



November 6, 2019

Department of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 021.

National Stock Exchange of India Ltd.
Exchange Plaza
Bandra -Kurla Complex
Bandra (E),
Mumbai 400 051

Scrip Code : 500271

Name of Scrip : MFSL

Dear Sir/Madam,

Sub : **Board meeting for unaudited financial results for the quarter and half year ended September 30, 2019**

Please refer to our letter dated September 30, 2019 on the above subject. In this regard, we would like to inform you that the Board of Directors of the Company at its meeting held today approved the Standalone and Consolidated unaudited financial results of the Company for the quarter and half year ended September 30, 2019 and the Limited Review thereon by the Auditors. The said financial results and the Limited Review Report by the Auditors for the quarter and half year ended September 30, 2019 are attached herewith.

The Board meeting commenced at 14.00 hrs. and concluded at 15.20 hrs.

You are requested to take the aforesaid on record.

Thanking you,

Yours faithfully
For **Max Financial Services Limited**

A handwritten signature in blue ink, appearing to read "V. Krishnan", is written over a horizontal line.

V. Krishnan
Company Secretary & Compliance Officer

Encl: As above.

MAX FINANCIAL SERVICES LIMITED

CIN: L24223PB1988PLC008031

Ground Floor, DLF Centre, Sansad Marg, New Delhi - 110001 | P: +91 11 49376000 | F: +91 11 47009582 | www.maxfinancialservices.com

Regd. Office: Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab - 144 533, India

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

TO THE BOARD OF DIRECTORS OF MAX FINANCIAL SERVICES LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **Max Financial Services Limited** ("the Company"), for the quarter and six months ended September 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Attention is drawn to Note 12 of the Statement which states that the statement of cash flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Company's Board of Directors, but have not been subjected to review.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

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



SATPAL SINGH ARORA

Partner

(Membership No. 098564)

UDIN: 19098564AAAAB17805

New Delhi, November 6, 2019

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2019

(Rs. in Crores)						
Particulars	3 months ended 30.09.2019	3 months ended 30.06.2019	3 months ended 30.09.2018	6 months ended 30.09.2019	6 months ended 30.09.2018	Year ended 31.03.2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Revenue from operations						
(a) Interest income	0.01	0.22	-	0.23	0.01	0.01
(b) Dividend income	-	190.08	-	190.08	115.39	281.01
(c) Gain on fair value changes						
- on derivative financial instruments (See note 9)	-	0.04	-	-	-	-
- on investments in mutual funds	3.07	1.66	1.91	4.73	3.19	8.32
(d) Sale of services	5.74	4.13	5.86	9.87	11.70	27.29
2. Total revenue from operations	8.82	196.13	7.77	204.91	130.29	316.63
3. Other income	0.02	0.07	0.36	0.09	0.51	1.15
4. Total income (2+3)	8.84	196.20	8.13	205.00	130.80	317.78
5. Expenses						
(a) Finance costs (See notes 8 and 10)	0.04	0.04	-	0.08	27.25	27.25
(b) Loss on fair value changes on derivative financial instruments (See note 9)	12.81	-	37.21	12.77	30.75	102.61
(c) Employee benefits expenses (See note 6)	6.70	7.62	11.80	14.32	23.62	76.40
(d) Depreciation and amortisation expenses	0.74	0.69	0.43	1.43	0.88	1.75
(e) Legal and professional expenses	12.38	13.88	10.38	26.26	20.79	43.51
(f) Other expenses	3.32	2.41	4.64	5.73	8.40	16.87
6. Total expenses	35.99	24.64	64.46	60.59	111.69	268.39
7. Profit / (loss) before tax (4-6)	(27.15)	171.56	(56.33)	144.41	19.11	49.39
8. Tax expense						
(a) Current tax	-	-	-	-	-	-
(b) Deferred tax	-	-	-	-	-	-
9. Total tax expense	-	-	-	-	-	-
10. Profit / (loss) after tax (7-9)	(27.15)	171.56	(56.33)	144.41	19.11	49.39
11. Other comprehensive income / (loss):						
Items that will not be reclassified to profit or loss:						
- Remeasurement of the defined benefit obligations	(0.16)	(0.03)	0.19	(0.19)	(0.08)	(0.30)
12. Total other comprehensive income / (loss)	(0.16)	(0.03)	0.19	(0.19)	(0.08)	(0.30)
13. Total comprehensive income / (loss) (10+12)	(27.31)	171.53	(56.14)	144.22	19.03	49.09
14. Paid-up equity share capital (Face value of Rs. 2)	53.88	53.88	53.68	53.88	53.68	53.88
15. Other equity						1,946.15
16. Earnings per share (EPS) (Rs.) (not annualised)						
(a) Basic EPS	(1.01)	6.37	(2.10)	5.36	0.71	1.83
(b) Diluted EPS	(1.00)	6.36	(2.10)	5.36	0.70	1.83
See accompanying notes to the standalone unaudited financial results						

Date : November 6, 2019
Place : New Delhi



By Order of the Board

Mohit Talwar
Mohit Talwar
Managing Director
DIN : 02394694

Max Financial Services Limited

CIN: L24223PB1988PLC008031

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

Website: www.maxfinancialservices.com

Notes to the standalone unaudited financial results:

1 STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2019

		(Rs. in Crores)	
	Particulars	As at 30.09.2019 (Unaudited)	As at 31.03.2019 (Audited)
A.	ASSETS		
1.	Financial assets		
	(a) Cash and cash equivalents	16.45	0.43
	(b) Bank balance other than (a) above	2.67	2.67
	(c) Receivables - Trade receivables	13.45	21.80
	(d) Loans	0.04	0.07
	(e) Investments	2,274.25	2,131.32
	(f) Other financial assets	0.74	1.14
	Total financial assets	2,307.60	2,157.43
2.	Non financial assets		
	(a) Current tax assets (Net)	7.07	6.06
	(b) Property, plant and equipment	29.62	30.36
	(c) Intangible assets	0.03	0.09
	(d) Right of use asset (See note 10)	4.31	-
	(e) Other non-financial assets	1.86	1.64
	Total non-financial assets	42.89	38.15
	Total assets	2,350.49	2,195.58
B.	LIABILITIES AND EQUITY		
I	LIABILITIES		
1.	Financial liabilities		
	(a) Derivative financial instruments (See note 9)	172.90	160.13
	(b) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	17.44	14.19
	(c) Lease liability (See note 10)	3.12	-
	(d) Other financial liabilities	6.01	12.13
	Total financial liabilities	199.47	186.45
2.	Non financial liabilities		
	(a) Provisions	3.12	2.87
	(b) Deferred tax liabilities (net)	-	-
	(c) Other non-financial liabilities	1.45	6.23
	Total non-financial liabilities	4.57	9.10
	Total liabilities	204.04	195.55
II	EQUITY		
	(a) Equity share capital	53.88	53.88
	(b) Other equity	2,092.57	1,946.15
	Total equity	2,146.45	2,000.03
	Total liabilities and equity	2,350.49	2,195.58



Notes to the standalone unaudited financial results:

- 2 Standalone cash flow statement for the six months ended September 30, 2019

Particulars	6 months ended 30.09.2019 (Unaudited)	6 months ended 30.09.2018 (See note 12)
Cash flow from operating activities		
Profit before tax	144.41	19.11
Operating profit/ (loss) before working capital changes	(33.62)	(65.74)
Net cash flow from operating activities (A)	159.14	55.74
Net cash flow from investing activities (B)	(143.12)	(55.89)
Net cash used in financing activities (C)	-	0.01
Net (decrease)/increase in cash and cash equivalents (A+B+C)	16.02	(0.14)
Cash and cash equivalents as at the beginning of the year	0.43	0.43
Cash and cash equivalents as at the end of the period	16.45	0.29

- 3 These standalone unaudited financial results for the quarter and six months ended September 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today. These results have been reviewed by the statutory auditors of the Company.
- 4 The standalone unaudited financial results of the Company have been prepared in accordance with the 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. These financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 5 The Company is a Non-Systemically Important Core Investment Company, and is primarily engaged in growing and nurturing business investments and providing management advisory services to group companies in India. Accordingly, the Company views these activities as one business segment, therefore there are no separate reportable segments as per Indian Accounting Standard-108 (Ind AS-108) on Operating Segment.
- 6 Employee benefits expenses for the quarter ended September 30, 2019 and quarter ended June 30, 2019 and year ended March 31, 2019 includes severance pay aggregating to Rs. 0.21 crores, Rs. 2.54 crores and Rs. 25.75 crores respectively.
- 7 During the quarter ended September 30, 2019, the Company has granted 32,010 stock options with graded vesting periods under the "Max Employee Stock Plan-2003".
- 8 During the previous year ended March 31, 2019, the Company had incurred finance cost aggregating to Rs. 27.25 crores towards underwriting fee and arranger's fee in respect of firm commitments made by certain lenders to enable the Company to provide its portion of shareholders' contribution for a potential acquisition opportunity pursued by its subsidiary company. However, subsequently the subsidiary company decided not to pursue the said acquisition opportunity and hence no fund raising was done by the Company. As the Company has not accessed any public funds, it continues to be a Non-Systemically Important Core Investment Company under the Non-Banking Finance Company (NBFC) rules as defined under the Reserve Bank of India Act, 1934.
- 9 Gain/(loss) on fair value changes on derivative financial instruments represents gain/(loss) arising out of the Option arrangements relating to equity shares of Max Life Insurance Company Limited (MLIC), executed during the year ended March 31, 2016, amongst the Company, Axis Bank Limited and Mitsui Sumitomo Insurance Company Limited and accounted for Fair Value Through Profit or Loss account (FVTPL) in standalone unaudited financial results of the Company as per Ind AS 109.
- Necessary adjustments are made against the option value in the books of account and balance is restated at the end of each period.
- 10 Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 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. Accordingly, comparatives for the quarter and six months ended September 30, 2018 and year ended March 31, 2019 have not been retrospectively adjusted.
- Consequently, in the current period financial results, the nature of expenses in respect of Operating Leases has changed from lease rent in previous periods to depreciation cost for the ROU asset and finance cost for the interest accrued on lease liability. The effect of this adoption is not material on the profit and earnings per share for the quarter and six months ended September 30, 2019.
- 11 The Board of Directors of the Company in its meeting held on August 6, 2019, had considered and approved a binding term sheet containing inter alia the issuance and allotment of up to 7,35,51,029 equity shares of the Company of the face value of Rs. 2 each, fully paid up, on a preferential basis to Mitsui Sumitomo Insurance Company Limited (MSI) for consideration other than cash, i.e. through swap of 38,33,92,784 equity shares of Rs. 10 each, held by MSI in Max life Insurance Company Limited (MLIC), based on the valuation report obtained by the Company in accordance with applicable laws (herein after referred as 'the Transaction'). The shareholders had approved the proposal in the Extra-ordinary General Meeting held on September, 05, 2019. The said transaction was subject to execution of definitive agreements and receipt of requisite regulatory approvals and no adjustments were made in the financial results.
- Subsequently the Company, MSI and MLIC could not reach an agreement for the finalization of the definitive documents and have mutually agreed to terminate the Transaction (including the proposed preferential allotment and the Term Sheet) and continue their existing joint venture arrangements with respect to MLIC. The Company is in the process of taking necessary steps to notify the concerned regulatory authorities.
- 12 The Cash Flow Statement for the corresponding six months ended September 30, 2018 have been approved by the Board of Directors, but have not been subjected to review by the Statutory Auditors.

Date : November 6, 2019
Place : New Delhi



By Order of the Board

Mohit Talwar
Managing Director
DIN : 02394694

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

TO THE BOARD OF DIRECTORS OF MAX FINANCIAL SERVICES LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Max Financial Services Limited** ("the Parent") and its subsidiary company (the Parent and its subsidiary company together referred to as "the Group"), for the quarter and six months ended September 30, 2019 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

Attention is drawn to Note 10 to the Statement which states that the consolidated figures for the corresponding quarter and six months ended September 30, 2018 and the statement of consolidated cash flows for the corresponding six months ended September 30, 2018, as reported in the accompanying Statement have been approved by the Parent's Board of Directors, but have not been subjected to review.

4. The Statement includes the results of the subsidiary company Max Life Insurance Company Limited.
5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the certificates of the appointed actuary referred to in paragraph 6 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



6. In respect of Max Life Insurance Company Limited ("MLIC"), subsidiary company, determination of the following as at/and for the quarter and six months ended September 30, 2019 is the responsibility of the subsidiary company's Appointed Actuary.
- (i) The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at September 30, 2019, has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with the IRDAI. The charge of "Net Change in Insurance and Investment Contract Liabilities" includes charge for actuarial valuation of liabilities for life policies in force and charge for the policies in respect of which premium has been discontinued but liability exists as at September 30, 2019. These charges have been actuarially determined, based on the liabilities duly certified by the subsidiary's company Appointed Actuary; and
- (ii) Other adjustments for the purpose of preparation of the Statement, as confirmed by the Appointed Actuary of subsidiary company are in accordance with Indian Accounting Standard 104 on Insurance Contracts:
- Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;
 - Valuation and Classification of Deferred Acquisition Cost and Deferred Origination Fees on Investment Contracts and Valuation of Embedded Derivatives;
 - Grossing up and classification of the Reinsurance Assets; and
 - Liability adequacy test as at the reporting dates.

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

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

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



SATPAL SINGH ARORA
Partner

(Membership No. 098564)

UDIN: 19098564 AAAABJ8387

New Delhi, November 6, 2019

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2019

Particulars		3 months ended 30.09.2019 (Unaudited)	3 months ended 30.06.2019 (Unaudited)	3 months ended 30.09.2018 (See note 10)	6 months ended 30.09.2019 (Unaudited)	6 months ended 30.09.2018 (See note 10)	(Rs. in Crores) Year ended 31.03.2019 (Audited)
1.	Revenue from operations						
	(a) Interest Income	39.93	43.19	40.19	83.12	80.95	162.37
	(b) Dividend Income	1.14	0.36	0.98	1.50	1.35	2.04
	(c) Net gain on fair value changes	3.68	21.39	9.38	25.07	25.71	51.27
	(d) Policyholders' Income from Life Insurance operations (See note 3)	4,639.13	3,883.36	4,261.44	8,522.49	7,756.87	19,269.69
	(e) Sale of services	1.99	0.38	3.13	2.37	6.29	12.25
2.	Total Revenue from operations	4,685.87	3,948.68	4,315.12	8,634.55	7,871.17	19,497.62
3.	Other income	0.05	0.09	1.29	0.14	2.07	3.61
4.	Total income (2+3)	4,685.92	3,948.77	4,316.41	8,634.69	7,873.24	19,501.23
5.	Expenses						
	(a) Finance costs (See notes 8 and 12)	0.08	0.07	-	0.15	27.29	27.30
	(b) Impairment on financial instruments	4.11	6.88	2.51	10.99	2.52	5.02
	(c) Employee benefits expenses (See note 9)	10.55	9.82	11.32	20.37	22.99	84.37
	(d) Depreciation and amortisation expense	0.74	0.69	0.43	1.43	0.88	1.75
	(e) Legal and professional expenses	12.38	13.88	10.38	26.26	20.79	43.51
	(f) Policyholders' Expenses of Life Insurance operations (See note 3)	4,578.74	3,847.42	4,129.87	8,426.16	7,579.67	18,826.57
	(g) Other expenses	8.51	6.65	8.43	15.16	16.06	31.87
6.	Total expenses	4,615.11	3,885.41	4,162.94	8,500.52	7,670.20	19,020.39
7.	Profit before tax (4-6)	70.81	63.36	153.47	134.17	203.04	480.84
8.	Tax expense						
	Relating to other than revenue account of Life Insurance policyholders						
	Current tax	7.65	8.32	30.45	15.97	46.56	66.22
	Deferred tax	(1.20)	0.80	(1.80)	(0.40)	(1.13)	(1.84)
	Relating to revenue account of Life Insurance policyholders						
	Current tax	-	-	-	-	-	-
	Total tax expense	6.45	9.12	28.65	15.57	45.43	64.38
9.	Profit after tax for the period (including Non-controlling interests) (7-8)	64.36	54.24	124.82	118.60	157.61	416.46
10.	(Profit)/Loss attributable to non-controlling interest	(22.20)	(20.54)	(42.10)	(42.74)	(65.27)	(153.91)
11.	Profit for the period attributable to owners of the Company (9-10)	42.16	33.70	82.72	75.86	92.34	262.55
12.	Other comprehensive income (OCI)						
	Relating to revenue account of life insurance policyholders						
	(i) Items that will not be reclassified to profit or loss in subsequent periods	(4.53)	(1.33)	(1.33)	(5.86)	(2.66)	(5.32)
	(ii) Items that will be reclassified to profit or loss in subsequent periods	67.49	31.10	(29.50)	98.59	(106.70)	78.71
	Less: Transferred to policyholders' fund in the balance sheet	(62.96)	(29.77)	30.83	(92.73)	109.36	(73.39)
	Relating to Others						
	(i) Items that will not be reclassified to profit or loss in subsequent periods	(0.16)	(0.03)	0.19	(0.19)	(0.08)	(0.30)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Items that will be reclassified to profit or loss in subsequent periods	0.22	2.57	(2.07)	2.79	(14.08)	1.90
	Income tax relating to items that will be reclassified to profit or loss	(0.04)	(0.37)	0.30	(0.41)	2.03	(0.29)
13.	Other comprehensive income / (loss)	0.02	2.17	(1.58)	2.19	(12.13)	1.31
14.	Total comprehensive income (after tax) (9+13)	64.38	56.41	123.24	120.79	145.48	417.77
15.	Profit for the period attributable to						
	Owners of the company	42.16	33.70	82.72	75.86	92.34	262.55
	Non-controlling interests	22.20	20.54	42.10	42.74	65.27	153.91
16.	Other comprehensive income attributable to						
	Owners of the company	(0.03)	1.55	(1.06)	1.52	(8.61)	0.86
	Non-controlling interests	0.05	0.62	(0.52)	0.67	(3.52)	0.45
17.	Total comprehensive income attributable to						
	Owners of the company	42.13	35.25	81.66	77.38	83.73	263.41
	Non-controlling interests	22.25	21.16	41.58	43.41	61.75	154.36
18.	Paid up Equity Share Capital (Face value of Rs. 2 each)	53.88	53.88	53.68	53.88	53.68	53.88
19.	Other Equity						2,005.16
20.	Earnings per share (EPS) (Rs.) (not annualised)						
	(a) Basic EPS	1.56	1.26	3.08	2.82	3.44	9.77
	(b) Diluted EPS	1.56	1.25	3.07	2.81	3.43	9.77
See accompanying notes to the consolidated unaudited financial results							

Date : November 6, 2019
Place : New Delhi



By Order of the Board

Mohit Talwar
Managing Director
DIN : 02394694

Notes to the consolidated unaudited Ind AS financial results

1. CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2019

Particulars		3 months ended 30.09.2019 (Unaudited)	3 months ended 30.06.2019 (Unaudited)	3 months ended 30.09.2018 (See note 10)	6 months ended 30.09.2019 (Unaudited)	6 months ended 30.09.2018 (See note 10)	(Rs. in Crores) Year ended 31.03.2019 (Audited)
1	Segment Revenue						
	a) Life Insurance	4,680.84	3,946.44	4,310.11	8,627.28	7,861.74	19,477.14
	b) Business Investments	8.82	196.14	7.77	204.91	130.29	316.63
	Total	4,689.66	4,142.58	4,317.88	8,832.19	7,992.03	19,793.77
	Inter segment elimination (net)	3.79	193.90	2.76	197.64	120.86	296.15
	Revenue from operations (net)	4,685.87	3,948.68	4,315.12	8,634.55	7,871.17	19,497.62
2	Segments Results						
	a) Life Insurance	85.17	81.92	171.64	167.09	267.05	607.44
	b) Business Investments	(27.14)	171.54	(56.69)	144.40	45.85	75.48
	Total	58.03	253.46	114.95	311.49	312.90	682.92
	Inter segment elimination (net)	(12.81)	190.12	(37.22)	177.31	84.64	178.40
	Sub-total	70.84	63.34	152.17	134.18	228.26	504.52
	Unallocated Expenses (Net of unallocated income)	(0.03)	0.02	1.30	(0.01)	(25.22)	(23.68)
	Profit before tax	70.81	63.36	153.47	134.17	203.04	480.84
	Provision for taxation (includes provision for Deferred Tax)	6.45	9.12	28.65	15.57	45.43	64.38
	Profit after tax	64.36	54.24	124.82	118.60	157.61	416.46

Particulars		As at 30.09.2019 (Unaudited)	As at 30.06.2019 (Unaudited)	As at 31.03.2019 (Audited)	As at 30.09.2018 (See note 10)
3	Segment Assets				
	a) Life Insurance	70,536.02	67,806.56	66,586.45	58,963.89
	b) Business Investments	2,350.49	2,351.79	2,195.58	2,122.86
	Total Segment Assets	72,886.51	70,158.35	68,782.03	61,086.75
	Inter-segment elimination (net)	(1,563.07)	(1,575.21)	(1,571.32)	(1,449.90)
	Total Assets	71,323.44	68,583.14	67,210.71	59,636.85
4	Segment Liabilities				
	a) Life Insurance	67,932.07	65,281.54	63,817.18	56,248.40
	b) Business Investments	204.04	179.12	195.55	222.67
	Total Segment Liabilities	68,136.11	65,460.66	64,012.73	56,471.07
	Inter-segment elimination (net)	328.98	311.65	364.88	503.35
	Total Liabilities	68,465.09	65,772.31	64,377.61	56,974.42

The Operating Segments have been identified on the basis of business activities from which the Group earns revenues and incurs expenses and whose operating results are reviewed by the Chief Operating Decision Maker (CODM) of the Group to make decisions about the resources to be allocated and assess performance and for which discrete financial information is available.



Notes to the consolidated unaudited Ind AS financial results

2. CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2019

		(Rs. in Crores)	
Particulars	As at 30.09.2019 (Unaudited)	As at 31.03.2019 (Audited)	
A ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	259.70	505.74	
(b) Bank balance other than (a) above	2.67	2.67	
(c) Receivables - Trade receivables	5.40	5.50	
(d) Loans	0.04	0.07	
(e) Investments	3,021.75	3,492.80	
(f) Other financial assets	1.30	1.31	
(g) Financial assets of Life Insurance Policyholders' Fund (See note 4)	65,001.62	61,405.95	
Total financial assets	68,292.48	65,414.04	
2. Non-financial Assets			
(a) Current tax assets (net)	13.96	9.88	
(b) Property, plant and equipment	29.62	30.36	
(c) Goodwill	525.25	525.25	
(d) Other Intangible assets	0.03	0.09	
(e) Right of use asset (See note 12)	4.31	-	
(f) Other non-financial assets	109.20	83.75	
(g) Non- financial assets of Life Insurance Policyholders' Fund (See Note 4)	2,348.59	1,147.34	
Total non-financial assets	3,030.96	1,796.67	
Total assets	71,323.44	67,210.71	
B LIABILITIES AND EQUITY			
I LIABILITIES			
1. Financial liabilities			
(a) Trade Payables			
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	32.53	27.49	
(b) Other financial liabilities	508.64	497.56	
(c) Lease liability (See note 12)	3.12	-	
(d) Financial liabilities of Life Insurance Policyholders' Fund (See Note 4)	1,910.44	1,777.52	
Total financial liabilities	2,454.73	2,302.57	
2. Non-financial liabilities			
(a) Provisions	3.12	2.87	
(b) Deferred Tax Liabilities (Net)	15.05	56.51	
(c) Other non-financial liabilities	1.45	6.23	
(d) Non- financial liabilities of Life Insurance Policyholders' Fund (See Note 4)	65,990.74	62,009.43	
Total non-financial liabilities	66,010.36	62,075.04	
Total liabilities	68,465.09	64,377.61	
II EQUITY			
(a) Equity share capital	53.88	53.88	
(b) Other equity	2,077.06	2,005.16	
Equity attributable to owners of the Company	2,130.94	2,059.04	
Non Controlling Interest	727.41	774.06	
Total equity	2,858.35	2,833.10	
Total liabilities and equity	71,323.44	67,210.71	



Notes to the consolidated unaudited Ind AS financial results

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

Particulars		3 months ended 30.09.2019 (Unaudited)	3 months ended 30.06.2019 (Unaudited)	3 months ended 30.09.2018 (See note 10)	6 months ended 30.09.2019 (Unaudited)	6 months ended 30.09.2018 (See note 10)	Year ended 31.03.2019 (Audited)
A Policyholders' Income from life insurance fund							
Premium Income (Net)		3,714.15	2,586.51	3,240.30	6,306.66	5,505.67	14,352.86
Interest Income		941.85	868.31	760.48	1,810.16	1,488.63	3,128.54
Dividend Income		58.59	40.94	53.08	99.53	108.06	158.50
Rental Income		4.15	4.16	2.76	8.31	4.60	12.16
Net gain / (loss) on fair value changes - Policyholders' Investments		(295.67)	307.19	118.02	11.52	518.09	1,742.71
Other income		4.74	2.94	3.15	7.68	7.07	10.84
Sub-Total		4,427.81	3,810.05	4,178.19	8,237.86	7,632.12	19,405.61
Less/ (Add): Restricted life insurance surplus retained in Policyholders' Fund		(211.32)	(73.31)	(63.25)	(284.63)	(124.75)	135.92
Total		4,639.13	3,883.36	4,261.44	8,522.49	7,756.87	19,269.69
B Policyholders' Expense of Life Insurance fund							
Commission to selling agents		251.53	158.30	223.89	409.83	369.11	989.33
Employee Benefits Expenses		245.60	250.11	187.75	495.71	376.61	819.76
Operating Expenses		322.29	252.74	242.38	575.03	456.31	1,132.32
Benefits payout (net)		1,488.92	1,583.82	1,241.74	3,072.74	2,361.40	5,452.28
Net change in insurance contract liabilities		2,084.03	1,479.63	2,120.83	3,563.66	3,803.13	9,956.15
Net change in investment contract liabilities		107.30	87.18	79.94	194.48	142.23	306.86
Finance cost		8.96	8.98	2.52	17.94	5.35	11.77
Impairment loss (including reversals)		(0.10)	1.53	0.01	1.43	0.03	0.03
Depreciation & amortisation expenses		36.53	34.77	21.63	71.30	41.80	74.46
Other expenses		0.70	0.42	0.07	1.12	0.69	1.75
Sub-Total		4,545.76	3,857.48	4,120.76	8,403.24	7,556.66	18,744.71
Add/ (Less): Restricted life insurance surplus retained in Policyholders' Fund		32.98	(10.06)	9.11	22.92	23.01	81.86
Total		4,578.74	3,847.42	4,129.87	8,426.16	7,579.67	18,826.57

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

Particulars		As at 30.09.2019 (Unaudited)	As at 31.03.2019 (Audited)
A Policyholders' Financial Assets of Life Insurance Operations			
Cash and cash equivalents		72.43	182.90
Derivative financial instruments		156.27	60.21
Trade receivables		363.61	628.86
Loans		381.45	326.50
Investments		63,279.56	59,751.97
Other financial assets		748.30	455.51
Sub Total - Financial Assets		65,001.62	61,405.95
B Policyholders' Non Financial Assets of Life Insurance Operations			
Investment Property		210.96	213.02
Property, plant and equipment		76.86	65.32
Capital Work in progress		0.32	5.47
Intangible Assets		122.03	101.28
Intangible Assets under development		4.80	20.05
Right of use asset		278.71	-
Other non-financial assets		1,654.91	742.20
Sub Total - Non-Financial Assets		2,348.59	1,147.34
TOTAL ASSETS		67,350.21	62,553.29
A Policyholders' Financial Liabilities of Life Insurance Operations			
Derivative financial instruments		4.18	0.11
Trade Payable		719.22	951.85
Lease liability		299.90	-
Other payables		890.26	875.76
Sub Total - Financial Liabilities		1,913.56	1,777.52
B Policyholders' Non Financial Liabilities of Life Insurance Operations			
Contract liabilities of life insurance			
Insurance Contracts		60,467.85	56,913.36
Investment Contracts		1,005.26	1,052.12
Ind AS 104 Adjustments (impacting contract liabilities of life insurance)		61,473.11	58,005.48
Measurement adjustments		(252.26)	(207.44)
Grossing up Reinsurance assets		1,209.15	458.72
		956.89	291.28
Fund for future appropriations		2,476.81	2,249.77
Restricted life insurance surplus retained in Policyholders' Fund			
Measurement difference of Ind AS 104 Adjustments		252.01	207.15
Fair valuation difference of policyholders' Investments		223.20	508.27
Fair Value Through Profit or Loss (FVTPL)		198.91	100.30
Fair Value Through Other Comprehensive Income (FVOCI)		(22.69)	4.42
Measurement difference - Other Ind AS Adjustments			
Provisions		64.64	52.21
Other Non-financial Liabilities		367.86	590.55
Sub Total - Non Financial Liabilities		65,990.74	62,009.43
TOTAL LIABILITIES		67,904.30	63,786.95



Notes to the consolidated unaudited Ind AS financial results

5 Consolidated cash flow statement for the six months ended September 30, 2019

Particulars	6 months ended 30.09.2019 (Unaudited)	6 months ended 30.09.2018 (See note 10)
Cash flow from operating activities		
Profit before tax	134.17	203.04
Operating profit/ (loss) before working capital changes	1,983.14	1,889.83
Net cash flow from operating activities (A)	1,220.01	1,814.71
Net cash flow from investing activities (B)	(1,412.23)	(2,252.58)
Net cash used in financing activities (C)	(164.29)	(81.22)
Net (decrease)/increase in cash and cash equivalents (A+B+C)	(356.51)	(519.09)
Cash and cash equivalents as at the beginning of the year	688.64	825.44
Cash and cash equivalents as at the end of the period	332.13	306.35

- 6 The consolidated unaudited financial results comprise the financial results of Max Financial Services Limited ('the Parent' or 'the Company') and its subsidiary (collectively referred as the 'Group'). The consolidated unaudited financial results have been prepared in accordance with the 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. These financial results have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The consolidated financial results comprise the financial statements of Max Financial Services Limited and its subsidiary listed below:

Name of Subsidiary	Country of incorporation	Portion of ownership as at September 30, 2019	Portion of ownership as at June 30, 2019	Portion of ownership as at March 31, 2019	Portion of ownership as at September 30, 2018
Max Life Insurance Company Limited	India	71.79%	71.79%	71.79%	70.75%

- 7 During the quarter ended September 30, 2019, the Company has granted 32,010 stock options with graded vesting periods of Employee Stock Option Plans under the "Max Employee Stock Plan-2003".
- 8 During the previous year ended March 31, 2019, the Parent Company had incurred finance cost aggregating to Rs. 27.25 crores towards underwriting fee and arranger's fee in respect of firm commitments made by certain lenders to enable the Company to provide its portion of shareholders' contribution for a potential acquisition opportunity pursued by its subsidiary company. However, subsequently the subsidiary company decided not to pursue the said acquisition opportunity and hence no fund raising was done by the Parent Company. As the Parent Company has not accessed any public funds, it continues to be a non Systemically Important Core Investment Company under the Non-Banking Finance Company (NBFC) rules as defined under the Reserve Bank of India Act, 1934.
- 9 Employee benefits expenses of the Company for the quarter ended September 30, 2019 and quarter ended June 30, 2019 and year ended March 31, 2019 includes severance pay aggregating to Rs. 0.21 crores, Rs. 2.54 crores and Rs. 25.75 crores respectively.
- 10 In compliance with notification SEBI/LAD-NRO/GN/2018/10 dated May 9, 2018, issued by Securities and Exchange Board of India ('SEBI'). The Group has prepared and presented consolidated financial results for the quarter and six months ended September 30, 2019 for the first time, which have been reviewed by the statutory auditors of the Company. The consolidated figures for the corresponding quarter and six months ended September 30, 2018 and the statement of consolidated Cash flows for the corresponding six months ended September 30, 2018, as reported in these consolidated financial results have been approved by the Company's Board of Directors, but have not been subjected to review by the statutory auditors.
- 11 The Company had entered into a put option arrangement relating to equity shares of Max Life Insurance Company Limited ('MLIC') executed during the year ended March 31, 2016, amongst the Company, Axis Bank Limited and Mitsui Sumitomo Insurance Company Limited. As per the arrangement, the Company has to settle such liability by payment of cash upon exercise of option. As required under Ind AS, put option granted to non-controlling interest is initially recognised in the consolidated financial statements by the Group as a financial liability at the fair value of the amount that may become payable upon exercise of option and is adjusted against the shareholders' equity. In the absence of any mandatorily applicable accounting guidance, the Company has elected an accounting policy to recognise changes on subsequent measurement of the liability in shareholders' equity.
- 12 Effective April 1, 2019, the Group has adopted Ind AS 116 "Leases", applied to all lease contracts existing on April 1, 2019 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. Accordingly, comparatives for the quarter and six months ended September 30, 2018 and year ended March 31, 2019 have not been retrospectively adjusted.
- Consequently, in the current period financial results, the nature of expenses in respect of Operating Leases has changed from lease rent in previous periods to depreciation cost for the ROU asset and finance cost for the interest accrued on lease liability. The effect of this adoption is not material on the profit and earnings per share for the quarter and six months ended September 30, 2019.
- 13 The Board of Directors of the Company in its meeting held on August 6, 2019, had considered and approved a binding term sheet containing inter alia Insurance and allotment of up to 7,35,51,029 equity shares of the Company of the face value of Rs. 2 each, fully paid up, on a preferential basis to Mitsui Sumitomo Insurance Company Limited (MSI) for consideration other than cash, i.e. through swap of 38,33,92,784 equity shares of Rs. 10 each, held by MSI in Max life Insurance Company Limited (MLIC), based on the valuation report obtained by the Company in accordance with applicable laws (herein after referred as 'the Transaction'). The shareholders had approved the proposal in the Extra-ordinary General Meeting held on September, 05, 2019. The said transaction was subject to execution of definitive agreements and receipt of requisite regulatory approvals and no adjustments were made in the financial results.
- Subsequently the Company, MSI and MLIC could not reach an agreement for the finalization of the definitive documents and have mutually agreed to terminate the Transaction (including the proposed preferential allotment and the Term Sheet) and continue their existing joint venture arrangements with respect to MLIC. The Company is in the process of taking necessary steps to notify the concerned regulatory authorities.
- 14 These consolidated unaudited financial results for the quarter and six months ended September 30, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today. These results have been reviewed by the statutory auditors of the Company.

Date : November 6, 2019
Place : New Delhi



By Order of the Board

Mohit Talwar
Managing Director
DIN : 02394694