurer in India. The two companies have had a successful business relationship for over a decade, providing long term saving and protection products to over 19 lakh customers. The total premium generated through this relationship has aggregated to over Rs. 38,000 crore. Both companies have invested extensively in product and need-based sales training, thereby leading to consistent increase in productivity.

Announcing the transaction, **Mr. Amitabh Chaudhry, MD and CEO, Axis Bank**, said, “We continue to believe in the long term prospects of India’s under-penetrated life insurance space, current environment notwithstanding. We see this joint venture creating immense value for our stakeholders given our long standing, high performing partnership with Max Life. We believe this transaction will allow us to deepen our working relationship leading to better integrated teams and infrastructure and a superior alignment in our approach.”

Welcoming the development, **Mr. Analjit Singh, Founder and Chairman, Max Group**, said, “This move is an emphatic signal that Max Life will become an even more formidable player in the Indian life insurance space. We at Max Group have had a long standing record of having successful joint ventures. We achieve this by choosing partners with complementary skills, a matching belief system and a shared vision for the future of the business. I believe that in Axis, we have found an exceptional partner and we have conviction that this will make Max Life fundamentally stronger, better performing and will bring stability to the franchise. We will run the organization as if it’s an equal partnership, a philosophy which has held us in good stead earlier as well.”

Mr. Pralay Mondal, Executive Director - Retail Banking, Axis Bank, added, “This transaction would enable Axis Bank to take its partnership with Max Life to the next level. Max has been a well-managed, professional organization with product and distribution capabilities that can be significantly augmented by this partnership, thus leading to greater customer value”

Elaborating the rationale for the potential transaction, **Mr. Mohit Talwar, Vice Chairman, Max Group and Managing Director, Max Financial Services** said, “The strategic benefits of this partnership will be multi-pronged and will continue to unfold over a long period of time. I have no doubt that this joint venture has the potential to catapult Max Life further up on the life insurance league table. The combined trust of the Max and Axis franchise will hold us in good stead, especially in the current scenario where people are seeking safety in well governed and trusted institutions.”

Axis Capital acted as the sole advisor to Axis Bank for this transaction.

About Axis Bank:

Axis Bank is the third largest private sector bank in India. Axis Bank offers the entire spectrum of services to customer segments covering Large and Mid-Corporates, SME, Agriculture and Retail Businesses. With its 4,415 domestic branches (including extension counters) and 12,173 ATMs across the country as on 31st December, 2019, the network of Axis Bank spreads across 2,521 centres, enabling the Bank to reach out to a large cross-section of customers with an array of products and services. The Axis Group includes Axis Mutual Fund, Axis Securities Ltd., Axis Finance, Axis Trustee, Axis Capital, A.TReDS Ltd., Freecharge and Axis Bank Foundation.

About Max Financial Services

Max Financial Services Limited (MFS), a part of the leading Indian multi-business conglomerate Max Group, is the parent company of Max Life, India's largest non-bank, private life insurance company. MFS actively manages a 72.5% stake in Max Life Insurance Company Limited, making it India's first listed company focused exclusively on life insurance.

MFS is listed on the NSE and BSE. Besides a 28.3% holding by Analjit Singh sponsor family, some of Max Financial Services' marquee shareholders include KKR, New York Life, Baron, Vanguard, Blackrock, Aberdeen, First Voyager, Jupiter, Dimension, East Spring and the Asset Management Companies of Nippon, HDFC, ICICI Prudential, Aditya Birla Sun Life, Mirae, BNP, DSP and Sundaram.

About Max Life

Launched in 2000, Max Life is India's largest non-bank private life insurer and the fourth largest private life insurance company, with gross premium income of Rs. 14,575 crore and a Claims Paid Ratio of 98.74% in FY19. It currently has over 4 million policies in force and has a pan-India presence through 345 branch units. Max Life Insurance offers comprehensive long-term savings, protection and retirement solutions through its high-quality agency distribution and multi-channel distribution partners. A financially stable company with a strong track record demonstrated over the last 2 decades, Max Life Insurance offers superior investment expertise. Max Life Insurance has the vision 'to be the most admired life insurance company by securing the financial future of our customers'. The company has a strong customer-centric approach focused on advice-based sales and quality service delivered through its superior human capital.

Press Contacts:

<i>Axis Bank</i>	<i>Max Financial Services</i>
Piyali Reddy +91 9322657983 piyali.reddy@axisbank.com	Nitin Thakur +91 9873347428 nthakur@maxindia.com
Mittal Solanki +91 9004909465 mittal.solanki@axisbank.com	Sucharita Das +91 9899128886 sucharita.das@archetype.co
Brijesh Kutty +91 99204 60901 brijesh.kutty@adfactorspr.com	



MAX FINANCIAL SERVICES LIMITED

Corporate Office: Ground Floor, DLF Center, Sansad Marg, New Delhi - 110 001

Max Financial Services Limited's Investor & Analysts call Tuesday 28th April 2020 at 2.00 PM IST

New Delhi, April 28, 2020

Max Financial Services Limited, the holding company for Max Life Insurance business, is organizing a conference call for Investors and Analysts to discuss the Joint venture with Axis Bank. The call is scheduled for **Tuesday, 28th April 2020 at 2:00 p.m.**

Senior Management team from Max Financial and Max Life will be present on the call.

Details of the conference call

Date	Tuesday, April 28, 2020
Timing	• 2.00 p.m. India Time • 4.30 p.m. Hong Kong / Singapore Time • 8.30 a.m. London Time • 3.30 a.m. New York Time

India Conference dial-in Primary Number	• +91 22 6280 1141 • +9122 7115 8042
Local Access Number	• +91-7045671221 (Available all over India)
Conference dial-in – International Access (Toll Free Numbers)	• USA: 1 866 746 2133 • UK: 0 808 101 1573 • Singapore: 800 101 2045 • Hong Kong: 800 964 448
Replay Facility	• Available until May 5, 2020 on 91 22 71945757 / +91 22 66635757 • Play Back ID – 85020

- Ends -

About Max Financial Services Limited

Max Financial Services Limited (MFS), a part of the US\$ 3 billion Max Group, is the parent company of Max Life, India's largest non-bank, private life insurance company. MFS actively manages a majority stake in Max Life Insurance Company Limited, making it India's first listed company focused exclusively on life insurance.

For more information on the Company, please visit **www.maxfinancialservices.com**

Investor Contact

Jatin Khanna

Chief Financial Officer
Max Financial Services
Tel: +91 11 49376001-10 Ext. 182
E-mail: jkhanna@maxindia.com

Amrit Singh

Sr. Vice President - Head of Strategy
Max Life Insurance Company Limited
Tel: +91 0124 41215000 Ext. 1013
E-mail: amrit.singh2@maxlifeinsurance.com