



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

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E-mail: investorhelpline@maxindia.com

May 26, 2020

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: Disclosure under Listing Regulations - Board meeting for financial results

Please refer to our letter dated May 19, 2020 on the above subject. In this regard, we would like to inform you that the Board of Directors of the Company at its meeting held today approved the following:

- Audited financial results of the Company for the quarter / year ended March 31, 2020;
- Audited financial statements of the Company for the financial year ended March 31, 2020 together with audited consolidated financial statements of the Company and its subsidiary for the said period; and
- Auditors' Report to the aforesaid financial results / statements.

The aforesaid financial results and Auditors' Reports are attached herewith. As the scanned versions of the signed financial results are not legible, we are sending the PDF versions (unsigned) as well for the information of the public.

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

The Board meeting commenced at 1330 pm and concluded at 1520 pm.

You are requested to take the aforesaid on record.

Thanking you,

For **Max Financial Services Limited**

V. Krishnan
Company Secretary & Compliance Officer

Encl: As above.

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

		(Rs. in Crores)				
Particulars		3 months ended 31.03.2020 (Unaudited) See Note 6	3 months ended 31.12.2019 (Unaudited)	3 months ended 31.03.2019 See Note 7	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
1.	Revenue from operations					
	(a) Interest Income	44.85	42.74	40.37	170.71	162.37
	(b) Dividend Income	0.77	0.80	0.30	3.07	2.04
	(c) Rental Income	0.10	0.32	-	0.42	-
	(d) Net gain on fair value changes	-	20.37	20.77	21.13	51.27
	(e) Policyholders' Income from Life Insurance operations (See Note 2)	4,217.02	5,300.01	7,072.05	18,039.52	19,281.72
	(f) Sale of services	1.32	1.44	3.01	5.13	12.25
2.	Total Revenue from operations	4,264.06	5,365.68	7,136.50	18,239.98	19,509.65
3.	Other income	1.58	0.06	0.48	1.78	3.61
4.	Total income (2+3)	4,265.64	5,365.74	7,136.98	18,241.76	19,513.26
5.	Expenses					
	(a) Finance costs (See Notes 9 and 12)	0.07	0.06	-	0.28	27.30
	(b) Net loss on fair value changes	24.31	-	-	-	-
	(c) Impairment on financial instruments	58.33	2.11	2.52	71.43	5.02
	(d) Employee benefits expenses (See note 10)	0.08	15.50	43.05	35.95	84.37
	(e) Depreciation, amortisation and impairment (See note 15)	7.94	2.00	0.45	11.37	1.75
	(f) Legal and professional expenses	8.77	9.36	11.48	44.39	43.51
	(g) Policyholders' Expenses of Life Insurance operations (See Note 2)	4,017.63	5,152.75	6,868.79	17,596.54	18,838.60
	(h) Other expenses	17.45	6.71	9.36	39.32	31.87
6.	Total expenses	4,134.58	5,188.49	6,935.65	17,799.28	19,032.42
7.	Profit before tax (4-6)	131.06	177.25	201.33	442.48	480.84
8.	Tax expense					
	Relating to other than revenue account of Life Insurance policyholders					
	Current tax (See Note 17)	137.28	29.00	1.21	182.25	66.22
	Deferred tax	(12.89)	0.67	0.21	(12.62)	(1.84)
	Relating to revenue account of Life Insurance policyholders					
	Current tax	-	-	-	-	-
	Total tax expense	124.39	29.67	1.42	169.63	64.38
9.	Profit after tax (7-8)	6.67	147.58	199.91	272.85	416.46
10.	Other comprehensive income (OCI)					
	Relating to revenue account of life insurance policyholders					
	(i) Items that will not be reclassified to profit or loss in subsequent periods	(2.55)	(2.93)	(9.31)	(11.34)	(5.32)
	(ii) Items that will be reclassified to profit or loss in subsequent periods	(1.19)	(95.70)	71.15	1.70	78.71
	Less: Transferred to policyholders' fund in the balance sheet	3.74	98.63	(61.84)	9.64	(73.39)
	Relating to Others					
	(i) Items that will not be reclassified to profit or loss in subsequent periods	0.12	(0.05)	(0.35)	(0.12)	(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	9.70	2.85	4.40	15.34	1.90
	Income tax relating to items that will be reclassified to profit or loss	(1.41)	(0.41)	(0.65)	(2.23)	(0.29)
11.	Other comprehensive income	8.41	2.39	3.40	12.99	1.31
12.	Total comprehensive income (9+11)	15.08	149.97	203.31	285.84	417.77
13.	Profit/(loss) attributable to					
	Owners of the company	(36.09)	105.22	130.99	144.99	262.55
	Non-controlling interests	42.76	42.36	68.92	127.86	153.91
14.	Other comprehensive income attributable to					
	Owners of the company	6.13	1.74	2.34	9.39	0.86
	Non-controlling interests	2.28	0.65	1.06	3.60	0.45
15.	Total comprehensive income/(loss) attributable to					
	Owners of the company	(29.96)	106.96	133.33	154.38	263.41
	Non-controlling interests	45.04	43.01	69.98	131.46	154.36
16.	Paid up Equity Share Capital (Face value of Rs. 2 each)	53.90	53.90	53.68	53.90	53.88
17.	Other Equity				2,092.62	2,005.16
18.	Earnings per share (EPS) (Rs.) (not annualised for the quarter)					
	(a) Basic EPS	(1.34)	3.91	4.88	5.38	9.77
	(b) Diluted EPS	(1.34)	3.90	4.87	5.38	9.77
See accompanying notes to the consolidated financial results						

By Order of the Board

Date : May 26, 2020
Place : Gurugram

Mohit Talwar
Managing Director
DIN : 02394694

CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(Rs. in Crores)					
Particulars	3 months ended 31.03.2020 (Unaudited) See Note 6	3 months ended 31.12.2019 (Unaudited)	3 months ended 31.03.2019 See Note 7	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
1 Segment Revenue					
a) Life Insurance	4,260.68	5,361.48	7,132.13	18,225.13	19,489.17
b) Business Investments	229.80	80.18	9.97	494.94	316.63
Total	4,490.48	5,441.66	7,142.10	18,720.07	19,805.80
Inter segment elimination (net)	226.42	75.98	5.60	480.09	296.15
Revenue from operations (net)	4,264.06	5,365.68	7,136.50	18,239.98	19,509.65
2 Segments Results					
a) Life Insurance	154.63	187.85	248.78	509.57	607.44
b) Business Investments	190.40	61.64	(110.06)	396.44	75.48
Total	345.03	249.49	138.72	906.01	682.92
Inter segment elimination (net)	215.48	72.24	(62.12)	465.03	178.40
Sub-total	129.55	177.25	200.84	440.98	504.52
Unallocated	1.51	-	0.49	1.50	(23.68)
Profit before tax	131.06	177.25	201.33	442.48	480.84
Provision for taxation (includes provision for Deferred Tax)	124.39	29.67	1.42	169.63	64.38
Profit after tax	6.67	147.58	199.91	272.85	416.46

Particulars	As at 31.03.2020 (Audited)	As at 31.12.2019 (Unaudited)	As at 31.03.2019 (Audited)
3 Segment Assets			
a) Life Insurance	73,694.32	73,668.81	66,531.85
b) Business Investments	2,525.56	2,322.40	2,195.58
Total Segment Assets	76,219.88	75,991.21	68,727.43
Inter-segment elimination (net)	(1,693.65)	(1,689.61)	(1,571.32)
Total Assets	74,526.23	74,301.60	67,156.11
4 Segment Liabilities			
a) Life Insurance	71,221.55	70,989.82	63,762.58
b) Business Investments	245.24	109.77	195.55
Total Segment Liabilities	71,466.79	71,099.59	63,958.13
Inter-segment elimination (net)	240.59	236.19	364.88
Total Liabilities	71,707.38	71,335.78	64,323.01

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

Notes to the consolidated financial results

1. CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020

		(Rs. in Crores)	
Particulars	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)	
A ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	447.46	505.74	
(b) Bank balance other than (a) above	1.65	2.67	
(c) Receivables - Trade receivables	3.16	5.50	
(d) Loans	0.01	0.07	
(e) Investments	3,372.39	3,492.80	
(f) Other financial assets	16.77	1.31	
(g) Financial assets of Life Insurance Policyholders' Fund (See Note 3)	67,497.86	61,405.95	
Total financial assets	71,339.30	65,414.04	
2. Non-financial Assets			
(a) Current tax assets (net)	10.06	9.88	
(b) Deferred tax assets (net)	9.94	-	
(c) Investment Property	89.91	-	
(d) Property, plant and equipment	22.14	30.36	
(e) Goodwill	525.25	525.25	
(f) Other Intangible assets	-	0.09	
(g) Right to use assets (See Note 12)	3.37	-	
(h) Other non-financial assets	21.92	83.75	
(i) Non-financial assets of Life Insurance Policyholders' Fund (See Note 3)	2,504.34	1,092.74	
Total non-financial assets	3,186.93	1,742.07	
Total assets	74,526.23	67,156.11	
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	22.79	27.49	
(b) Lease liability (See Note 12)	2.73	-	
(c) Other financial liabilities	351.02	496.47	
(d) Financial liabilities of Life Insurance Policyholders' Fund (See Note 3)	1,937.57	1,777.52	
Total financial liabilities	2,314.11	2,301.48	
2. Non-financial liabilities			
(a) Current tax liabilities (net) (See Note 17)	123.78	-	
(b) Provisions	11.91	3.96	
(c) Deferred tax liabilities (net)	-	56.51	
(d) Other non-financial liabilities	2.42	6.23	
(e) Non-financial liabilities of Life Insurance Policyholders' Fund (See Note 3)	69,255.16	61,954.83	
Total non-financial liabilities	69,393.27	62,021.53	
Total liabilities	71,707.38	64,323.01	
II EQUITY			
(a) Equity share capital	53.90	53.88	
(b) Other equity	2,092.62	2,005.16	
Equity attributable to owners of the Company	2,146.52	2,059.04	
Non Controlling Interest	672.33	774.06	
Total equity	2,818.85	2,833.10	
Total liabilities and equity	74,526.23	67,156.11	

Notes to the consolidated financial results

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

Particulars		3 months ended 31.03.2020 (Unaudited) See Note 6	3 months ended 31.12.2019 (Unaudited)	3 months ended 31.03.2019 See Note 7	Year ended 31.03.2020 (Audited)	(Rs. in Crores) Year ended 31.03.2019 (Audited)
A	Policyholders' Income from life Insurance fund					
	Premium Income (Net)	5,804.22	3,821.87	5,461.04	15,926.75	14,352.86
	Interest Income	977.56	963.29	823.45	3,751.01	3,128.54
	Dividend Income	46.04	26.77	17.32	172.34	158.50
	Rental Income	9.11	8.67	4.30	26.09	12.69
	Net gain / (loss) on fair value changes - Policyholders' Investments	(3,680.70)	680.18	1,027.69	(2,989.00)	1,742.71
	Other income	19.97	2.88	11.50	30.53	23.28
	Sub-Total	3,176.20	5,503.66	7,345.30	16,917.72	19,418.58
	Less/ (Add): Restricted life insurance surplus retained in Policyholders' Fund	(1,040.82)	203.65	273.25	(1,121.80)	136.86
	Total	4,217.02	5,300.01	7,072.05	18,039.52	19,281.72
B	Policyholders' Expense of Life Insurance fund					
	Commission to selling agents	365.21	249.76	392.46	1,024.80	990.56
	Employee Benefits and Other Operating Expenses	664.25	596.41	622.89	2,332.52	1,952.07
	Benefits payout (net)	1,615.00	1,653.39	1,773.95	6,341.04	5,452.28
	Net change in insurance contract liabilities	1,423.03	2,734.11	3,937.25	7,730.80	9,968.18
	Net change in investment contract liabilities	(137.07)	(142.00)	80.58	(84.59)	306.86
	Finance cost	11.15	9.39	4.04	38.48	12.17
	Impairment loss (including reversals)	29.65	0.03	-	31.11	0.03
	Depreciation and amortisation expenses	38.09	40.46	12.68	149.85	74.46
	Sub-Total	4,019.31	5,141.46	6,823.85	17,564.01	18,756.61
	Add/ (Less): Restricted life insurance surplus retained in Policyholders' Fund	(1.68)	11.29	44.94	32.53	81.99
	Total	4,017.63	5,152.75	6,868.79	17,596.54	18,838.60

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

Particulars		As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
A	Policyholders' Financial Assets of Life Insurance Operations		
	Cash and cash equivalents	319.55	182.90
	Derivative financial instruments	33.18	60.21
	Trade receivables	820.11	628.86
	Loans	426.45	326.50
	Investments	65,193.21	59,751.96
	Other financial assets	705.36	455.51
	Sub Total - Financial Assets	67,437.86	61,405.95
B	Policyholders' Non Financial Assets of Life Insurance Operations		
	Investment Property	419.54	213.03
	Property, plant and equipment	89.25	65.32
	Capital Work in progress	0.96	5.47
	Intangible Assets	117.47	101.28
	Intangible Assets under development	11.02	20.05
	Right of use asset (See Note 12)	288.67	-
	Other non-financial assets	1,577.43	687.59
	Sub Total - Non-Financial Assets	2,504.34	1,092.74
	TOTAL ASSETS	70,002.20	62,498.69
A	Policyholders' Financial Liabilities of Life Insurance Operations		
	Derivative financial instruments	38.02	0.11
	Trade payables	786.67	951.65
	Lease liability (See Note 12)	316.49	-
	Other payables	796.39	825.76
	Sub Total - Financial Liabilities	1,937.57	1,777.52
B	Policyholders' Non Financial Liabilities of Life Insurance Operations		
	Contract liabilities of life insurance		
	Insurance Contracts	63,869.33	56,913.36
	Investment Contracts	775.58	1,092.12
	Ind AS 104 Adjustments (Impacting contract liabilities of life insurance)	64,644.91	58,005.48
	Measurement adjustments	(297.50)	(207.44)
	Grossing up Reinsurance assets	1,423.48	498.72
		1,125.98	291.28
	Fund for future appropriations	3,096.23	2,249.78
	Restricted life insurance surplus retained in Policyholders' Fund		
	Measurement difference of Ind AS 104 Adjustments	297.26	178.62
	Fair valuation difference of policyholders' Investments	-	-
	Fair Value Through Profit or Loss (FV/PL)	(615.82)	508.27
	Fair Value Through Other Comprehensive Income (FV/OCI)	102.04	100.30
	Measurement difference - Other Ind AS Adjustments	(62.02)	32.95
	Realised Hedge Fluctuation Reserves	68.32	-
	Provisions	63.74	52.21
	Other Non-financial Liabilities	534.52	535.94
	Sub Total - Non Financial Liabilities	69,255.16	61,954.83
	TOTAL LIABILITIES	71,192.73	63,732.35

Notes to the consolidated financial results

4. CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

		(Rs. in Crores)	
	Particulars	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	442.48	480.84
	Adjustments for:		
	Depreciation, amortisation and impairment	161.22	76.21
	Interest Income	(3,921.72)	(3,291.25)
	Dividend income	(175.41)	(160.54)
	Net loss / (profit) on sale / disposal of property, plant and equipments	(0.28)	0.16
	Realised gain/(loss) on financial instruments classified as FVTPL	2,948.88	(1,817.02)
	Realised gain/(loss) on financial instruments classified as FVTOCI	(12.42)	(1.06)
	Realised gain/(loss) on financial instruments classified as amortised cost	(7.64)	(21.99)
	Net gain/ (loss) on Derivative at fair value through profit or loss	39.05	-
	Liabilities/provisions no longer required written back	-	(0.01)
	Allowance for doubtful input tax credit receivable	0.60	-
	Provision for doubtful debts and bad-debts written off	1.94	1.75
	Provision for rates and taxes	8.03	-
	Change in policyholder reserves (including funds for future appropriation)	7,646.22	10,263.02
	Expense on employee stock option scheme	4.43	7.20
	Operating Profit before working capital changes	7,135.38	5,537.31
	Changes in working capital:		
	<u>Adjustments for (increase)/ decrease in operating assets:</u>		
	(Increase)/decrease in inventories		
	Trade receivables	(188.70)	(55.53)
	Loans	0.06	0.75
	Other financial assets	(257.41)	(327.00)
	Other non financial assets	(841.90)	(312.42)
	Re-insurance assets	924.76	373.93
	Dividend received	175.41	160.54
	Interest received	3,826.91	3,106.60
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
	Trade payables	(169.94)	85.74
	Other financial liabilities	201.98	53.51
	Provisions	11.33	10.74
	Insurance contract liabilities	(964.21)	189.30
	Investment contract liabilities	(316.54)	(102.06)
	Other non financial liabilities	(5.70)	175.96
	Cash generated from operations	9,531.43	8,897.37
	Net income tax (paid) / refunds	(63.91)	(71.31)
	Net cash flow from operating activities (A)	9,467.52	8,826.06
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Capital expenditure on property, plant and equipment including capital advances	(127.83)	(100.45)
	Proceeds from sale of property, plant and equipment	0.48	2.01
	Bank balances not considered as Cash and cash equivalents (net)	1.02	(0.13)
	Investments		
	- Purchased	(7,07,027.10)	(7,43,859.46)
	- Proceeds from sale	6,98,071.51	7,35,272.05
	Proceeds from loan against policies	(99.94)	(103.25)
	Receivable from Unit Linked fund and advance for property	95.43	-
	Realised Hedge Fluctuation Reserve & Derivative Profit & Loss	77.51	-
	Net cash used in investing activities (B)	(9,008.92)	(8,789.23)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from ESOPs exercised (including share premium)	3.45	24.19
	Dividend including dividend distribution tax	(311.23)	(197.83)
	Lease payments	(72.45)	-
	Net cash used in financing activities (C)	(380.23)	(173.64)
D	Net increase / (decrease) in cash and cash equivalents (A+B+C)	78.37	(136.81)
E	Cash and cash equivalents as at the beginning of the year	688.64	825.45
	Cash and cash equivalents as at the end of the year *	767.01	688.64
	* Components of cash and cash equivalents		
	Cash on hand	43.35	93.26
	Balances with scheduled banks		
	- On current accounts	376.17	442.76
	- Deposits with original maturity of upto 3 months	347.49	152.62
	Total cash and cash equivalents	767.01	688.64

Notes to the consolidated financial results

- 5 These consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today. The consolidated financial results for the year ended March 31, 2020 have been audited by the statutory auditors and the consolidated financial results for the quarter ended March 31, 2020 have been reviewed by the statutory auditors of the Company.
- 6 The consolidated financial results for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which have been subjected to review by the statutory auditors.
- 7 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 ended March 31, 2020 for the first time, which have been reviewed by the statutory auditors of the Company. The consolidated figures for the corresponding quarter ended March 31, 2019 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2019 and the year-to-date figures up to third quarter ended December 31, 2018 approved by the Company's Board of Directors, which have not been subjected to review by the statutory auditors.
- 8 The consolidated 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 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.

Name of Subsidiary	Country of incorporation	Portion of ownership as at March 31, 2020	Portion of ownership as at March 31, 2019
Max Life Insurance Company Limited	India	72.52%	71.79%

- 9 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.
- 10 Employee benefits expenses for the year ended March 31, 2020 and quarter and year ended March 31, 2019 includes severance pay aggregating to Rs. 2.75 crores and Rs. 25.75 crores respectively.
- 11 The Company had entered into a 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.

As per the terms of the above arrangement, the Company has partially settled its put option obligation during the year ended March 31, 2020 and March 31, 2019 amounting to Rs. 188.89 crores and Rs. 165.37 crores respectively. 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 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 year ended March 31, 2020.

- 13 The Board of Directors of the Company in its meeting held on March 3, 2020, had considered and approved the issuance and allotment of up to 75,458,088 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 394,775,831 equity shares of Rs. 10 each of Max Life Insurance Company Limited ('MLIC') ('MSI Swap'), based on the valuation report obtained by the Company in accordance with applicable laws. In addition, the Company through a call/put option has a right to acquire the remaining shareholding held by MSI at Rs. 85 for every equity share of Rs. 10 each held by MSI in MLIC ('MSI Put/Call Option'). In this regard, the Company has executed definitive agreements with the parties.

The Company had issued Notice dated March 3, 2020 for convening an extra ordinary general meeting (EGM) of the shareholders of the Company on April 2, 2020 to seek approval of shareholders via Special Resolution. The EGM got adjourned to April 16, 2020 in view of the situation arising from COVID-19 pandemic. On account of extension of nationwide lockdown till May 3, 2020, the adjourned EGM of the Company was cancelled due to inability to organise requisite quorum. On April 24, 2020, the Company issued Postal Ballot Notice to the shareholders seeking the approval for MSI Share Swap and MSI Put/Call Option. The results of the Postal Ballot will be announced on May 27, 2020.

The above transaction is subject to receipt of requisite shareholders and regulatory approvals and hence, no adjustments have been made in the financial results.

The Company has thus far received approval from Competition Commission of India and is pursuing approval of other regulatory authorities namely Department of Economic Affairs and Insurance Regulatory and Development Authority of India.

- 14 On February 20, 2020, the Company and Axis Bank Limited ('Axis Bank') executed Confidentiality and Exclusivity Agreement to explore a long-term strategic partnership. The Board of Directors of the Company in its meeting held on April 27, 2020 further approved entering into definitive agreements with Axis Bank for the sale of 29% of the equity share capital of Max Life Insurance Company Limited ('Max Life'), subsidiary 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. On May 13, 2020, the Company issued Postal Ballot Notice seeking the approval for the proposed transaction from shareholders of the Company by way of a Special Resolution.

Further, the Company will work towards delivering the following value creation options to Axis Bank as agreed under the definitive agreements. The Company, along with Max Life and promoters of the Company, will take all steps to merge the Company into Max Life, resulting into a listed insurance company in terms of applicable law ('Merger'). From the Closing Date, Axis Bank will have the right to subscribe to equity shares of the Company in lieu of all or part of the equity shares held by Axis Bank in Max Life ('Swap Transaction') and the Company will undertake all actions to effect the Swap Transaction. Any income tax payable pursuant to the Swap Transaction shall be split equally between the Company and Axis Bank.

If the Merger is not completed within 5 years from the Closing Date, and Axis Bank has exercised its right for the Swap Transaction, but the Company fails to consummate the Swap Transaction, then Axis Bank shall have the right to require the Company to purchase all the shares held by Axis Bank in Max Life at Rs. 294 per share, subject to the terms of the definitive agreements. The put option right shall be subject to receipt of requisite regulatory approvals.

The above transaction is subject to receipt of requisite shareholders approvals, regulatory approvals (including approvals from the Insurance Regulatory and Development Authority of India (IRDAI), Competition Commission of India and the Reserve Bank of India) and hence, no adjustments were made in the financial results.

Notes to the consolidated financial results

- 15 Depreciation, amortisation and impairment for the quarter and year ended March 31, 2020 includes impairment loss of Rs. 6.72 crores due to decline in value of the property, plant and equipment held by the Company, as determined based on the valuation reports obtained from external certified valuer.
- 16 Estimation of uncertainties relating to COVID-19 global health pandemic:
The Group has considered the impact of COVID-19 on its operations as well as its consolidated financial results:
In respect of the Company:
The Company has considered the impact of COVID-19 on its operations as well as its financial statements, including carrying amounts of trade receivables, investments, property, plant and equipment and other assets, as at March 31, 2020. In assessing the carrying value of these assets, the Company has used internal and external sources of information up to the date of approval of these financial results, and based on current estimates, expects the net carrying amount of these assets will be recovered. The Company will continue to closely monitor any material changes to the business and financial statements due to COVID-19, wherever required.
- In respect of the subsidiary Company, Max Life Insurance Limited:
The subsidiary Company has assessed the impact of COVID-19 on its operations as well as its financial statements, including valuation of investments, valuation of policy liabilities and solvency, for the year ended March 31, 2020. To the best of information available, the subsidiary Company has provided additional Rs. 10.00 crores in policyholders reserve on account of COVID related contingencies over and above the policy level liabilities calculated based on prescribed IRDAI Regulations. The subsidiary Company will continue to closely monitor any material changes to the business and financial statements due to COVID-19. The auditors of the subsidiary company have reported this matter in their auditor's report.
- 17 In March 2020, the Company had filed application(s) with the Income tax authorities under the 'The Direct Tax Vivad se Vishwas Act, 2020' ('the Scheme'), enacted vide the Gazette of India on March 17, 2020 regarding settlement of the ongoing tax litigation pertaining to Telecom stake sale made by its erstwhile subsidiary Max Telecom Ventures Limited (since merged with the Company w.e.f December 1, 2005). The said litigation was being contested both by the Company and the Income Tax Department for multiple years, pending before various Appellate Authorities and previously disclosed as contingent liabilities.
- The settlement proposed by the Company under the Scheme has been accepted by the Tax Department for all the years under dispute viz. Assessment Year 1998-99, Assessment Year 1999-2000 and Assessment Year 2006-07 and the Company has paid the cumulative tax amount of Rs. 123.78 crores in May 2020, determined under the provisions of the Scheme, towards full and final settlement of the tax arrears. The Company has made provision of Rs. 123.78 crores for the same and is disclosed as 'current tax' in the quarter and year ended March 31, 2020.
- 18 The figures for the previous periods have been regrouped / reclassified wherever necessary, to make them comparable.

By Order of the Board

Date : May 26, 2020
Place : Gurugram

Mohit Talwar
Managing Director
DIN : 02394694

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

Particulars		(Rs. in Crores)				
		3 months ended 31.03.2020	3 months ended 31.12.2019	3 months ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019
		(Unaudited) (See Note 5)	(Unaudited)	(See Note 5)	(Audited)	(Audited)
1. Revenue from operations						
(a) Interest income		-	0.24	-	0.47	0.01
(b) Dividend income		222.65	50.97	-	463.70	281.01
(c) Rental income		0.10	0.32	-	0.42	-
(d) Gain on fair value changes		-	-	-	-	-
- on derivative financial instruments (See Note 9)		-	21.28	-	1.33	-
- on investments in mutual funds		1.98	2.18	1.40	8.89	8.32
(e) Sale of services		5.07	5.19	8.57	20.13	27.29
2. Total revenue from operations		229.80	80.18	9.97	494.94	316.63
3. Other income		-	0.01	0.43	0.08	1.15
4. Total income (2+3)		229.80	80.19	10.40	495.02	317.78
5. Expenses						
(a) Finance costs (See Notes 8 and 15)		0.06	0.06	-	0.20	27.25
(b) Loss on fair value changes on derivative financial instruments (See Note 9)		7.18	-	62.12	-	102.61
(c) Employee benefits expenses (See Note 7)		3.10	5.44	40.44	22.86	76.40
(d) Depreciation, amortisation and impairment (See Note 12)		7.56	0.90	0.45	9.89	1.75
(e) Legal and professional expenses		8.77	9.36	11.48	44.39	43.51
(f) Other expenses		12.82	2.83	5.53	21.36	16.87
6. Total expenses		39.49	18.59	120.02	98.70	268.39
7. Profit / (loss) before tax (4-6)		190.31	61.60	(109.62)	396.32	49.39
8. Tax expense						
(a) Current tax (See Note 14)		123.78	-	-	123.78	-
(b) Deferred tax		-	-	-	-	-
9. Total tax expense		123.78	-	-	123.78	-
10. Profit / (loss) after tax (7-9)		66.53	61.60	(109.62)	272.54	49.39
11. Other comprehensive income / (loss):						
Items that will not be reclassified to profit or loss:						
- Remeasurement of the defined benefit obligations		0.12	(0.05)	(0.35)	(0.12)	(0.30)
12. Total other comprehensive income / (loss)		0.12	(0.05)	(0.35)	(0.12)	(0.30)
13. Total comprehensive income / (loss) (10+12)		66.65	61.55	(109.97)	272.42	49.09
14. Paid-up equity share capital (Face value of Rs. 2)		53.90	53.90	53.88	53.90	53.88
15. Other equity					2,226.42	1,946.15
16. Earnings per share (EPS) (Rs.) (not annualised for the quarter)						
(a) Basic EPS		2.47	2.29	(4.09)	10.12	1.83
(b) Diluted EPS		2.47	2.28	(4.09)	10.11	1.83
See accompanying notes to the standalone financial results						

By Order of the Board

Date : May 26, 2020
Place : Gurugram

Mohit Talwar
Managing Director
DIN : 02394694

Notes to the standalone financial results:

1 STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020

		(Rs. in Crores)	
	Particulars	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
A.	ASSETS		
1.	Financial assets		
	(a) Cash and cash equivalents	0.29	0.43
	(b) Bank balance other than (a) above	1.65	2.67
	(c) Receivables - Trade receivables	19.25	21.80
	(d) Loans	0.01	0.07
	(e) Investments	2,468.40	2,131.32
	(f) Other financial assets	0.68	1.14
	Total financial assets	2,490.28	2,157.43
2.	Non financial assets		
	(a) Current tax assets (net)	8.13	6.06
	(b) Property, plant and equipment	22.14	30.36
	(c) Intangible assets	-	0.09
	(d) Right-of-Use asset (See Note 15)	3.37	-
	(e) Other non-financial assets	1.65	1.64
	Total non-financial assets	35.29	38.15
	Total assets	2,525.57	2,195.58
B.	LIABILITIES AND EQUITY		
I	LIABILITIES		
1.	Financial liabilities		
	(a) Derivative financial instruments (See Note 9)	91.47	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	10.06	14.19
	(c) Lease liability (See Note 15)	2.73	-
	(d) Other financial liabilities	2.88	11.04
	Total financial liabilities	107.14	185.36
2.	Non financial liabilities		
	(a) Current tax liabilities (See Note 14)	123.78	-
	(b) Provisions	11.91	3.96
	(c) Deferred tax liabilities (net)	-	-
	(d) Other non-financial liabilities	2.42	6.23
	Total non-financial liabilities	138.11	10.19
	Total liabilities	245.25	195.55
II	EQUITY		
	(a) Equity share capital	53.90	53.88
	(b) Other equity	2,226.42	1,946.15
	Total equity	2,280.32	2,000.03
	Total liabilities and equity	2,525.57	2,195.58

Notes to the standalone financial results:

2 STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

		(Rs. in crores)	
	Particulars	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
A.	Cash flow from operating activities		
	Profit before tax	396.32	49.39
	Adjustments for:		
	Depreciation and amortisation expense	9.89	1.75
	Interest income	(0.47)	(0.35)
	Dividend income on long term investments	(463.70)	(281.01)
	Net loss / (profit) on sale / disposal of property, plant and equipment	(0.02)	0.18
	Net loss / (gain) on fair value changes		
	- on derivative financial instruments	(1.33)	102.61
	- on investments in mutual funds	(8.89)	(8.32)
	Liabilities/provisions no longer required written back	-	(0.01)
	Allowance for doubtful input tax credit receivable	0.60	-
	Provision for rates and taxes	8.03	-
	Expense on employee stock option scheme	4.43	7.20
	Operating profit/ (loss) before working capital changes	(55.14)	(128.56)
	Changes in working capital:		
	<u>Adjustments for (increase)/ decrease in operating assets:</u>		
	Trade receivables	2.55	(15.11)
	Loans	0.06	0.75
	Other financial assets	0.47	0.03
	Other non-financial assets	(0.61)	0.29
	Dividend received	463.70	281.01
	Interest received	0.46	0.38
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
	Trade payables	(4.14)	4.04
	Other financial liabilities	(5.44)	0.23
	Provisions	(0.19)	(2.26)
	Other non-financial liabilities	(3.81)	0.55
	Cash generated from operations	397.91	141.35
	Net income tax (paid) / refunds	(2.07)	(0.01)
	Net cash flow from operating activities (A)	395.84	141.34
B.	Cash flow from investing activities		
	Capital expenditure on property, plant and equipment including capital advances	(4.98)	(0.99)
	Proceeds from sale of property, plant and equipment	0.06	0.04
	Bank balances not considered as Cash and cash equivalents (net)	1.02	(0.13)
	Investments in mutual funds		
	- Purchased	(539.98)	(520.91)
	- Proceeds from sale	334.34	521.84
	Investments in equity shares of subsidiary company		
	- Purchased (including derivative liability settlement)	(189.89)	(165.37)
	Net cash used in investing activities (B)	(399.43)	(165.52)
C.	Cash flow from financing activities		
	Proceeds from ESOPs exercised (including share premium)	3.45	24.19
	Net cash flow from financing activities (C)	3.45	24.19
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	(0.14)	0.01
	Cash and cash equivalents as at the beginning of the year	0.43	0.42
	Cash and cash equivalents as at the end of the year*	0.29	0.43
*	Comprises:		
	a. Cash on hand	0.01	0.01
	b. Balance with scheduled banks		
	- in current accounts	0.28	0.42
		0.29	0.43

Notes to the standalone financial results:

- 3 These standalone financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today. The standalone financial results for the year ended March 31, 2020 have been audited by the statutory auditors and the standalone financial results for the quarter ended March 31, 2020 have been reviewed by the statutory auditors of the Company. The statutory auditors have not issued a separate limited review report on the results for the quarter ended March 31, 2019.
- 4 The standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 5 The standalone financial results for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and published year to date unaudited figures up to the third quarter of the year ended March 31, 2020 and March 31, 2019 for the Company respectively which have been subjected to limited review by the statutory auditors.
- 6 The Company is a Non-Systemically Important Core Investment Company, and is primarily engaged in growing and nurturing business investment 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.
- 7 Employee benefits expenses for the year ended March 31, 2020 and quarter and year ended March 31, 2019 includes severance pay aggregating to Rs. 2.75 crores and Rs. 25.75 crores respectively.
- 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.
- 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 (MSI) and accounted for Fair Value Through Profit or Loss account (FVTPL) in standalone financial results of the Company as per Ind AS 109.

During the year, the Company acquired 0.73% equity shares of MLIC, subsidiary of the Company from Axis Bank Limited (previous year: 0.74% equity shares of MLIC from Axis Bank Limited and 0.30% equity shares of MLIC from MSI), thereby increasing its stake in MLIC from 71.79% to 72.52% (previous year: 70.75% to 71.79%) as at the year end; on exercise of such options.

Necessary adjustments are made against the option value in the books of account and balance is restated at the end of each period.

- 10 The Board of Directors of the Company in its meeting held on March 3, 2020, had considered and approved the issuance and allotment of up to 75,458,088 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 394,775,831 equity shares of Rs. 10 each of Max Life Insurance Company Limited ('MLIC')["MSI Swap"], based on the valuation report obtained by the Company in accordance with applicable laws. In addition, the Company through a call/put option has a right to acquire the remaining shareholding held by MSI at Rs. 85 for every equity share of Rs. 10 each held by MSI in MLIC ("MSI Put/Call Option"). In this regard, the Company has executed definitive agreements with the parties.

The Company had issued Notice dated March 3, 2020 for convening an extra ordinary general meeting (EGM) of the shareholders of the Company on April 2, 2020 to seek approval of shareholders via Special Resolution. The EGM got adjourned to April 16, 2020 in view of the situation arising from COVID-19 pandemic. On account of extension of nationwide lockdown till May 3, 2020, the adjourned EGM of the Company was cancelled due to inability to organise requisite quorum. On April 24, 2020, the Company issued Postal Ballot Notice to the shareholders seeking the approval for MSI Share Swap and MSI Put/Call Option. The results of the Postal Ballot will be announced on May 27, 2020.

The above transaction is subject to receipt of requisite shareholders and regulatory approvals and hence, no adjustments have been made in the financial results.

The Company has thus far received approval from Competition Commission of India and is pursuing approval of other regulatory authorities namely Department of Economic Affairs and Insurance Regulatory and Development Authority of India.

Notes to the standalone financial results:

- 11 On February 20, 2020, the Company and Axis Bank Limited ("Axis Bank") executed Confidentiality and Exclusivity Agreement to explore a long-term strategic partnership. The Board of Directors of the Company in its meeting held on April 27, 2020 further approved entering into definitive agreements with Axis Bank for the sale of 29% of the equity share capital of Max Life Insurance Company Limited ("Max Life"), subsidiary 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. On May 13, 2020, the Company issued Postal Ballot Notice seeking the approval for the proposed transaction from shareholders of the Company by way of a Special Resolution.

Further, the Company will work towards delivering the following value creation options to Axis Bank as agreed under the definitive agreements. The Company, along with Max Life and promoters of the Company, will take all steps to merge the Company into Max Life, resulting into a listed insurance company in terms of applicable law ('Merger'). From the Closing Date, Axis Bank will have the right to subscribe to equity shares of the Company in lieu of all or part of the equity shares held by Axis Bank in Max Life ('Swap Transaction') and the Company will undertake all actions to effect the Swap Transaction. Any income tax payable pursuant to the Swap Transaction shall be split equally between the Company and Axis Bank.

If the Merger is not completed within 5 years from the Closing Date, and Axis Bank has exercised its right for the Swap Transaction, but the Company fails to consummate the Swap Transaction, then Axis Bank shall have the right to require the Company to purchase all the shares held by Axis Bank in Max Life at Rs. 294 per share, subject to the terms of the definitive agreements. The put option right shall be subject to receipt of requisite regulatory approvals.

The above transaction is subject to receipt of requisite shareholders approvals, regulatory approvals (including approvals from the Insurance Regulatory and Development Authority of India, Competition Commission of India and the Reserve Bank of India) and hence, no adjustments were made in the financial results.

- 12 Depreciation, amortisation and impairment for the quarter and year ended March 31, 2020 includes impairment loss of Rs. 6.72 crores due to decline in value of the property held by the Company, as determined based on the valuation reports obtained by the Company from external certified valuer.

- 13 Estimation of uncertainties relating to COVID-19 global health pandemic:

The Company has considered the impact of COVID-19 on its operations as well as its financial statements, including carrying amounts of trade receivables, investments, property, plant and equipment and other assets, as at March 31, 2020. In assessing the carrying value of these assets, the Company has used internal and external sources of information up to the date of approval of these financial results, and based on current estimates, expects the net carrying amount of these assets will be recovered. The Company will continue to closely monitor any material changes to the business and financial statements due to COVID-19, wherever required.

- 14 In March 2020, the Company had filed application(s) with the income tax authorities under the 'The Direct Tax Vivad se Vishwas Act, 2020' ('the Scheme'), enacted vide the Gazette of India on March 17, 2020 regarding settlement of the ongoing tax litigation pertaining to Telecom stake sale made by its erstwhile subsidiary Max Telecom Ventures Limited (since merged with the Company w.e.f December 1, 2005). The said litigation was being contested both by the Company and the Income Tax Department for multiple years, pending before various Appellate Authorities and previously disclosed as contingent liabilities.

The settlement proposed by the Company under the Scheme has been accepted by the Tax Department for all the years under dispute viz. Assessment Year 1998-99, Assessment Year 1999-2000 and Assessment Year 2006-07 and the Company has paid the cumulative tax amount of Rs. 123.78 crores in May 2020, determined under the provisions of the Scheme, towards full and final settlement of the tax arrears. The Company has made provision of Rs. 123.78 crores for the same and is disclosed as 'current tax' in the quarter and year ended March 31, 2020.

- 15 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 year ended March 31, 2019 have not been 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 ended March 31, 2020 and December 31, 2019 and year ended March 31, 2020.

- 16 The figures for the previous periods have been regrouped / reclassified wherever necessary, to make them comparable.

By Order of the Board

Date : May 26, 2020
Place : Gurugram

Mohit Talwar
Managing Director
DIN : 02394694

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

**TO THE BOARD OF DIRECTORS OF
MAX FINANCIAL SERVICES LIMITED**

Opinion and Conclusion

We have (a) audited the Consolidated Financial Results for the year ended March 31, 2020 and (b) reviewed the Consolidated Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Consolidated Financial Results for the Quarter and Year Ended March 31, 2020" of **Max Financial Services Limited** ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group") for the quarter and year ended March 31, 2020, ("the Statement") being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Consolidated Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Results for the year ended March 31, 2020:

- (i) includes the results of the subsidiary company 'Max Life Insurance Company Limited';
- (ii) is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit and consolidated total comprehensive income and other financial information of the Group for the year ended March 31, 2020.

(b) Conclusion on Unaudited Consolidated Financial Results for the quarter ended March 31, 2020

With respect to the Consolidated Financial Results for the quarter ended March 31, 2020, based on our review conducted and procedures performed as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Consolidated Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.



Deloitte Haskins & Sells LLP

Basis for Opinion on the Audited Consolidated Financial Results for the year ended March 31, 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Consolidated Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

"Estimation of uncertainties relating to COVID-19 global health pandemic" of Max Life Insurance Company Limited, subsidiary company – Reported by auditors of subsidiary company

We draw attention to note 16(b) to the Statement, which describes that the auditors of Max Life Insurance Company Limited, subsidiary company, in their auditor's report on the financial statements of that company for the year ended March 31, 2020, have reported under the above heading a matter regarding outbreak of COVID-19 pandemic and the assessment made by the management of the subsidiary company on its business and financial statements, including valuation of Investments and valuation of policy liabilities for the year ended March 31, 2020. This assessment and the outcome of the pandemic is as made by the management of the subsidiary company and is highly dependent on the circumstances as they evolve in the subsequent periods.

Our report is not modified in respect of this matter.

Management's Responsibilities for the Statement

This Statement, which includes the Consolidated Financial Results is the responsibility of the Parent's Board of Directors and has been approved by them for the issuance. The Consolidated Financial Results for the year ended March 31, 2020, has been compiled from the related audited consolidated financial statements. This responsibility includes the preparation and presentation of the Consolidated Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the consolidated net profit and consolidated other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards, prescribed under Section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

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



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

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

Auditor's Responsibilities

(a) Audit of the Consolidated Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Results for the year ended March 31, 2020 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Consolidated Financial Results.

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

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



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- Evaluate the overall presentation, structure and content of the Annual Consolidated Financial Results, including the disclosures, and whether the Annual Consolidated Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Perform procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations to the extent applicable.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the entities within the Group to express an opinion on the Annual Consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of entity included in the Annual Consolidated Financial Results of which we are the independent auditors. For the entity included in the Annual Consolidated Financial Results, which has been audited by the joint auditors, such joint auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

(b) Review of the Consolidated Financial Results for the quarter ended March 31, 2020

We conducted our review of the Consolidated Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SA specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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

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

Other Matters

- Attention is drawn to Note 7 to the Statement which states that the consolidated financial results for the corresponding quarter ended March 31, 2019, as reported in the accompanying Statement have been approved by the Parent's Board of Directors, but have not been subjected to review. Our report is not modified in respect of this matter.



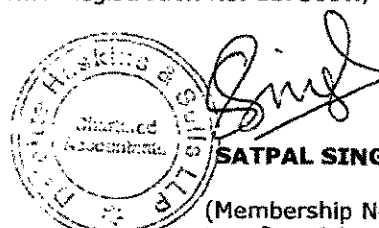
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- Attention is drawn to Note 6 to the Statement which states that consolidated financial results for the quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report is not modified in respect of this matter.
- In respect of Max Life Insurance Company Limited ("MLIC"), a subsidiary company, determination of the following as at year ended March 31, 2020 is the responsibility of the subsidiary's Appointed Actuary.
 - (i) The Actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2020 in respect of the subsidiary. In the opinion of the Appointed Actuary, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (IRDAI) and the Institute of Actuaries of India in concurrence with the IRDAI. The charge of "Net Change in Insurance and Investment Contract Liabilities" includes charge for actuarial valuation of liabilities for life policies in force and charge for the policies in respect of which premium has been discontinued but liability exists as at March 31, 2020. These charges have been actuarially determined, based on the liabilities duly certified by the subsidiary's Appointed Actuary; and
 - (ii) Other adjustments for the purpose of preparation of the Statement, as confirmed by the Appointed Actuary of subsidiary are in accordance with Indian Accounting Standard 104 on Insurance Contracts:
 - a. Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;
 - b. Valuation and Classification of Deferred Acquisition Cost and Deferred Origination Fees on Investment Contracts and Valuation of Embedded Derivatives;
 - c. Grossing up and classification of the Reinsurance Assets;
 - d. Liability adequacy test as at the reporting dates; and

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 opinion on the financial information of the said subsidiary company.

Our opinion is not modified in respect of this matter.

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


SATPAL SINGH ARORA
(Partner)
(Membership No. 098564)
UDIN: 20098564 AAAAQ6785

New Delhi, May 26, 2020

STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

Particulars		3 months ended 31.03.2020 (Unaudited) See Note 6	3 months ended 31.12.2019 (Unaudited)	3 months ended 31.03.2019 See Note 7	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
(Rs. in Crores)						
1. Revenue						
1.1 Revenue from operations		44.85	42.74	40.37	170.71	182.37
1.2 Revenue from non-operating activities		0.77	0.80	0.30	3.07	2.04
1.3 Revenue from other sources		0.10	0.32		0.42	
1.4 Revenue from operations (See Note 2)		4,217.02	5,100.01	7,072.05	18,039.52	19,281.72
1.5 Revenue from non-operating activities		1.32	1.44	7.01	5.13	12.25
1.6 Revenue from other sources		4,264.06	5,385.68	7,136.50	18,239.98	19,509.65
2. Expenses						
2.1 Expenses from operations		1.58	0.04	0.48	1.78	3.61
2.2 Expenses from non-operating activities		4,265.64	5,385.74	7,136.98	18,241.76	19,513.26
2.3 Expenses from other sources		0.07	0.06		0.28	27.30
2.4 Expenses from operations (See Note 2)		24.31	2.11	2.52	71.43	5.02
2.5 Expenses from non-operating activities (See Note 10)		58.33	15.50	43.05	35.95	84.37
2.6 Expenses from other sources and impairment (See Note 15)		0.08	2.00	0.45	11.37	1.75
2.7 Expenses from operations of Life Insurance operations (See Note 2)		7.94	9.36	11.48	44.39	43.51
2.8 Expenses from non-operating activities of Life Insurance operations (See Note 2)		8.77	5,152.75	6,868.79	17,596.54	18,838.60
2.9 Expenses from other sources of Life Insurance operations (See Note 2)		4,017.63	6.71	9.36	39.32	31.87
2.10 Expenses from operations of Life Insurance operations (See Note 2)		17.45	4,134.58	5,188.49	17,799.28	19,032.42
2.11 Expenses from non-operating activities of Life Insurance operations (See Note 2)		131.06	177.25	201.33	442.48	480.84
2.12 Expenses from other sources of Life Insurance operations (See Note 2)		137.28	29.00	1.21	182.25	66.22
2.13 Expenses from operations of Life Insurance operations (See Note 2)		112.89	0.67	0.21	(12.62)	(1.84)
2.14 Expenses from non-operating activities of Life Insurance operations (See Note 2)		124.39	29.67	1.42	169.63	64.38
2.15 Expenses from other sources of Life Insurance operations (See Note 2)		6.67	147.58	199.91	272.85	416.46
3. Other comprehensive income (OCI)						
3.1 OCI relating to items that will be reclassified to profit or loss in subsequent periods		(2.55)	(2.93)	(9.31)	(1.14)	(5.32)
3.2 OCI relating to items that will not be reclassified to profit or loss in subsequent periods		(1.19)	(95.70)	71.15	(1.70)	78.71
3.3 OCI relating to items that will be reclassified to profit or loss in subsequent periods		3.74	98.63	(61.84)	9.64	(73.39)
3.4 OCI relating to items that will not be reclassified to profit or loss in subsequent periods		0.12	(0.05)	(0.35)	(0.12)	(0.36)
3.5 OCI relating to items that will be reclassified to profit or loss in subsequent periods		9.70	2.85	(4.40)	(5.34)	1.90
3.6 OCI relating to items that will not be reclassified to profit or loss in subsequent periods		(1.41)	(0.41)	(0.65)	(2.23)	(0.29)
4. Other comprehensive income		8.41	2.38	3.40	12.99	1.31
5. Total comprehensive income (5+11)		15.08	149.97	203.31	285.84	417.77
6. Profit/(Loss) attributable to owners of the company						
6.1 Profit/(Loss) attributable to owners of the company		(136.09)	1,05.22	130.99	1,44.99	262.55
6.2 Profit/(Loss) attributable to non-controlling interests		42.76	42.35	68.92	1,7.86	153.91
7. Other comprehensive income attributable to owners of the company						
7.1 Other comprehensive income attributable to owners of the company		6.11	1.34	2.14	9.19	0.88
7.2 Other comprehensive income attributable to non-controlling interests		2.30	0.65	1.26	1.80	0.45
8. Total comprehensive income/(loss) attributable to owners of the company						
8.1 Total comprehensive income/(loss) attributable to owners of the company		(129.98)	106.91	133.13	154.18	263.43
8.2 Total comprehensive income/(loss) attributable to non-controlling interests		43.64	41.1	69.86	11.40	154.76
9. Total equity						
9.1 Total equity		51.90	1.91	51.88	51.90	51.88
9.2 Total equity		51.90	1.91	51.88	51.90	51.88
10. Earnings per share (EPS) (Basic and diluted for the quarter)						
10.1 Basic EPS		(1.14)	1.91	4.88	5.38	9.77
10.2 Diluted EPS		(1.14)	1.91	4.88	5.38	9.77

By Order of the Board

Manoj Kumar
Managing Director
Date: 02.04.2020

CONSOLIDATED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

		(Rs. in Crores)				
Particulars		3 months ended 31.03.2020 (Unaudited) See Note 6	3 months ended 31.12.2019 (Unaudited)	3 months ended 31.03.2019 See Note 7	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
	Segment Revenue					
	Finance Income	4,260.68	5,361.48	7,132.13	18,225.13	19,489.17
	Other Income	229.80	80.18	9.97	494.94	316.63
	Total	4,490.48	5,441.66	7,142.10	18,720.07	19,805.80
	Less: Segment Expenses (net)	226.42	75.98	5.60	480.09	296.15
	Segment Results	4,264.06	5,365.68	7,136.50	18,239.98	19,509.65
	Segment Assets					
	Finance Assets	154.63	187.85	248.78	509.57	607.44
	Other Assets	190.40	61.64	(110.06)	396.44	75.48
	Total	345.03	249.49	138.72	906.01	682.92
	Less: Segment Liabilities (net)	215.48	72.24	(62.12)	465.03	178.40
	Segment Liabilities	129.55	177.25	200.84	440.98	504.52
	Provision for Deferred Tax	1.51	-	0.49	1.50	(23.68)
	Total	131.06	177.25	201.33	442.48	480.84
	Provision for Deferred Tax	124.39	29.67	1.42	169.63	64.38
	Total	6.67	147.58	199.91	272.85	416.46

Particulars	As at 31.03.2020 (Audited)	As at 31.12.2019 (Unaudited)	As at 31.03.2019 (Audited)
Segment Assets			
Finance Assets	73,694.32	73,668.81	66,531.85
Other Assets	2,525.56	2,322.40	2,195.58
Total	76,219.88	75,991.21	68,727.43
Less: Segment Liabilities (net)	(1,693.65)	(1,689.61)	(1,571.32)
Segment Liabilities	74,526.23	74,301.60	67,156.11
Segment Assets			
Finance Assets	71,221.55	70,989.82	63,762.58
Other Assets	245.24	109.77	195.55
Total	71,466.79	71,099.59	63,958.13
Less: Segment Liabilities (net)	240.59	236.19	364.88
Segment Liabilities	71,707.38	71,335.78	64,323.01

The above segment information has 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 Board of Directors of the Group to make decisions about the resources to be allocated and assess performance and for which discrete financial information is available.

Max Financial Services Limited

CIN: L24223PB1988PLC008031

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

Website: www.maxfinancialservices.com

Notes to the consolidated financial results

1. CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020

		(Rs. in Crores)	
Particulars		As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
1. ASSETS			
1. Financial Assets			
(a) Cash and equivalents		447.46	505.74
(b) Bank balances other than (a) above		1.65	2.67
(c) Receivables - Trade receivables		3.16	5.50
(d) Loans		0.01	0.07
(e) Investments		3,372.39	3,492.80
(f) Other financial assets		16.77	1.31
(g) Financial assets of Life Insurance Policyholders' Fund (See Note 3)		67,497.86	61,405.95
Total financial assets		71,339.30	65,414.04
2. Non-financial Assets			
(a) Goodwill		10.06	9.88
(b) Other intangible assets (net)		9.94	-
(c) Investments in subsidiaries		89.91	-
(d) Property, plant and equipment		22.14	30.36
(e) Other assets		525.25	525.25
(f) Other non-current assets		-	0.09
(g) Right of use assets (See Note 12)		3.37	-
(h) Other non-financial assets		21.92	83.75
(i) Other non-current assets of Life Insurance Policyholders' Fund (See Note 3)		2,504.34	1,092.74
Total non-financial assets		3,186.93	1,742.07
Total assets		74,526.23	67,156.11
2. LIABILITIES AND EQUITY			
2.1 LIABILITIES			
2.1.1 Financial Liabilities			
(a) Trade payables		-	-
(b) Other financial liabilities of micro enterprises and small enterprises		22.79	27.49
(c) Other financial liabilities of other than micro enterprises and small enterprises		-	-
(d) Other financial liabilities		2.73	-
(e) Other financial liabilities		351.02	496.47
(f) Other financial liabilities of Life Insurance Policyholders' Fund (See Note 3)		1,937.57	1,777.52
Total financial liabilities		2,314.11	2,301.48
2.1.2 Non-financial Liabilities			
(a) Other non-financial liabilities		123.78	-
(b) Other non-financial liabilities		11.91	3.96
(c) Other non-financial liabilities		-	56.51
(d) Other non-financial liabilities		2.42	6.23
(e) Other non-financial liabilities of Life Insurance Policyholders' Fund (See Note 3)		69,255.16	61,954.83
Total non-financial liabilities		69,393.27	62,021.53
Total liabilities		71,707.38	64,323.01
2.2 EQUITY			
(a) Share capital		53.90	51.88
(b) Reserves and surplus		2,092.62	2,005.16
(c) Other equity		2,146.52	2,059.04
Total equity		2,818.85	2,833.10
Total liabilities and equity		74,526.23	67,156.11

22

	3 months ended 31.03.2020 (Unaudited) See Note 8	3 months ended 31.12.2019 (Unaudited)	3 months ended 31.03.2020 See Note 7	Year ended 31.03.2019 (Audited)	(Rs. in Crores) Year ended 31.03.2019 (Audited)
Income from operations	5,004.22	3,021.87	5,441.04	15,926.75	14,752.80
Finance income	977.56	961.29	323.45	1,751.01	1,128.54
Other income	40.04	26.77	17.12	172.34	158.80
Depreciation and amortisation	9.11	8.67	4.35	28.09	12.69
Provisions for doubtful debts	(3,886.70)	(885.18)	(1,327.69)	(7,488.00)	(1,742.71)
	19.07	2.88	11.50	30.53	22.28
Sub-Total	3,176.28	5,503.66	7,345.29	18,937.72	19,418.59
Income from operations after provision for doubtful debts	(1,040.82)	202.64	272.25	(1,121.80)	135.88
Total	4,217.02	5,398.81	7,672.08	18,039.52	19,281.72
Income from operations	108.21	249.74	392.46	1,024.80	990.56
Finance income	664.25	998.41	622.89	2,332.51	1,952.07
Other income	1,815.00	1,852.37	1,771.95	6,341.04	5,432.28
Depreciation and amortisation	1,433.03	2,734.11	1,917.25	7,020.80	5,968.18
Provisions for doubtful debts	(117.07)	(162.00)	(80.58)	(34.99)	(308.88)
	(1.15)	9.34	4.04	39.48	12.13
	29.85	0.01		31.11	0.63
	38.09	40.66	12.48	149.85	74.46
Sub-Total	4,019.31	5,141.46	6,623.85	17,564.01	18,756.81
Income from operations after provision for doubtful debts	(1.68)	11.29	44.64	12.53	81.99
Total	4,017.63	5,152.75	6,668.49	17,586.54	18,838.80

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(Rs. in Crores)

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Consolidated Financial Results

The consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today. The consolidated financial results for the year ended March 31, 2020 have been audited by the statutory auditors and the consolidated financial results for the quarter ended March 31, 2020 have been audited by the statutory auditors of the Company.

The consolidated financial results for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year and the published figures in respect of the first quarter of the current financial year which have been subjected to review by the statutory auditors.

As per the circular issued by the Securities and Exchange Board of India (SEBI), the Group has prepared and presented the consolidated financial results for the quarter ended March 31, 2020 for the first time, which have been reviewed by the statutory auditors of the Company. The consolidated figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2019 and the year-to-date figures for the quarter ended March 31, 2020 approved by the Company's Board of Directors, which have not been subjected to review by the statutory auditors.

The consolidated financial results of Max Financial Services Limited (the Parent or the Company) and its subsidiary (collectively referred as the Group) have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 and other accounting principles generally accepted in India.

Name of Subsidiary Company	Country of Incorporation	Portion of ownership as at March 31, 2020	Portion of ownership as at March 31, 2019
Max Life Insurance Company Limited	India	72.52%	71.79%

As per the circular issued by SEBI dated 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 the offer of equity shares of Rs. 10 each by the Company 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.

10. Employee benefits expenses for the year ended March 31, 2020 and quarter and year ended March 31, 2019 includes severance pay aggregating to Rs. 2.75 crores and Rs. 25.75 crores respectively.

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, with 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.

As per the terms of the above arrangement, the Company has partially settled its put option obligation during the year ended March 31, 2020 and March 31, 2019 amounting to Rs. 188.89 crores and Rs. 165.37 crores respectively. 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 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 year ended March 31, 2020.

13. The Board of Directors of the Company in its meeting held on March 1, 2020, had considered and approved the issuance and allotment of up to 75,458,080 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 394,775,831 equity shares of Rs. 10 each of Max Life Insurance Company Limited ("MLIC") ("MSI Swap") based on the valuation report obtained by the Company in accordance with applicable laws. In addition, the Company through a call/put option has a right to acquire the remaining shareholding held by MSI at Rs. 85 for every equity share of Rs. 10 each held by MSI in MLIC ("MSI Put/Call Option"). In this regard, the Company has executed definitive agreements with the parties.

The Company had issued Notice dated March 3, 2020 for convening an extra ordinary general meeting (EGM) of the shareholders of the Company on April 2, 2020 to seek approval of shareholders via Special Resolution. The EGM got adjourned to April 16, 2020 in view of the situation arising from COVID-19 pandemic. On account of extension of nationwide lockdown till May 3, 2020, the adjourned EGM of the Company was cancelled due to inability to organise requisite quorum. On April 24, 2020, the Company issued Postal Ballot Notice to the shareholders seeking the approval for MSI Share Swap and MSI Put/Call Option. The results of the Postal Ballot will be announced on May 27, 2020.

The above transaction is subject to receipt of requisite shareholders' and regulatory approvals and hence, no adjustments have been made in the financial results.

The Company has thus far received approval from Competition Commission of India and is pursuing approval of other regulatory authorities namely Department of Economic Affairs and Insurance Regulatory and Development Authority of India.

14. On February 20, 2020, the Company and Axis Bank Limited ("Axis Bank") executed Confidentiality and Exclusivity Agreement to explore a long term strategic partnership. The Board of Directors of the Company in its meeting held on April 17, 2020 further approved entering into definitive agreements with Axis Bank for the sale of 29% of the equity share capital of Max Life Insurance Company Limited ("Max Life") subsidiary Company to Axis Bank which will have the effect of Max Life becoming a JV 30 joint venture between the Company and Axis Bank after series of transactions. On May 13, 2020, the Company issued Postal Ballot Notice seeking the approval for the proposed transaction from shareholders of the Company by way of a Special Resolution.

Further, the Company will work towards delivering the following value creation options to Axis Bank as agreed under the definitive agreements. The Company, along with Max Life and promoters of the Company, will take all steps to merge the Company into Max Life, resulting into a listed insurance company in terms of applicable law ("Merger"). From the Closing Date, Axis Bank will have the right to subscribe to equity shares of the Company in lieu of all or part of the equity shares held by Axis Bank in Max Life ("Swap Transaction") and the Company will undertake all actions to effect the swap transaction. Any amount payable pursuant to the Swap Transaction shall be split equally between the Company and Axis Bank.

If the Merger is not completed within 3 years from the Closing Date, and Axis Bank has exercised its right for the Swap Transaction, but the Company fails to consummate the Swap Transaction, then Axis Bank shall have the right to require the Company to purchase all the shares held by Axis Bank in Max Life at Rs. 244 per share, subject to the terms of the definitive agreements. The put option right shall be subject to receipt of requisite regulatory approvals.

The above transaction is subject to receipt of requisite shareholders' approvals, regulatory approvals (including approvals from the Insurance Regulatory and Development Authority of India (IRDAI), Competition Commission of India and the Reserve Bank of India) and hence, no adjustments were made in the financial results.

Max Telecom Ventures Limited
CIN: L24237PB1989PLC000031

Registered Office: T-Block, Saket, New Delhi - 110017, India
E-mail: info@maxtelecomventures.com

Paragraph 2. The Company has incurred a loss of Rs. 5.72 crores due to decline in value of the property, plant and equipment, intangible assets, financial assets, deferred tax assets and other assets.

2.2. Financial Performance and Financial Position

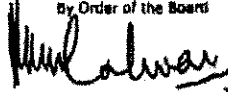
The Company has provided its financial statements, including carrying amounts of trade receivables, investments, property, plant and equipment, intangible assets, financial assets, deferred tax assets and other assets, and the carrying value of these assets. The Company has also stated and explained the reasons for the decline in value of these assets. The Company will continue to monitor the carrying value of these assets and will disclose the results of its efforts to recover the carrying value of these assets in its financial statements.

The Company has also provided its financial statements, including valuation of investments, valuation of policy liabilities, and valuation of other assets. The Company has provided additional Rs. 10.00 crores in policyholders' reserve. The Company has also provided its financial statements, including valuation of investments, valuation of policy liabilities, and valuation of other assets. The Company has provided additional Rs. 10.00 crores in policyholders' reserve.

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By Order of the Board

Mohit Talwar
Managing Director
DIN: 02394694

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

**TO THE BOARD OF DIRECTORS OF
MAX FINANCIAL SERVICES LIMITED**

Opinion and Conclusion

We have (a) audited the Standalone Financial Results for the year ended March 31, 2020 and (b) reviewed the Standalone Financial Results for the quarter ended March 31, 2020, (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Standalone Financial Results for the Quarter and Year Ended March 31, 2020" of **Max Financial Services Limited** ("the Company"), ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

(a) Opinion on Annual Standalone Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Standalone Financial Results for the year ended March 31, 2020:

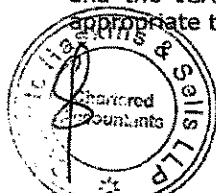
- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards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

(b) Conclusion on Unaudited Standalone Financial Results for the quarter ended March 31, 2020

With respect to the Standalone Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below, nothing has come to our attention that causes us to believe that the Standalone Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Basis for Opinion on the Audited Standalone Financial Results for the year ended March 31, 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Standalone Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.



Deloitte Haskins & Sells LLP

Management's Responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2020 has been compiled from the related audited standalone financial statements. This responsibility includes the preparation and presentation of the Standalone Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities

(a) Audit of the Standalone Financial Results for the year ended March 31, 2020

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Results for the year ended March 31, 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Standalone Financial Results.

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

- Identify and assess the risks of material misstatement of the Annual Standalone Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.



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- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Standalone Financial Results, including the disclosures, and whether the Annual Standalone Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Standalone Financial Results of the Company to express an opinion on the Annual Standalone Financial Results.

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

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

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

(b) Review of the Standalone Financial Results for the quarter ended March 31, 2020

We conducted our review of the Standalone Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Deloitte Haskins & Sells LLP

Other Matters

- As stated in Note 5 of the Statement, the standalone financial results for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report on the Statement is not modified in respect of this matter.
- As stated in the Note 5 of the Statement, standalone financial results for the quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

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



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

SATPAL SINGH ARORA
(Partner)

(Membership No. 098564)

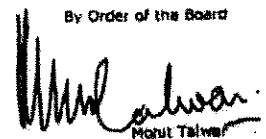
UDIN: 20098564AAAA8794

New Delhi, May 26, 2020

STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

	3 months ended 31.03.2020	3 months ended 31.12.2019	3 months ended 31.03.2019	Year ended 31.03.2020	Year ended 31.03.2019
	(Unaudited) (See Note 5)	(Unaudited)	(See Note 5)	(Audited)	(Audited)
1. Revenue					
1.1 Interest income	222.65	0.24	-	0.47	0.01
1.2 Fee income	0.10	50.97	-	463.70	281.01
1.3 Other income	-	0.32	-	0.42	-
2. Expenses					
2.1 Interest expense	1.98	21.28	-	1.33	-
2.2 Provision for doubtful debts	5.07	2.18	1.40	8.89	8.32
2.3 Other expenses	-	5.19	8.57	20.13	27.29
3. Profit / (loss) before tax	229.80	80.18	9.97	494.94	316.63
4. Tax expense					
4.1 Corporate tax	-	0.01	0.43	0.08	1.15
5. Profit / (loss) after tax	229.80	80.19	10.40	495.02	317.78
6. Other comprehensive income / (loss)					
6.1 Foreign exchange (See Note 15)	0.06	0.06	-	0.20	27.25
6.2 Loss on fair value changes on derivative financial instruments (See Note 9)	7.18	-	62.12	-	102.61
6.3 Other comprehensive expenses (See Note 7)	3.10	5.44	40.44	22.86	76.40
6.4 Depreciation, amortisation and impairment (See Note 12)	7.56	0.90	0.45	9.89	1.75
6.5 Other comprehensive expenses	8.77	9.36	11.48	44.39	43.51
6.6 Other expenses	12.82	2.83	5.53	21.36	16.87
7. Total expenses	39.49	18.59	120.02	98.70	268.39
8. Profit / (loss) before tax (4-6)	190.31	61.60	(109.62)	396.32	49.39
9. Tax expense					
9.1 Current tax (See Note 14)	123.78	-	-	123.78	-
9.2 Deferred tax	-	-	-	-	-
10. Total tax expense	123.78	-	-	123.78	-
11. Profit / (loss) after tax (7-9)	66.53	61.60	(109.62)	272.54	49.39
12. Other comprehensive income / (loss):					
Items that will not be reclassified to profit or loss					
12.1 Remeasurement of the defined benefit obligations	0.12	(0.05)	(0.35)	(0.12)	(0.30)
12. Total other comprehensive income / (loss)	0.12	(0.05)	(0.35)	(0.12)	(0.30)
13. Total comprehensive income / (loss) (11+12)	66.65	61.55	(109.97)	272.42	49.09
14. Equity					
14.1 Paid up equity share capital (Face value of Rs. 2)	53.90	53.90	53.88	53.90	53.88
14.2 Other equity	-	-	-	2,226.42	1,946.15
15. Earnings per share (EPS) (Rs.) (not annualised for the quarter)					
(a) Basic EPS	2.47	2.29	(4.09)	10.12	1.83
(b) Diluted EPS	2.47	2.28	(4.09)	10.11	1.83
See accompanying notes to the standalone financial results					

By Order of the Board


Manu Talwar
Managing Director
DIN 02194694

Date : May 26, 2020
Place : Gurugram

Max Financial Services Limited
CIN: L24223PB1988PLC008031

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

Website: www.maxfinancialservices.com

Notes to the standalone financial results:

1. STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020

(Rs. in Crores)

	Particulars	As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
I	ASSETS		
1	Financial assets		
(a)	Cash and cash equivalents	0.29	0.43
(b)	Bank balance other than (a) above	1.65	2.67
(c)	Receivables - Trade receivables	19.25	21.80
(d)	Loans	0.01	0.07
(e)	Investments	2,468.40	2,131.32
(f)	Other financial assets	0.68	1.14
	Total financial assets	2,490.28	2,157.43
2	Non financial assets		
(a)	Current tax assets (net)	8.13	6.06
(b)	Property, plant and equipment	22.14	30.36
(c)	Intangible assets	-	0.09
(d)	Right of Use asset (See Note 15)	3.37	-
(e)	Other non-financial assets	1.65	1.64
	Total non-financial assets	35.29	38.15
	Total assets	2,525.57	2,195.58
II	LIABILITIES AND EQUITY		
1	LIABILITIES		
1.1	Financial liabilities		
(a)	Derivative financial instruments (See Note 9)	91.47	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	10.06	14.19
(c)	Lease liability (See Note 15)	2.73	-
(d)	Other financial liabilities	2.88	11.04
	Total financial liabilities	107.14	185.36
2	Non financial liabilities		
(a)	Current tax liabilities (See Note 14)	123.78	-
(b)	Provisions	11.91	3.96
(c)	Deferred tax liabilities (net)	-	-
(d)	Other non-financial liabilities	2.42	6.23
	Total non-financial liabilities	138.11	10.19
	Total liabilities	245.25	195.55
II	EQUITY		
(a)	Equity share capital	53.90	53.88
(b)	Other equity	2,226.42	1,946.15
	Total equity	2,280.32	2,000.03
	Total liabilities and equity	2,525.57	2,195.58

Notes on the financial results

3. STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

		(Rs. in crores)	
	Particulars	Year ended 31.03.2020 (Audited)	Year ended 31.03.2019 (Audited)
A	Cash flow from operating activities		
	Receipts from operations	396.32	49.39
	Payments for:		
	- Depreciation and amortisation expense	9.89	1.75
	- Tax on income	(0.47)	(0.35)
	- On cashing in of long term investments	(463.70)	(281.01)
	- Net loss / profit on sale / disposal of property, plant and equipment	(0.02)	0.18
	- Net loss / profit on sale / disposal of non-current financial assets		
	- Derivative financial instruments	(1.33)	102.61
	- Investments in mutual funds	(8.89)	(8.32)
	- Losses on assets no longer required written back	-	(0.01)
	- Allowance on doubtful input tax credit receivable	0.60	-
	- Provision on rates and taxes	8.03	-
	- Expense on employee stock option scheme	4.43	7.20
	Operating profit / (loss) before working capital changes	(55.14)	(128.56)
	Changes in working capital:		
	- Adjustments for (increase) / decrease in operating assets:		
	- Trade receivables	2.55	(15.11)
	- Loans	0.06	0.75
	- Other financial assets	0.47	0.03
	- Other non-financial assets	(0.61)	0.29
	- Dividend received	463.70	281.01
	- Interest received	0.46	0.38
	- Adjustments for increase / (decrease) in operating liabilities:		
	- Trade payables	(4.14)	4.04
	- Other financial liabilities	(5.44)	0.23
	- Provisions	(0.19)	(2.26)
	- Other non-financial liabilities	(3.81)	0.55
	Cash generated from operations	397.91	141.35
	Net income tax (paid) / refunds	(2.07)	(0.01)
	Net cash flow from operating activities (A)	395.84	141.34
B	Cash flow from investing activities		
	Capital expenditure on property, plant and equipment including capital advances	(4.98)	(0.99)
	Proceeds from sale of property, plant and equipment	0.06	0.04
	Bank balances not considered as Cash and cash equivalents (net)	1.02	(0.13)
	Investments in mutual funds:		
	- Purchased	(539.98)	(520.91)
	- Proceeds from sale	334.34	521.84
	Investments in equity shares of subsidiary company		
	- Purchased (including derivative liability settlement)	(189.89)	(165.37)
	Net cash used in investing activities (B)	(399.43)	(165.52)
C	Cash flow from financing activities		
	Proceeds from ESOPs exercised (including share premium)	3.45	24.19
	Net cash flow from financing activities (C)	3.45	24.19
	Net (decrease) / increase in cash and cash equivalents (A + B + C)	(0.14)	0.01
	Cash and cash equivalents as at the beginning of the year	0.43	0.42
	Cash and cash equivalents as at the end of the year*	0.29	0.43
	Comprises:		
	a. Cash on hand	0.01	0.01
	b. Balance with scheduled banks		
	- in current accounts	0.28	0.42
		0.29	0.43

Max Financial Services Limited

CIN: L24223PB1988PLC008031

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

Website: www.maxfinancialservices.com

Notes to the standalone financial results:

1. The standalone financial results of the Company have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today. The standalone financial results for the year ended March 31, 2020 have been audited by the statutory auditors and the standalone financial results for the quarter ended March 31, 2020 have been reviewed by the statutory auditors of the Company. Statutory auditors have not issued a separate limited review report on the results for the quarter ended March 31, 2019.

2. The standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

3. The standalone financial results for the quarter ended March 31, 2020 and March 31, 2019 are the balancing figures between audited figures in respect of the full financial year and published year to date unaudited figures up to the third quarter of the year ended March 31, 2020 and March 31, 2019 for the company respectively which have been subjected to limited review by the statutory auditors.

4. The company is a Non-Systemically Important Core Investment Company, and is primarily engaged in growing and nurturing business ecosystem 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.

5. Employee benefits expenses for the year ended March 31, 2020 and quarter and year ended March 31, 2019 includes severance pay aggregating to Rs. 2.75 crores and Rs. 25.75 crores respectively.

6. 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.

7. 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 (MSI) and accounted for Fair Value Through Profit or Loss account (FVTPL) in standalone financial results of the Company as per Ind AS 109.

8. During the year, the Company acquired 0.73% equity shares of MLIC, subsidiary of the Company from Axis Bank Limited (previous year: 0.74% equity shares of MLIC from Axis Bank Limited and 0.30% equity shares of MLIC from MSI), thereby increasing its stake in MLIC from 71.79% to 72.52% (previous year: 70.75% to 71.79%) as at the year end, on exercise of such options.

Necessary adjustments are made against the option value in the books of account and balance is restated at the end of each period.

9. The Board of Directors of the Company in its meeting held on March 3, 2020, had considered and approved the issuance and allotment of up to 75,458,088 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 394,775,831 equity shares of Rs. 10 each of Max Life Insurance Company Limited ("MLIC") ("MSI Swap"), based on the valuation report obtained by the Company in accordance with applicable laws. In addition, the Company through a call/put option has a right to acquire the remaining shareholding held by MSI at Rs. 85 for every equity share of Rs. 10 each held by MSI in MLIC ("MSI Put/Call Option"). In this regard, the Company has executed definitive agreements with the parties.

The Company had issued Notice dated March 3, 2020 for convening an extra ordinary general meeting (EGM) of the shareholders of the Company on April 2, 2020 to seek approval of shareholders via Special Resolution. The EGM got adjourned to April 16, 2020 in view of the situation arising from COVID-19 pandemic. On account of extension of nationwide lockdown till May 3, 2020, the adjourned EGM of the Company was cancelled due to inability to organise requisite quorum. On April 24, 2020, the Company issued Postal Ballot Notice to the shareholders seeking the approval for MSI Share Swap and MSI Put/Call Option. The results of the Postal Ballot will be announced on May 27, 2020.

The above transaction is subject to receipt of requisite shareholders and regulatory approvals and hence, no adjustments have been made in the financial results.

The Company has thus far received approval from Competition Commission of India and is pursuing approval of other regulatory authorities namely Department of Economic Affairs and Insurance Regulatory and Development Authority of India.

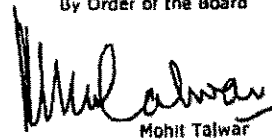
Max Financial Services Limited
CIN: L24223PB1988PLC008031

Registered Office: Bhaji Mohan Singh Nagar, Rail Majra, Tahsil Balachaur, District Nawanshahr, Punjab - 144533
Website: www.maxfinancialservices.com

Notes to the financial results:

1. On February 20, 2020, the Company and Axis Bank Limited ("Axis Bank") executed Confidentiality and Exclusivity Agreement to explore a long-term strategic partnership. The Board of Directors of the Company in its meeting held on April 27, 2020 further approved entering into definitive agreements with Axis Bank for the sale of 29% of the equity share capital of Max Life Insurance Company Limited ("Max Life"), subsidiary company of 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 approvals. On May 13, 2020, the Company issued Postal Ballot Notice seeking the approval for the proposed transaction from shareholders of the Company by way of a Special Resolution.
- Further, the Company will work towards delivering the following value creation options to Axis Bank as agreed under the definitive agreements. The Company, along with Max Life and promoters of the Company, will take all steps to merge the Company into Max Life, resulting into a listed company in terms of applicable law ("Merger"). From the Closing Date, Axis Bank will have the right to subscribe to equity shares of the Company, in lieu of all or part of the equity shares held by Axis Bank in Max Life ("Swap Transaction") and the Company will undertake all actions to effect the Swap Transaction. Any income tax payable pursuant to the Swap Transaction shall be split equally between the Company and Axis Bank.
- If the Merger is not completed within 5 years from the Closing Date, and Axis Bank has exercised its right for the Swap Transaction, but the Company fails to consummate the Swap Transaction, then Axis Bank shall have the right to require the Company to purchase all the shares held by Axis Bank in Max Life at Rs. 294 per share, subject to the terms of the definitive agreements. The put option right shall be subject to receipt of requisite regulatory approvals.
- The above transaction is subject to receipt of requisite shareholders approvals, regulatory approvals (including approvals from the Insurance Regulatory and Development Authority of India, Competition Commission of India and the Reserve Bank of India) and hence, no adjustments were made in the financial results.
2. Depreciation, amortisation and impairment for the quarter and year ended March 31, 2020 includes impairment loss of Rs. 6.72 crores due to decrease in value of the property held by the Company, as determined based on the valuation reports obtained by the Company from external service valuer.
3. Estimation of uncertainties relating to COVID-19 global health pandemic
- The Company has considered the impact of COVID-19 on its operations as well as its financial statements, including carrying amounts of trade receivables, investments, property, plant and equipment and other assets, as at March 31, 2020. In assessing the carrying value of these assets, the Company has used internal and external sources of information up to the date of approval of these financial results, and based on current estimates, expects the net carrying amount of these assets will be recovered. The Company will continue to closely monitor any material changes to the business and financial statements due to COVID-19, wherever required.
14. In March 2020, the Company had filed application(s) with the income tax authorities under the 'The Direct Tax Vivad se Vishwas Act, 2020' ('the Scheme'), enacted vide the Gazette of India on March 17, 2020 regarding settlement of the ongoing tax litigation pertaining to Telecom stake sale made by its erstwhile subsidiary Max Telecom Ventures Limited (since merged with the Company w.e.f December 1, 2005). The said litigation was being contested both by the Company and the Income Tax Department for multiple years, pending before various Appellate Authorities and previously disclosed as contingent liabilities.
- The settlement proposed by the Company under the Scheme has been accepted by the Tax Department for all the years under dispute viz. Assessment Year 1998-99, Assessment Year 1999-2000 and Assessment Year 2006-07 and the Company has paid the cumulative tax amount of Rs. 123.78 crores in May 2020, determined under the provisions of the Scheme, towards full and final settlement of the tax arrears. The Company has made provision of Rs. 123.78 crores for the same and is disclosed as 'current tax' in the quarter and year ended March 31, 2020.
15. 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 year ended March 31, 2019 have not been 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 ended March 31, 2020 and December 31, 2019 and year ended March 31, 2020.
16. The figures for the previous periods have been regrouped / reclassified wherever necessary, to make them comparable.

By Order of the Board



Mohit Talwar
Managing Director
DIN 02394694

Date: May 26, 2020
Place: Gurugram