MAX | FINANCIAL SERVICES

July 28, 2023

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 021

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

Scrip Code: 500271

Scrip Code: MFSL

Sub: Notice of the 35th Annual General Meeting and Annual Report for the FY 2022-23

Dear Sir/ Madam,

Pursuant to the provisions of Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and further to our letter dated July 26, 2023, 2023 informing about the 35th Annual General Meeting ("AGM") of the Company scheduled to be held on Tuesday, August 22, 2023 at 1000 hrs. (IST) through Video Conference ("VC")/Other Audio Visual Means ("OAVM") in compliance with circulars issued by the Ministry of Corporate Affairs and SEBI in this regard, we wish to inform the following:

1. The Annual Report for the financial year 2022-23 and the notice of AGM are being sent through electronic mode to all the members of the Company whose email addresses are registered with the Company/Depository Participant(s). These documents are also available on the Company's website at www.maxfinancialservices.com.

2. Pursuant to the requirement of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 16, 2023 to Tuesday, August 22, 2023 (both days inclusive).

3. The Company is providing the facility to vote by electronic means (remote e-voting as well as e-voting at the AGM) on all the resolutions set out in the AGM notice to the members, who are holding shares on the cut-off date i.e. Tuesday, August 15, 2023. The remote e-voting will commence from Friday August 18, 2023, at 0900 hrs. and shall end on Monday, August 21, 2023 at 1700 hrs.

4. The Annual Report for the financial year 2022-23 and the Notice of AGM are enclosed herewith.

You are requested to take note of the above.

Thanking you,

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

PIYUSH SONI
Digitally signed by PIYUSH SONI
Date: 2023.07.28 18:03:12 +05'30'

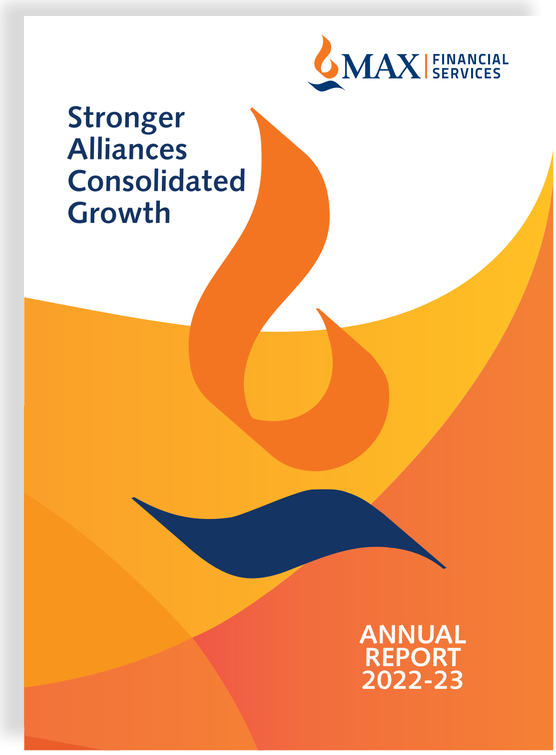
Piyush Soni
Company Secretary and Compliance Officer

Encl : as above

MAX | FINANCIAL SERVICES

Stronger Alliances Consolidated Growth

ANNUAL REPORT 2022-23



DOWNLOAD

To know more about the Company log on to
www.maxfinancialservices.com

Scan the QR code for additional information about the Company

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Forward-looking statements

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

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Corporate Review

Our Enterprise

Max Financial Services Limited (MFSL) is part of India's leading business conglomerate – the Max Group. Focused on Life Insurance, MFSL owns and actively manages an 87% majority stake in Max Life Insurance, India's largest non-bank, private life insurance company. MFSL recorded consolidate revenues of ₹31,431 crore during FY 2023 and a Profit After Tax of ₹452 crore.

The Company is listed on the NSE and BSE. Besides a 10% holding by Analjit Singh and sponsor family, some of the other group shareholders include MSI, Ward ferry, New York Life, Baron, GIC, Vanguard, Mirae Capital, and the Asset Management Companies of Nippon, HDFC, ICICI, Prudential, Kotak, Motilal Oswal, Sundaram and DSP.

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

In FY 2023, Max Life reported an Embedded Value (EV) of ₹16,263 crore, led by 28% growth in value of new business. The Operating Return on EV (RoEV) over stood at 22%. The New Business Margin (NBM) for FY2022 was 31.2% (at actual costs), an increase of 380 bps and the Value of New Business (VNB) was ₹1,949 crore (at actual costs), an annual growth of 28%.

On April 6, 2021, Axis Bank Limited, India's third-largest private sector bank, together with its subsidiaries, Axis Capital Limited and Axis Securities Limited (collectively referred to as "Axis Entities") became the co-promoters of Max Life. This was after completion of the acquisition of 12.99% stake collectively by the Axis Entities in Max Life. Under the deal, the Axis Entities have a right to acquire an additional stake of up to 7% in Max Life, in one or more tranches, subject to regulatory approvals. Max Life has 397 branch units across India as of March 31, 2023.

New Max India Limited (MIL) was formed in June 2020 after Max India – the erstwhile arm of the $4-billion Max Group – merged its healthcare assets into Max Healthcare and demerged its senior care and other allied businesses in June 2020 into a new wholly owned subsidiary called Advaita Allied Health Services Limited which was later renamed as Max India Limited.

Max India is now the holding company of Max Group's Senior Care business Antara, an integrated service provider for all senior care needs. It operates across two lines of businesses – Assisted Care services, including Care Homes, Care at Home and MedCare, and independent Residences for seniors.

Max India investor list includes: IFC, New York Life, Nomura, TVF, Habrok Capital and Porinju Veliyath.

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

Antara's first residential community in Dehradun consists of around 197 apartments spread across 14 acres of land. In 2020, Antara launched a new senior living facility in Noida, Sector-150. With 340 apartments in its first phase of development, it will be ready for possession by 2025.

Antara's Assisted Care Services include 'Care Homes' and 'Care at Home' and MedCare products. They cater to seniors over the age of 55, who need more immersive interventions in their daily lives due to medical or age-related issues.

Our Enterprise

Max Ventures & Industries Limited (MaxVIL) is engaged in Real Estate business in the premium residential and commercial space in Delhi-NCR through its subsidiary companies – Max Estates Limited, Max Asset Services Limited, Max I. Limited. MaxVIL is listed on the NSE and BSE. Besides a 49.51% holding by Analjit Singh and sponsor family, other key shareholders include New York Life Insurance and First State Investments.

Established in 2016, Max Estates is the real estate arm of the Max Group. It is a wholly owned subsidiary of MaxVIL. Its vision is to bring the Group's values of Excellence, Credibility and '*Sevabhav*' to the Indian real estate sector. Max Estates is focused on developing and operating Grade A, build to lease office complexes. Through its WorkWell concept, Max Estates offers workplaces which provide a blend of community building, technology, and environment friendly features. Its commercial projects include Max Towers, on the edge of South Delhi that opened in 2019 and houses recent occupants such as YES Bank, Cyril Amarchand Mangaldas, DBS, among others, Max House, Okhla, a Grade-A office campus located in South Delhi. Its upcoming projects include Max Square, Max 128 Residential Project, among others.

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

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

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

Our Path

Our Vision

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

Our Mission

- Be the most preferred category choice for customers, shareholders and employees
- Do what is right for our customers, and treat them fairly
- Be the go-to standard for partnerships and alliances with all distributors and partners
- Maintain cutting-edge standards of governance
- Lead the market in quality and reputation

Our Values

Sevabhav

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

Credibility

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

Excellence

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

Board of Directors

Mr. Analjit Singh
Founder & Chairman
Max Group

Mr. Analjit Singh is the Founder & Chairman of The Max Group, a $4-bn Indian multi-business enterprise, with interests in life insurance (Max Life), real estate (Max Estates), senior care (Antara). The Max Group is renowned successful joint ventures with some pre-eminent firms including Mitsui Sumitomo & Toppan, Japan; New York Life Insurance Company; Bupa Plc, Life Healthcare, SA; DSM, Netherlands, Hutchison Whampoa; Motorola, Lockheed Martin, and others.

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

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

Mr. Analjit Singh is the Chairman of the listed companies of Max Group, viz., Max Financial Services Limited, Max India Limited and Max Ventures and Industries Limited, besides being the Chairman of Max Life Insurance Company Limited. He also served as a Director on the Board of Sofina NV/SA, Belgium till March 2022 and was the Non-Executive Chairman of Vodafone India till August 2018.

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

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

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

Mr. Aman Mehta
Independent Director

Mr. Aman Mehta retired as CEO of HSBC Asia Pacific in January 2004, after a global career of 35 years, and returned to India on permanent resettlement. He serves as an Independent, Non-Executive Director on the boards of numerous public companies and institutions in India as well as overseas.

Mr. D.K. Mittal
Independent Director

Mr. D. K. Mittal is a former Indian Administrative Service (IAS) officer from the batch of 1977 and has served the Government of India in various capacities, including Secretary, Department of Financial Services, Secretary, Ministry of Corporate Affairs and Additional Secretary, Department of Commerce.

Mr. Mittal has hands-on experience in Infrastructure, International Trade, Urban Development, Renewable Energy, Agriculture Development & Micro-Credit, Corporate Governance, Banking, Insurance, Pension and Finance. He holds a master's degree in physics with a specialization in Electronics from the University of Allahabad, India.

Mr. Jai Arya
Independent Director

Mr. Jai Arya is a member of the Board of the UK-based research consultancy, the Official Monetary and Financial Institutions Forum (OMFIF). He is also a Senior Adviser to the Dean, NUS Business School, Singapore, as well as their Head of Executive Education. In addition, Mr. Arya has also been a Senior Adviser for Asian banking to a global consultancy firm and has also consulted on a project basis for the Asian Development Bank.

Prior to this, Mr. Arya worked for Bank of New York Mellon for 27 years and Bank of America for 10 years, in various Asian locations. Before leaving BNY Mellon in April 2014, Mr. Arya was an EVP and global head of their business with sovereign institutions, as well as a member of the bank's Global Operating Committee as well as Asia Executive Committee. Earlier roles included head of Asia client relationships and Asian country offices. Mr. Arya received an MBA from the Faculty of Management Studies, Delhi University, and a BA (Honours) in Economics from St. Stephen's College, Delhi University.

Sir Richard Stagg
Independent Director

Sir Richard Stagg is the Chairman of the JP Morgan Asian Growth and Income Investment Trust, Warden of Winchester College and a Trustee of the School of Oriental and African Studies in London.

Sir Richard was the Chairman of Rothschild India from 2015-2022. Before joining Rothschild, Sir Richard was a career officer in the UK Foreign Service from 1977-2015. His last two postings were as High Commissioner in Delhi and British Ambassador in Kabul. From 2003-2007, he was the Chief Operating Officer, responsible for the Foreign Office's global network of Embassies and Consulates. And from 2007-2017, in addition to his diplomatic responsibilities, Sir Richard was Chairman of FCO Services – a PSU providing secure services to the UK and foreign governments.

Sir Richard has an MA in History from Oxford University.

Ms. Gauri Padmanabhan
Independent Director

Ms. Gauri Padmanabhan is a Leadership Consultant with over three decades of diversified experience in the services sector and is presently an Independent Director and Leadership Advisor for well-known listed and private companies.

Till December 2022, Gauri was a Global Partner leading the CEO & Board and Consumer Markets Practices, and also overseeing the Education & Life Sciences Practices, for Heidrick & Struggles in India. A long-tenured Partner at Heidrick & Struggles, Gauri joined the company in 2000 and over 22 years played a key role in building a significant footprint for the business in India. Working closely at the top with client leadership teams in India and the region, she assisted them solve their strategic talent needs, bringing a deep understanding of the challenges that face organizations today, especially within consumer-centric industries. Her clients included large global and Indian corporations, where she partnered with them to build their top leadership teams during start-up/India entry, growth, and business transformation phases.

Throughout her career, CEO succession and Next Generation leadership – with an eye on business and technology trends, has been a focus area. Partnering with her clients in driving their digital & diversity agendas has been of special interest and passion. Gauri currently works with a select group of leaders on advisory and coaching projects.

Prior to joining Heidrick & Struggles, Gauri had a leadership role in a major direct-selling multinational, with overall responsibility for customer services & delivery. Her career also includes general management, consulting and teaching stints.

Mr. Hideaki Nomura
Non-Executive Director

Mr. Hideaki Nomura is a Director on the board of the Company and held the position of a Director of the Max Life Insurance Company Limited with effect from June 27, 2012, until December 8, 2020. He is also a Director of BOCOM MSIG Life in China, a Commissioner of Sinarmas MSIG Life in Indonesia, a Senior General Manager of the Asian Life Insurance Business Department of Mitsui Sumitomo Insurance Co., Ltd in Japan, and a Senior General Manager of the International Business Planning Department of MS&AD Insurance Group Holdings, Inc. He has 37 years of experience in financial industries including insurance, banking, and investment banking.

In his tenure with Mitsui Sumitomo Insurance., Ltd. ("MSI") for 25 years, he steered and supervised the international life insurance business as a shareholder. He also took a strategic role in helping the company expand into international insurance businesses by analyzing, structuring, and valuating M&A transactions, such as BOCOM MSIG Life in China, Sinarmas Life in Indonesia, Hong Leong Assurance in Malaysia, Hong Leong Takaful in Malaysia, Ceylinco Insurance in Sri Lanka, Mingtai Insurance in Taiwan, etc. He was also in charge of establishing new businesses, such as an Annuity Joint Venture with Citigroup (currently Mitsui Sumitomo Primary Life), a defined contribution business, and a mutual fund business.

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

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

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

Mr. Mitsuru Yasuda

Non-Executive Director

Mr. Mitsuru Yasuda has been appointed as a Director of Max Life Insurance Co. Ltd. effective from July 24, 2020. He is also a General Manager of the Asian Life Insurance Business Dept. of Mitsui Sumitomo Insurance Co. Ltd. ("MSI"). He has more than 20 years of experience in the life insurance business, M&A advisory business, and audit business.

He holds a Japanese CPA license. He joined MSI in 2015 and took on a supervisory role in Sinarmas MSIG Life, MSI's life insurance subsidiary in Indonesia until he got appointed as a Director of Max Life Insurance Co. Ltd. His responsibility in Sinarmas MSIG Life included sales channel & product portfolio management, budget & profit management, risk management, and so forth.

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

Mr. K Narasimha Murthy

Independent Director

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

Mr. Sahil Vachani

Non-Executive Director

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

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

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

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

Strategic Review

The life insurance industry in India has seen an increased focus on protection and withdrawal planning, driven by heightened awareness among the middle class. Insurance penetration is rising, and the sector benefits from government interventions, favourable regulations, and partnerships.

Analjit Singh
Founder & Chairman

Letter to Shareholders

Dear Shareholders,

Greetings!
With the Sensex at a historic high, stable GDP growth, inflation under control, a record number of people lifted out of multidimensional poverty... suddenly a rainbow of positive news about the Indian economy is making the headlines in stark contrast to the global economic scenario.

To begin with, the world economy has faced significant shocks in the past three years, including the COVID-19 pandemic, the Russia-Ukraine conflict, and monetary tightening by central banks to combat inflationary pressures and so on. However, that hasn't derailed the Indian growth story post the inevitable Covid blip. As Capital Group notes in its newsletter*, "Corporate confidence is high, the economy is expanding at a decent clip and technological innovation is leading to new areas of growth".

The Prime Minister's long term game plan of developing infrastructure and making India a manufacturing and export hub, powered by schemes like Skill India and Make in India have started bearing fruit. Despite the temptation, the government has shown admirable fiscal prudence. Further, the government has ushered in reforms like bringing GST, simplifying labour code, introducing RERA, Bankruptcy code among slew of big-ticket changes*. While introduction of UPI shows India's digital prowess, cleaning up of bank books have helped in shoring up investors' confidence. The PLI scheme is set to be the bulwark of a manufacturing upsurge in the country.

As foreign companies look for a 'China plus one' strategy, India has a real chance of gaining prominence. The government is looking to cut compliance issues to improve 'Ease of Doing Business' parameters making investing in India an attractive proposition. India is currently the 5th largest economy in the world, and if Goldman Sachs is to be believed, it is likely to become the 2nd largest economy in the next 50 years. Thus, while the path to prosperity is long and arduous, the outlook is extremely promising.

> Ease of Doing Business parameters making investing in India an attractive proposition. Obviously, several challenges remain in India's path of becoming a 5 trillion-dollar economy.

The life insurance industry in India has seen an increased focus on protection and withdrawal planning, driven by heightened awareness among the middle class. Insurance penetration is rising, and the sector benefits from government interventions, favourable regulations, and partnerships. The industry has experienced growth in premium and assets under management. Government schemes like Pradhan Mantri Suraksha Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana, and Pradhan Mantri Vaya Vandana Yojana have contributed to the sector's growth. Yet, the industry also faces challenges particularly due to recently imposed tax measures for the Life Insurance sector.

Turning more specifically to your company, I am

*https://www.capitalgroup.com/institutional/insights/articles/will-india-breakout-emerging-market.html delighted to inform that during this financial year, Max Financial Services Limited (MFSL) has acquired the remaining equity stake in Max Life previously held by MSI taking its stake to 87%. MFSL reported consolidated revenues of ₹31,431 crore, grew 1% mainly due to lower investment income, excluding investment income, consolidated revenues grew 13% in FY 2023. Consolidated Profit after Tax (PAT) stood at ₹452 crore, grew 42% in FY 2023.

Max Life has consistently established a strong market presence since its inception. Upon reflecting on the last 5 years, Max Life has achieved robust results across all aspects of our business. Sales have grown at a CAGR of 13% surpassing the industry average growth of 10%. Max Life new business premium (First Year Premium and Single Premium) increased by 13% to ₹8,960 crore. Max Life renewal premium grew by 13% to ₹16,382 crore, and gross premium grew by 13% to ₹25,342 crore. Max Life generated a post-tax shareholders' profit of ₹435 crore in FY 2023, as compared to ₹387 crore in the previous financial year, recording an increase of 12%. The net worth increased from ₹3,064 crore in FY 2022 to ₹3,505 crore in FY 2023, a growth of 11%. Max Life's assets under management (AUM) were ₹1,22,857 crore as on March 31, 2023, a rise of 14% over the previous year.

Max Life achieved the highest New Business Margin (NBM) of 31.2% in FY 2023, improved by 380 bps over corresponding previous period. Value of New Business (VNB) grew at 28% to ₹1,949 crore in FY 2023. Max Life reported an Embedded Value of ₹16,263 crore, while the Operating Return on EV (RoEV) improved by 290 bps to 22.1% year-on-year.

Max Life has secured 4 new banca partnerships with DCB Bank, Tamilnad Mercantile Bank, Ujjivan Small Finance Bank, Capital Small Finance Bank and 6 new renowned Brokers in FY 2023.

Max Life Pension fund management (PFM) commenced operations in FY 2023, AUM as at March 31, 2023 ~₹143 crore and also obtained a point of presence (POP) license will aid mobilization of NPS funds.

Max Life achieved the highest New Business Margin (NBM) of 31.2% in FY 2023, improved by 380 bps over corresponding previous period. Value of New Business (VNB) grew at 28% to ₹1,949 crore in FY 2023. Max Life reported an Embedded Value of ₹16,263 crore, while the Operating Return on EV (RoEV) improved by 290 bps to 22.1% year-on-year.

Max Life prioritizes prompt and hassle-free settlement of death claims, and its success is not only evident in the ability to effectively reach its customers, but also the trust they have placed in the brand. This is exemplified by the claims paid ratio of 99.51% at the end of FY 2023, which is the highest in the industry. Additionally, according to the globally recognized NPS metric, over the past 4 years, Max Life's NPS has improved by 17 points.

Max Life has also prioritized innovation in its product offerings to customers. Among new product launches, the non-participating savings product, Smart Wealth Advantage Guarantee (SWAG), achieved significant sales of ₹1,000 crore in a short period. The introduction of the "Smart Fixed Return Digital" online savings product contributed to increased online sales.

In FY 2023, Max Life received several prestigious recognitions and awards. Max Life was recognized as one of the best BFSI brands by the Economic Times. It also earned recognition for Excellence in Financial Reporting from the Institute of Chartered Accountants for its annual report. Additionally, Max Life received the Celent Model Insurance Award for 2023, acknowledging its digital initiatives in data analytics and AI. The company was also honoured with the Excellence in driving distribution through digital award at the FICCI Insurance Industry Awards in 2022. These accolades highlight Max Life's commitment to excellence and innovation in the insurance industry.

India's insurance sector is growing rapidly and expected to become the world's sixth largest by 2032. The life insurance segment is projected to have significant growth, driven by increased awareness, regulatory developments, and digital adoption. Max Life has a three-year business plan focused on sustainable and profitable growth, product innovation, customer-centricity, digitization, and human capital.

In the coming years, digitization will remain the driving force in our industry, and we anticipate an increased Foreign Direct Investment limit of 74%. Our management will carefully assess the market landscape, analysing opportunities to redefine our growth ambitions for sustained and profitable expansion.

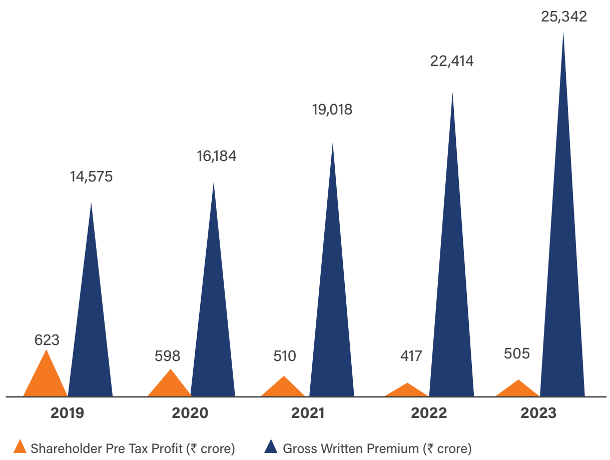
We extend our sincere gratitude to each and every one of you for your unwavering belief in our company and its vision. This appreciation extends to our employees across the Group, our esteemed business partners, investors, government agencies with whom we actively collaborate and receive support.

And finally our gratitude to Axis Bank our JV and Bancassurance partners.

Analjit Singh
Founder & Chairman

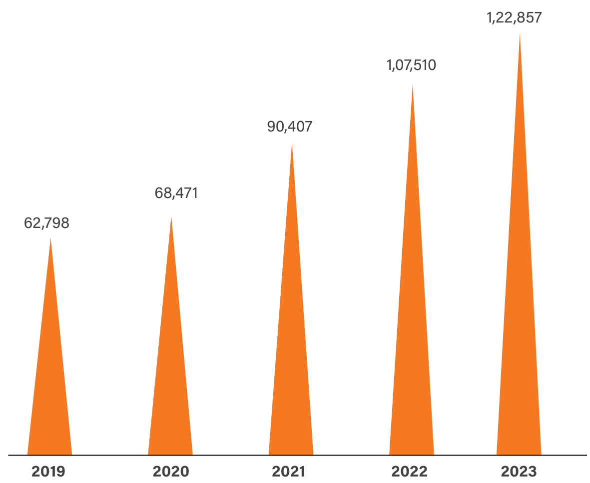
Business Review

SHAREHOLDER PRE TAX PROFIT AND GROSS WRITTEN PREMIUM



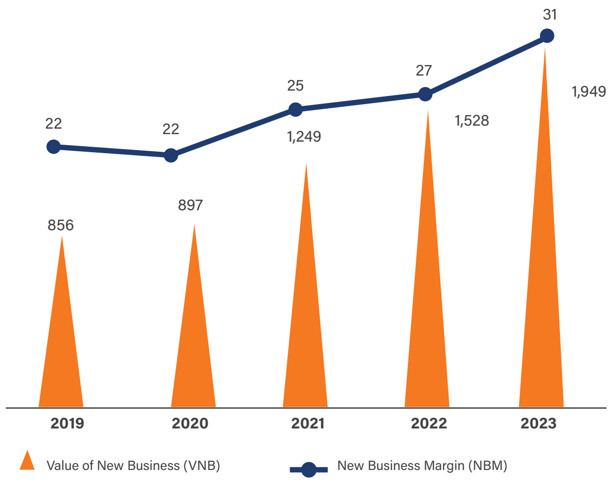
Strong premium growth continued; FY 2023 Shareholder Profits increased due to higher investment income

ASSETS UNDER MANAGEMENT (₹ crore)



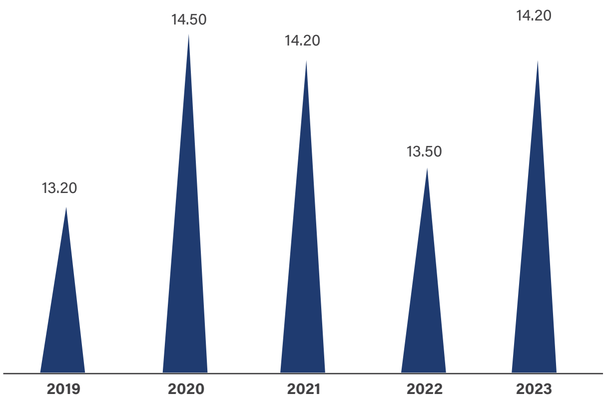
AUM crossed ₹1.23 Lacs crore mark in FY 2023

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



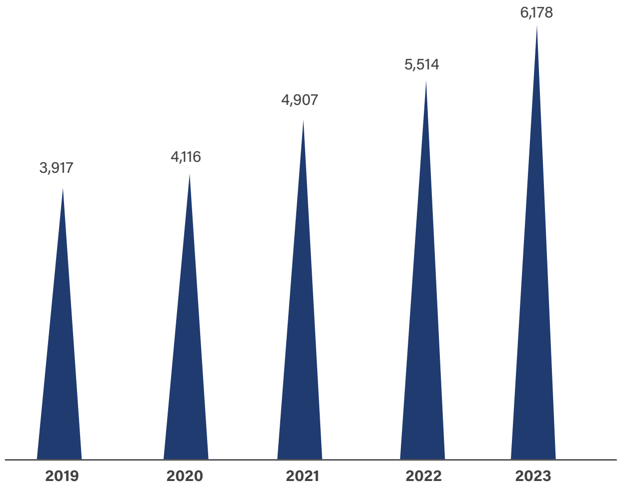
Continuous improvement in margins owing to calibrated approach on product and distribution mix

OPERATING EXPENDITURE RATIO (OPEX/GROSS PREMIUM)



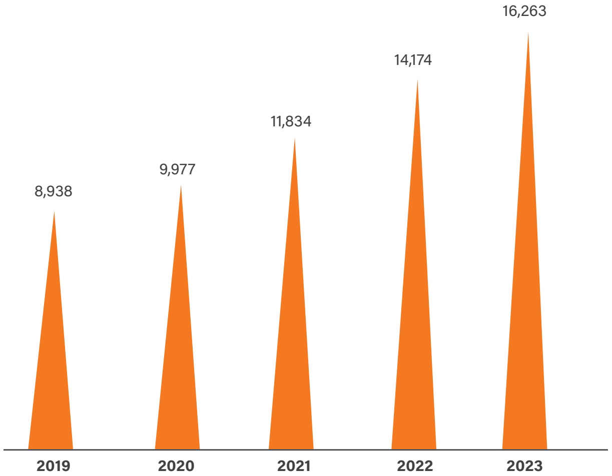
Sustained improvement in Opex ratio backed by structural cost optimization initiatives (except FY 2023) investments made in distribution channels in FY 2023

INDIVIDUAL ADJUSTED FIRST YEAR PREMIUM (₹ crore)



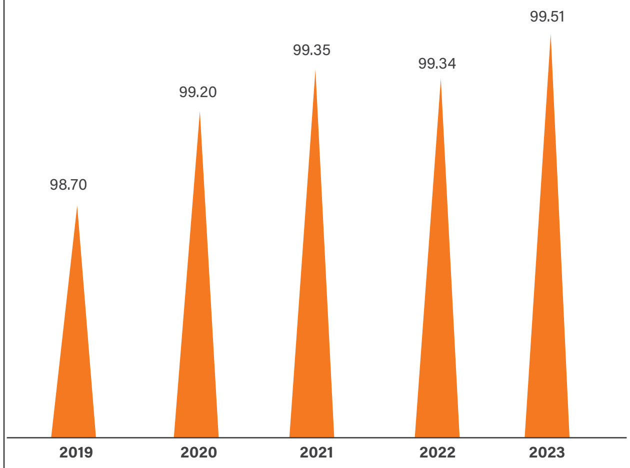
Stable growth in New Business Premium backed by robust performance across channels

EMBEDDED VALUE (₹ crore)



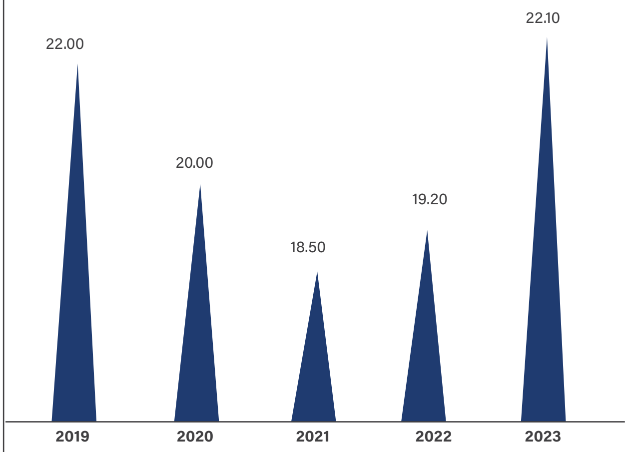
Strong growth in Embedded Value

CLAIMS PAID RATIO (%)



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

OPERATING ROEV (%)



RoEV continues to be in a healthy range

MAX | FINANCIAL SERVICES

Management Discussion & Analysis

Management Discussion & Analysis

INDIAN ECONOMIC OUTLOOK

During the past three years, the global economy has faced significant upheavals, resulting in three major shocks. The initial shock occurred in 2020 with the onset of the COVID-19 pandemic. Two years later, as the global economy was in the process of recovering from the pandemic-induced downturn, a new challenge emerged in February 2022—the Russia-Ukraine conflict. This conflict led to a sudden surge in commodity prices, exacerbating already high inflationary pressures and causing disruptions in supply chains. The third challenge materialized when global central banks implemented monetary tightening measures to combat inflation, consequently slowing down economic growth.

The Indian Government presented a growth-oriented, non-inflationary budget with a focus on capital expenditure and job creation. The government adhered to the fiscal glide path of achieving a 4.5% fiscal deficit in FY26, thereby ensuring commitment towards long-term macro-stability.

India is expected to be one of the world's fastest growing major economies in 2023 as well. According to the International Monetary Fund (IMF), India's GDP is expected to grow by 6.9% in 2023 encouraging and attracting foreign investment. However, it is subject to India undergoing some structural reforms. These reforms include measures to improve business operations, accelerate infrastructure development, promote digitization, and streamline the tax system. The economy is bouncing back with gradual uptick in manufacturing and consumption post the pandemic stutter.

India is the 6th largest economy in the world by nominal GDP and the 3rd largest by purchasing power parity (PPP). The country's economy has undergone major changes in recent years due to the shift to a service-oriented economy and increased integration into the global economy. The Indian economy is characterized by a large labour force, an important agricultural sector, and a rapidly growing service sector. The services sector accounts for a significant portion of the country's GDP, along with important industries such as information technology, financial services, and healthcare.

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As we move into a new fiscal year, India remains on the cusp of unlocking growth, with recovery expected in the agriculture, manufacturing and service sectors. Government policies, including Production-

Linked Incentives (PLI), indigenisation of defence manufacturing and a focus on capital expenditure and infrastructure creation (roads, railways, irrigation and so on), are expected to boost future growth and aid the economy's recovery. India has also followed a prudent monetary policy and the RBI's commitment to contain inflation will help ensure macro-stability and lead to more sustainable and inclusive growth over the medium term.

The country has undergone significant economic liberalization in recent decades with reforms aimed at increasing foreign investment and encouraging entrepreneurship. However, India still faces challenges such as a large informal economy, high unemployment, and poverty. The country has also been hit by the COVID-19 pandemic, which has reduced its GDP in 2020. Overall, the Indian economy has grown significantly in recent years and is expected to continue growing, driven by ongoing economic reforms and a growing middle class. However, challenges remain that must be addressed to ensure sustainable and inclusive growth.

LIFE INSURANCE INDUSTRY OVERVIEW

The insurance industry in the country is undergoing rapid expansion and is anticipated to reach a market size of US$ 280 billion by 2025, per a recent International Trade Administration report, with a compound annual growth rate (CAGR) ranging between 12% and 15%, primarily attributable to rising awareness about the importance of insurance and increasing disposable incomes where Substantial increases in subscriber numbers and Assets Under Management (AUM) have been observed across various financial institutions. The growth of the sector has been facilitated by government initiatives, including Pradhan Mantri Fasal Bima Yojana (PMFBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY), Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Vaya Vandana Yojana, and Ayushman Bharat - Pradhan Mantri Jan Arogya Yojana (AB-PMJAY).

The banking sector and capital markets have also been expanding their reach, and this growth is

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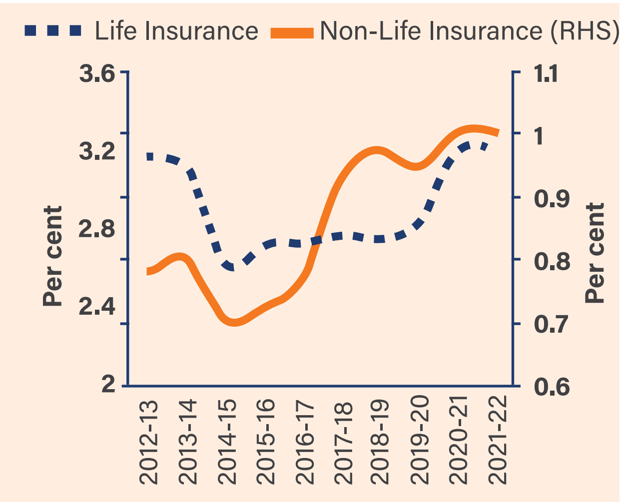
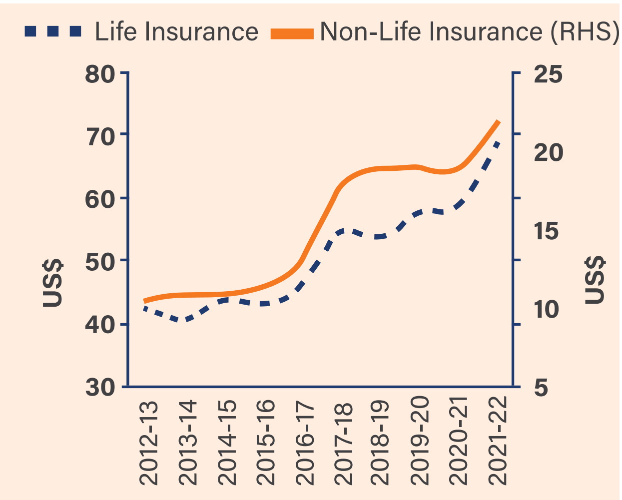
reflected in the insurance and pension sectors. In India, insurance penetration rose steadily from 2.7% at the turn of the millennium to 4.2% in 2020 and stayed the same in 2021. The Indian insurance market has seen government interventions and a favourable regulatory environment, leading to partnerships, product innovations, and dynamic distribution channels, that has led to its constant growth. The said growth in the insurance industry has expanded the opportunities available to individuals to save money, protects their future, and form a sizable fund reserve. Contributing to the capital markets with the aid of these funds, the growth of the sector has consequently helped in accelerating significant infrastructure improvements in India.

Over the past two decades, the insurance market in India has experienced exceptional growth, owing to higher private sector involvement, better distribution capacities, and significant increases in operational effectiveness. Collaboration with foreign markets has also played a pivotal role in facilitating substantial growth within the industry. In 2000, India permitted private enterprises in the insurance market, limiting FDI to 26%, which was raised to 74% in 2023, as stated by the IRDAI in the Insurance Laws (Amendment) Act, 2015.[1]

INSURANCE DENSITY

India's insurance density increased from USD 11.1 in 2001 to USD 91 in 2021, with life insurance having a density of USD 69 in 2021.





(Source: Swiss re, Sigma various issues)
Graph Source: Page 110, https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf

1 https://economictimes.indiatimes.com/news/economy/policy/fm-proposes-increase-in-fdi-cap-in-insurance-sector-to-74/articleshow/80626076.cms

GOVERNMENT SCHEMES AND INITIATIVES

The Government offers insurance to people who live below the poverty level by implementing schemes such as:

Pradhan Mantri Suraksha Bima Yojana

The programme offers beneficiaries risk coverage of ₹2 lakh for accidental death and full disability, as well as ₹1 lakh for partial disability. As of November 30, 2022, the scheme had enrolled 31.3 crore beneficiaries and disbursed 1.07 lakh claims.

Pradhan Mantri Jeevan Jyoti Bima Yojana

The scheme provides coverage of ₹2 lakh to the policyholder's family in the event of their death. As of November 30, 2022, the programme had enrolled 14.4 crore beneficiaries and disbursed 6.3 lakh claims.

Pradhan Mantri Vaya Vandana Yojana

Under the scheme, old age income security is provided to senior citizens through the provision of an assured pension/return linked to the subscription amount. As of November 30, 2022, the scheme had enrolled 8.6 lakh subscribers with a subscription amount of ₹84,659.4 crore.

The introduction of these schemes would make it easier for Indians with lower and lower-middle income levels to take advantage of the new insurance's reduced premiums. The growth of the insurance industry is also projected to be supported by regulatory changes and digitalisation.

STATE OF AFFAIRS OF INDIAN LIFE INSURANCE SECTOR

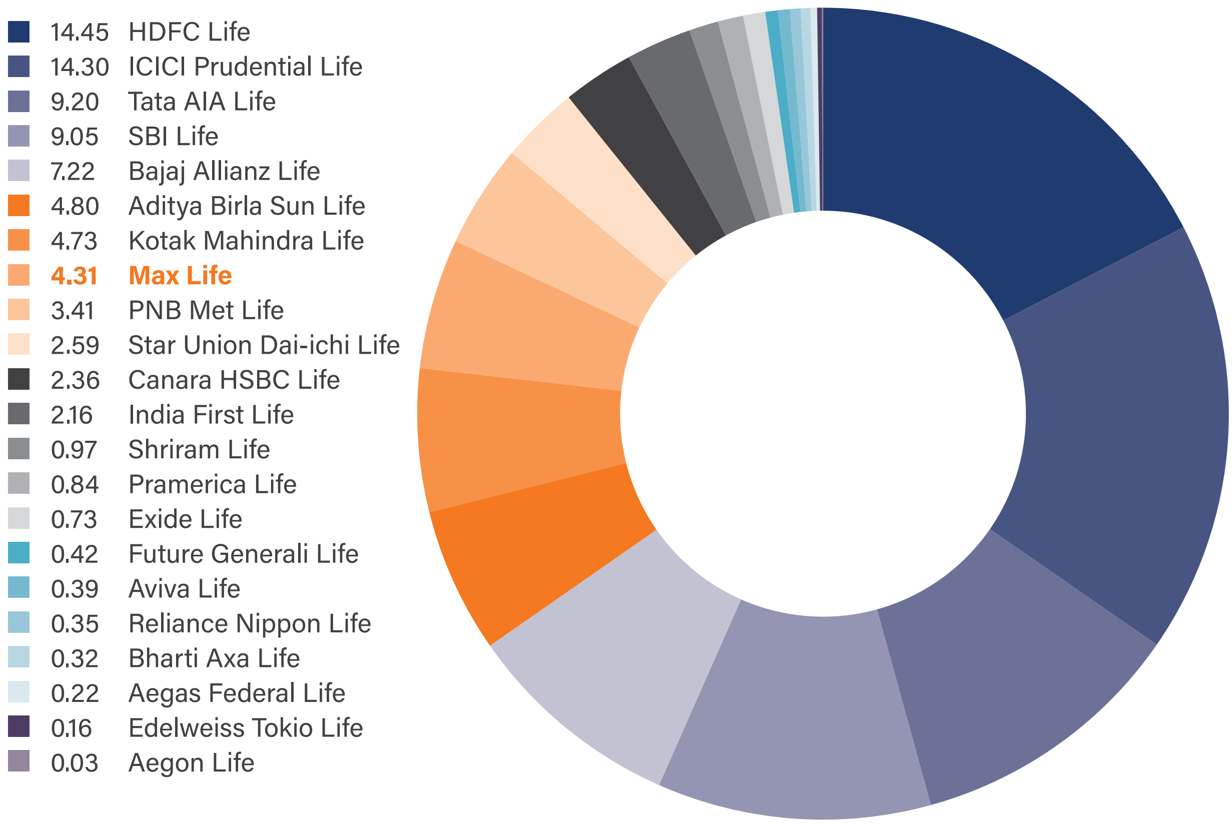
One of the coveted sectors in India that is expanding quickly is life insurance. Growing earnings and more industry awareness are the catalysts for the life insurance sector's favourable expansion in India. Insurance penetration in the life insurance market was 3.2% in 2021, which is slightly higher than the worldwide average and twice as high as that of developing nations.

Penetration and Density of Life Insurance in India										
Particulars	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Life Insurance Penetration (in %)	3.17	3.10	2.60	2.72	2.72	2.76	2.74	2.82	3.20	3.20
Life Insurance Density (In $)	42.7	41.0	44.0	43.2	46.5	55.0	55.0	58.0	59.0	69

Source: Page 110 - https://www.indiabudget.gov.in/economicsurvey/doc/echapter.pdf; Statista.com

The Indian life insurance market has witnessed a number of changes in terms of new innovations, altered laws, amendment suggestions, and growth in the last few fiscals. These advances have created new growth opportunities for the sector while ensuring that insurers remain relevant in light of modern technological advancements and societal changes. Interesting to note is that in FY 2023, the first-year premium numbers grew by 17.9% vs. the 12.9% growth reported in FY 2022, per a recent CARE Ratings Report. The report also mentioned that the FY 2023 growth can continue to be attributed primarily to group single premiums and more specifically to LIC and a low base, which saw subdued levels due to the pandemic-induced (Covid-19 second wave) lockdowns. Meanwhile, private insurance companies continue to extend their lead in the individual non-singe premium segment. Private insurance companies have continued their growth momentum as the fiscal year closed (tax saving options) and non-par policies to high-net-worth individuals were pushed aggressively prior to new taxation regime kicked in beginning April 2023.

Private Market Share (excl. LIC) FYTD (Mar'23) basis individual adj. FYP



(Source- Insurance Regulatory and Development Authority of India)

SUM ASSURED BY LIFE INSURERS

Insurer	Sum assured in (in ₹ crore)		Growth (%)
	FY 22	FY 2023	
Private sector	4730780.36	6042628.06	27.73
LIC	1040479.57	1237475.12	18.93
Total	5771259.93	7280103.18	26.14

(Source- Insurance Regulatory and Development Authority of India)

According to the Life Insurance Council, the private life insurance industry in India demonstrated robust premium growth of 35% in March 2023. Furthermore, the overall premium growth for FY 2023 was impressive, experiencing a significant increase of 20%. The upsurge in demand for life insurance policies was predominantly observed towards the conclusion of the financial year, with the private life insurance sector emerging as the prominent beneficiary.

Life Insurance Corporation (LIC) of India had a lacklustre performance with a significant reduction in premiums despite being the largest life insurer in India. In March 2023, LIC witnessed a substantial 32% reduction in premium as compared to previous month, and the premium growth for FY 2023 was limited to only 17%. Furthermore, the retail annualised premium equivalent (APE) for LIC in March 2023 showed only a modest growth of 10%.

Despite LIC's underwhelming performance, the private life insurance industry experienced a remarkable surge in premiums, contributing positively to the overall figures. In March 2023, the retail annualised premium equivalent (APE) for the private life insurance industry achieved an impressive annual growth rate of 56%, resulting in overall premium growth of 13%.[2]

This substantial growth in premiums for the private life insurance industry in March 2023 and throughout FY 2023 reflects an increasing awareness among the Indian population regarding the significance of life insurance. As the industry continues to prioritise digitisation and innovation, it is poised to witness further expansion in the future[3].

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CORPORATE DEVELOPMENTS

Max Financial Services Limited (MFSL or the Company), a part of the $4-Bn Max Group, is the holding company for Max Life Insurance Company Limited (Max Life). It owns and actively manages an 87.0% majority stake in Max Life – India's largest non-bank owned, private life insurance company. On April 6, 2021, Axis Bank Limited, India's third-largest private sector bank, together with its subsidiaries

2 https://www.outlookindia.com/business/private-life-insurers-witness-35-growth-in-premium-in-march-2023-news-280306

3 https://www.outlookindia.com/business/private-life-insurers-witness-35-growth-in-premium-in-march-2023-news-280306

Axis Capital Limited and Axis Securities Limited (collectively referred to as "Axis Entities") became the co-promoters of Max Life. This was after completion of the acquisition of a 12% stake collectively by the Axis Entities in Max Life till March 31, 2022.

Subsequently, on January 9, 2023 the Company has executed revised agreements with the parties in terms of which Axis Entities have the right to purchase the balance 7% equity stake of Max Life from the Company at Fair Market Value using Discounted Cash Flows instead of valuation as per Rule 11UA of the Income Tax Rules, 1962. This revision has been done consequent to the guidance received by Max Life from IRDAI. This development resulted in a mutually beneficial and enduring relationship between Axis Bank and Max Life. It further solidifies Max Life's decade-long relationship with Axis Bank, providing long-term saving and protection products to over 2.5 million customers over ₹3,81,900 crore worth of sum assured to cover their risks (as of 31 March 2023). This relationship will permanently address uncertainty around Max Life's distribution and improve its position amongst its peers

During FY 2022, Max Life had filed an application for approval with IRDAI for acquisition of 99,136,573 equity shares constituting 5.17% equity stake in Max Life (balance shares held by MSI) by the Company under MSI Put/Call option. The Company had received approval from Insurance Regulatory and Development Authority of India ('IRDAI') vide its letter dated November 25, 2022. Pursuant to the approval, on December 8, 2022, the Company acquired residual 5.17% equity stake held by MSI in Max Life at a price of ₹85 per share. On acquisition of the aforesaid stake in Max Life, the shareholding held by the Company in Max Life increased to 87%.

BUSINESS PERFORMANCE

MFSL reported consolidated revenues of ₹31,431 crore, grew 1% mainly due to lower investment income, excluding investment income, consolidated revenues grew 13% in FY 2023. Consolidated Profit after Tax (PAT) stood at ₹452 crore, grew 42% in FY 2023.

In FY 2023, Max Life grew by 11%, ranking fifth in the industry. During the year, the total new business premium (First Year Premium and Single Premium) of Max Life increased by 13% to ₹8,960 crore. In terms of adjusted individual first year premium, your Company recorded a 11% growth to ₹6,025 crore. Further, the renewal premium income (including group) grew by 13% to ₹16,382 crore, taking gross written premium to ₹25,342 crore, an increase of 13% over the previous financial year. Max Life generated a post-tax shareholders' profit of ₹435 crore in FY 2023, as compared to ₹387 crore in the previous financial year, recording an increase of 12%. The net worth increased from ₹3,064 crore in FY 2022 to ₹3,505 crore in FY 2023, a growth of 11%.

Proprietary channels registered highest ever growth of 43% in FY 2023, new business premium grew to ₹2,176 crore, driven by secular growth across all channels i.e. online (ecommerce), agency, direct selling teams. Proprietary channels' contribution to individual sales increased from 28% in FY 22 to 36% in FY 23. Max Life strengthened its retirement offering with the launch of regular pay annuity variant, annuity sales grew by 300%, in FY 2023 on APE basis.

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Max Life's assets under management (AUM) were ₹1,22,857 crore as on March 31, 2023, a rise of 14% over the previous year.

Max Life achieved the highest New Business Margin (NBM) of 31.2% in FY 2023, improved by 380 bps over corresponding previous period. Value of New Business (VNB) grew at 28% to ₹1,949 crore in FY 2023. Max Life reported an Embedded Value of ₹16,263 crore, while the Operating Return on EV (RoEV) improved by 290 bps to 22.1% year-on-year.

Max Life has secured 4 new banca partnerships with DCB Bank, Tamilnad Mercantile Bank, Ujjivan Small Finance Bank, Capital Small Finance Bank and 6 new renowned Brokers in FY 2023.

Max Life Pension fund management (PFM) commenced operations in FY 2023, AUM as at March 31, 2023 ~₹143 crore and also obtained a point of presence (POP) license will aid mobilization of NPS funds.

Max Life has been recognised by a number of Indian and foreign business bodies for its excellence in business, customer service and focus on people select recognitions are Celent Model Insurer Award; ICAI for excellence in financial reporting for FY 21-22; Awarded Excellence in driving distribution through Digital at the FICCI Insurance industry awards 2022; Awarded Excellence in Claims service and Best product innovation for SFRD at World BFSI Congress and awards

HUMAN RESOURCES

Max Life believes that the employees' overall well-being represents the core of the business. It aspires to empower employees and enrich their careers by providing various opportunities to upskill them, develop an inclusive work environment and evaluate their performance for continuous improvement. Max Life enables a seamless flow of communication and further motivates them to perform better.

Our progressive policies and practices, a value-driven culture and inspirational leadership have helped us attract, engage and retain key talent. By advancing employee's competencies and skill sets through various initiatives, we bring value at every stage of the employee life-cycle, which benefits both the organisation's productivity and the individual employee's motivation and encouragement.

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SETTLEMENT OF CLAIMS

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

Max Life has paid in-total 19,563 death claims worth ₹1,242 crore during FY 2023. Since its inception, Max Life Insurance has paid ₹7,375 crore towards death claims on 1,83,261 policies. With the InstaClaim™ initiative for our vintage policyholders (i.e., policies that have been in force for at least 3 continuous years with us), your Company endeavours to provide death claim payment within one day. Currently, 56% of claims are settled in a day and this number is expected to increase materially with our relentless customer obsession to be provide financial security to our customers when it matters the most.

Long-term customer retention is of critical importance in creating a win-win for customers, distributors, and your Company. Ongoing improvements in our structural solutions and services to improve persistence are one of the key focus areas for your Company. In FY 2023, the 13th-month persistency of Max Life Insurance was at 84.1% (Premium) and the 61st-month persistency stood at 51% (Cumulative, Premium).

The Company also tracked performance on customer engagement and satisfaction through Net Promoter Score (NPS) across key customer touchpoints During FY 2023, your Company witnessed an improvement of 3 points (+6%) in the NPS scores to 52. Further, our transactional NPS reflecting the satisfaction of our customers at key touchpoints increased from 66 to 69, another reflection of your company's obsession to better serve our customers.

OUTLOOK

India's insurance sector is experiencing rapid growth and is well-positioned to become the world's sixth largest by 2032. The total premiums in nominal local currency are estimated to witness a surge of an average of 14% annually over the next ten years, with a real-term growth rate of 9% each year. The life insurance segment is anticipated to register 9% annual growth (in real terms) by 2032, making India the fifth largest life insurance market worldwide. The pandemic has raised awareness of the need for life insurance, resulting in greater demand. Additionally, regulatory developments and the adoption of digital technologies are expected to boost the growth of the insurance sector in India. These measures, accompanied by an increase in the FDI limit for insurance companies, are likely to expedite an increased flow of long-term capital, global technology, processes and international best practices, which will bolster the growth of India's insurance sector.

Max Life creates a three-year strategy and reviews it periodically. With Axis Bank becoming a co-promoter of Max Life in FY 2022, the Company's management team decided to chart a new growth trajectory by combining the forces of the third largest private bank in India with the fourth largest private life insurer. The management team undertook a detailed review of the market landscape and opportunities to redefine our growth ambitions and sharpen our strategic framework to drive consistent and profitable growth.

As a part of a three-year business plan for FY24-26, Max Life redefined the comprehensive strategic framework around five key elements and will remain focus on Sustainable and Profitable Growth, Product innovation to drive margins, Customer centricity, Digitization and Human Capital.

MFSL and Max Life are committed to ensure financial protection of the larger community by leading with agility and transitioning the business processes onto digital channels to promptly provide life insurance solutions and service to the customers. Consumer receptiveness is driving digital adoption in the industry by demonstrating their comfort in engaging through online channels.

MR. PRASHANT TRIPATHY
MANAGING DIRECTOR & CEO

CEO Letter to Shareholders

Dear Shareholders,

The year 2022 went by with significant economic uncertainty compounded by recent events across the financial system, including volatile equity markets, rising interest rates, and a looming recession across global markets. However, the Indian economy has managed the difficulties to become the fifth biggest economy with a Gross Domestic Product (GDP) of $3.75 trillion in 2023 owing to quick vaccination coverage, incisive international governance, and strong domestic industrial production.

With India's economic resilience, the life insurance industry also grew. Max Life performed well across all key metrics in FY 2022 -23. And if we chart our growth over the last five years, we have produced consistent outcomes in every business area. Our individual new business has expanded faster than the overall industry average of 10%, with a CAGR of 13%. While our proprietary channels saw an impressive 21% CAGR, the bancassurance channel grew at a healthy 11% CAGR in the period. While retaining a dominant position in online protection over the past five years, we have tripled our retail protection business. Our robust investing strategy is evidenced by a CAGR of 19% in our assets under management.

In terms of the FY 2023 business performance, Max Life secured a 9.8% market share amongst the top 10 private players in individual adjusted first-year premium, ranking fifth in the industry. During the year, the total new business premium increased by 13% to ₹8,960 crore, while a 19% growth was achieved in the Sum Assured in-force over the previous year. A robust fiscal for Max Life saw the value of new business (VNB) increase to ₹1,949 crore, representing a year-on-year growth of 28%. Max Life's embedded value stood at ₹16,263 crore, and the operating Return on EV (RoEV) improved to 22.1% year-on-year. This fiscal, we generated a post-tax shareholders' profit of

Max Life secured a 9.8% market share amongst the top 10 private players in individual adjusted first-year premium, ranking fifth in the industry. During the year, the total new business premium increased by 13% to ₹8,960 crore.

₹435 crore, as compared to ₹387 crore in the previous financial year, recording an increase of 12%. Despite the challenges posed by the open architecture model in the year, we have demonstrated our execution prowess by maintaining our counter share in the bancassurance channel over a 15-month period, validating our business tenacity.

At Max Life, we have always believed in creating long-term value for our shareholders. To deliver consistent and long-term profitability for the company and our shareholders, last year, we refreshed our 5-year strategy framework (FY21-FY26) with six key pillars with which we have continued to focus on to build business muscle this year.

ENABLING SUSTAINABLE GROWTH BY BUILDING OUR DISTRIBUTION MIGHT

Throughout the fiscal year, we were committed to upholding a balanced distribution mix and ensuring that both the proprietary and bancassurance channels would continue to grow. We have effectively extended the savings business this year while maintaining our dominance in the online market for protection sales. As a result, in FY 2023, our online business had a significant rise of 44%. In addition, our online savings portfolio has multiplied five times since FY 2022 . Similarly, our online proprietary channels, and offline proprietary channels have shown significant growth of 43%.

Our direct channels have seen a notable 36% growth year over year, which can be attributed to hiring more people, as well as an increase in activation and productivity due to improved governance and the adoption of new business models. Despite the difficulties brought on by the open architecture model, our Banca and other partnerships demonstrated great growth momentum. By keeping our counter share in the bancassurance channel at almost 70% over 15 months in Axis Bank, we have proven our execution competence.

As we open up new verticals to reach a larger customer base, our investment strategy continues to support our distribution model. We strategically invested in owned channels this fiscal year, opening 50 new offices to expand our reach. Additionally, we have formed fresh alliances with four banks (DCB, Tamilnad Mercantile Bank, Ujjivan, and Capital Small Finance Bank) and six brokers. These accomplishments demonstrate our dedication to promoting development through various channels and bolstering our market position.

We open up new verticals to reach a larger customer base, our investment strategy continues to support our distribution model. We strategically invested in owned channels this fiscal year, opening 50 new offices to expand our reach.

DRIVING BUSINESS MARGINS WITH AN INNOVATIVE PRODUCT MIX

We introduced novel products and variants, expanded into new categories, and effectively handled the year's heightened competitive intensity. Thus, our new business margins increased from 27.4% in FY 2022 to 31.2% in FY 2023. With market-first innovations, including online smart FD products and ESG funds, along with aggressive pricing to provide the highest IRRs, we introduced 27 product interventions during the previous fiscal year.

We have remained steadfast in our trust in the protection and retirement prospects' long-term potential, and as a result, our retirement business grew by around 300% on an APE basis in FY 2023. To attract more consumers, we improved our annuity offering by introducing a new limited-pay annuity option and extending the early ages. At the end of March 2023, Max Life Pension Fund management had accumulated an asset under management of around ₹143 crore since beginning operations in the second part of the year.

STRENGTHENING DIGITAL MUSCLE TO ENHANCE BUSINESS EFFICIENCIES

In 2022, we continued our efforts to re-engineer our most complex processes and digitally enable our operations. Since 2020, we have accomplished 300+ projects, including 20+ significant ones. To boost our sales team and assure exceptional execution, we quickly digitised the lead management and sales governance procedures over the fiscal year. We updated our IT infrastructure to use cloud-native apps and services with attention to scalability, cost-effectiveness, and agility. We have now attained better flexibility and scalability as 56% of our overall IT infrastructure—a 10% increase from the previous year—operates on the cloud. These programmes demonstrate our dedication to embracing digital transformation and utilizing cutting-edge technology to provide better client experiences while increasing operational effectiveness.

LIVING OUR CORE VALUE OF CUSTOMER OBSESSION

Our unwavering commitment is to offer our customers significant value propositions and consistently improve every aspect of their experience. Our customer's confidence in us and our ability to reach them efficiently are the key indicators of our success. Our highest-ever death claims ratio of 99.51% for FY 2023 serves as an illustration of this. Additionally, we use the globally recognized NPS metric to evaluate our success in terms of customer experience. The NPS for our business has increased by 17 points in the last four years. Also, our brand consideration score has been steadily improving, further emphasizing the power of our brand in the industry.

NURTURING A DIVERSE WORKFORCE TO STRENGTHEN ORGANIZATIONAL PRIDE

Years of progress in fostering a diverse workforce were undone by Covid-19. However, we ensured efforts to raise the diversity quotient and establish an inclusive atmosphere for a nearly 20,000-plus employee base, which led to an impressive Employee Engagement Score of 95%. This year, we also introduced the idea of "Equity," acknowledging that to achieve true inclusion, the appropriate resources must be accessible to our diverse employees, establishing an equal environment that will enable their achievement. As a company dedicated to this goal, we are working to create situations where every person, regardless of age, gender, ability, etc., can offer their best self, thus creating a highly productive and creative workplace.

Being a responsible, sustainable business

Max Life closely monitors ESG-related developments and industry best practices to enhance its ESG framework. We have made significant efforts in this area and urge the organization to view ESG as a method of doing responsible business rather than a legal duty. To help with this, we have had several constructive conversations with staff members, particularly internal stakeholders and the Board, to help them understand the significance of ESG. The organization has established ambitious goals to monitor progress and guarantee that the genuine spirit of the ESG pillars is implemented. To achieve this, we have set a target of 30% gender diversity, 90% digital self-service operations, 3x growth in training hours, 75% of the equity portfolio to be ESG compliant, and 80% carbon neutrality by 2030.

The recent events have reaffirmed the necessity for life insurance companies to continue operating with agility and adjusting to swiftly changing conditions, where the collaboration between insurers, regulators, and other stakeholders plays a crucial role in ensuring pertinent insurance penetration. Together, we can better the insurance industry's overall resilience while addressing evolving consumer requirements and advancing financial literacy.

In this regard, the forward-looking vision of the regulator in ensuring 'Insurance for All' is helping pave a positive outlook for the industry and address the emergent insurance needs. Through progressive measures like the Bima Trinity – Bima Sugam, Bima Vistaar, and Bima Vahaks, insurers can leverage innovation and technology to drive insurance adoption. Also, the oncoming of Composite Licensing will signal enhanced customer experience, offering them the flexibility of accessing a comprehensive range of insurance solutions and services under one roof.

With our diverse set of portfolio businesses, attractive growth prospects, balance sheet strength, and strong cash flow generation, we are optimistic about Max Life's future.

Regards,
Prashant Tripathy
Managing Director & CEO
Max Life Insurance Company Limited

MAX FINANCIAL SERVICES

Max India Foundation CSR Initiatives

Quality education is more than just imparting knowledge; it nurtures the holistic development of individuals. Social-emotional learning is a vital component in this process, fostering emotional intelligence, empathy, and resilience. By cultivating these skills, we equip children to navigate complexities, build meaningful relationships, and thrive as compassionate and responsible contributors to society to therefore become wholesome adults.

~ Tara Singh Vachani

Max India Foundation CSR Initiatives

Max India Foundation is committed to transforming lives and empowering communities through its unwavering dedication to the cause of education. As we embark on this journey, it is imperative to reflect upon our relentless efforts in the field of education, where we have consistently strived to make a positive impact. Education is not merely a fundamental right but also a powerful catalyst for societal progress and individual growth. With an unyielding focus on enhancing educational opportunities and fostering an inclusive learning environment, Max India Foundation has been instrumental in shaping a brighter future for countless individuals, laying the foundation for a more equitable and prosperous society. In this business responsibility review, we delve into the myriad initiatives undertaken by our foundation, highlighting the transformative power of education and the significant strides we have made in empowering individuals with knowledge and skills to thrive in an ever-evolving world.

In line with our commitment to ensuring quality and value-based education to primarily underprivileged children, we have implemented a range of initiatives aimed at enhancing educational opportunities and fostering a holistic learning environment. By collaborating with various stakeholders, including schools, government bodies, and local communities through not for profit partners, we have been able to make a meaningful difference in the lives of countless individuals, opening doors to a brighter future.

In partnership with not-for profit organisations Max India Foundation has made remarkable strides in promoting education. From teacher training programs, systemic transformation to community collaboration, our efforts have spanned across multiple dimensions to ensure a comprehensive and inclusive approach to education.

In the year gone by, our partner schools navigated

It is prestigious to give rather than have a lot

~ Tara Singh Vachani

the post pandemic school re-opening with resilience. Their interventions focussed on bridging the learning gap of students through various bridge programs, orienting the community stakeholders and the parents. Increasing the attendance and engagement in online classrooms which eventually enabled the children to readjust to in-person classroom spaces. Frequent changes in modes of instruction, curriculum and strategy to continuously deliver high-quality

learning was taking a visible toll on educator well-being. Therefore, our partners set out to build deeper relationships with educators and facilitated spaces which fostered connectedness, openness and safety between the children, teachers and principals.

In the academic year 2022-23, MIF supported the education of 25 lakh students, 1 lakh teachers and 44 fellows (teacher leaders) through its partnership with 28 NGOs. Further, 114 lakh+ students of 1 lakh+ local government schools were impacted through our NGO partner The Education Alliance through it's work in partnership with Madhya Pradesh and Tripura Government.

EDUCATING THE HEARTS

SEE Learning India is a collaboration between the Max India Foundation and Emory University, USA. SEE Learning India is the exclusive and nodal body for the dissemination of SEE Learning® in India. It involves training and facilitation of educators embarking on the social, emotional and ethical learning journey, while forging and cultivating partnerships with schools and organizations across India.

250
Schools /Not for proft Organisations covered

7071
Educators trained

103
L1 Facilitators Certified in 15 states

60+
L1 Facilitators Certified in 15 states

SEE Learning India data from 2019-23

> We have to think and see how we can fundamentally change our education system so that we can train people to develop warm-heartedness early on in order to create a healthier society.
>
> **~ His Holiness, The XIV Dalai Lama**

SEE Learning India translated the 3 SEE Learning® Curricula in Hindi, which is the third most spoken language in the world. His Holiness the Dalai Lama unveiled the 3 translations and expressed his gratitude to all those involved in the exercise. This translation exercise is the first step in SEE Learning India's endeavour of making the curriculum and framework accessible to a wider community of educators and the second phase will involve efforts to translate it to other Indian languages. The SEE Learning® Companion has been translated and is under review. That will also be released this year.

In 2022 SEE Learning India got back to facilitating physical in-person workshops after 2 years of online sessions for educators. Facilitating a SEE Learning® workshop in-person is a very different experience, since it allows for not only enriching and engaging interactions among the facilitators and participants but it also reinforced for the facilitators why teaching social and emotional skills is far more effective in person as one establishes heart led connections! In the year 2022-23 more than 2100 educators were introduced to the SEE Learning® framework, pedagogical model and curriculum.

Investing in educators well before they reach a classroom of students by equipping them with SEE Learning practices and strategies to better support the cultivation of Social Emotional and Ethical skills of both the students and teachers, led Ms Mona Seervai to launch a pilot to explore training preservice teachers in SEE Learning®. SEE Learning India is working closely with them to support the curation of this pre-service teacher offering, This has also been a wonderful opportunity to both learn from and to collaborate with our Mexican Affiliates who have taken a lead in this area. 48 of these pre service teachers attended a SEE Learning Educator Prep Workshop to understand in-depth about the SEE Learning curriculum.

Adding to the growing SEE Learning® community of facilitators, 50 L1 Facilitators were certified in the second cohort after having completed the 7 month facilitation track and they are taking the baton forward as SEE Learning® facilitators. More than 60 educators have joined the new cohort of the L1 Facilitator Certification Course. The course provides an immersive exploration of the SEE Learning® foundational concepts, framework and curricular content. Taking SEE Learning® to other adults, these certified facilitators are offering and conducting workshops and supporting the implementation of the SEE Learning® curriculum in their schools, organisations and communities across India. Our L1 facilitators in Ladakh and Arunachal Pradesh have introduced SEE Learning in their areas and have equipped more than 600 educators with the skills to take SEE Learning to their classrooms.

CBCT® FOUNDATION WORKSHOP DELHI

The 12 certified CBCT® (Cognitively-Based Compassion Training) instructors in India, whose certification was facilitated by SEE Learning India in 2021, offered CBCT® (Cognitively-Based Compassion Training) workshops for educators in India and South east Asia to help the educators develop their own practice of compassion. These 16 hour workshops are offered over a period of 8 weeks in 2 hour weekly virtual sessions. Furthermore, SEE Learning India facilitated 2 in-person physical workshops in Mumbai and Delhi which was conducted by Geshe Lobsang Negi and Carol Beck from the Centre for Contemplative Science and Compassion Based Ethics. These 12 workshops in the year 2022-23 benefitted more than 270 educators.

12
Certified CBCT® Instructors

550+
Educators trained across India

16
CBCT® Workshops conducted (4 Foundation + 12 onine

CBCT® data from 2019-2023

The India Compassion Study that was a 3 year research study to gather data on impact of SEE Learning in the Indian subcontinent will be completed this year. The preliminary findings suggest that students feel better in SEE Learning classes and they are using the language of kindness. It has also led to reduction in behaviour and disciplinary issues along with an increase in school attendance.

THE YEAR OF HOPE AND RESILIENCE

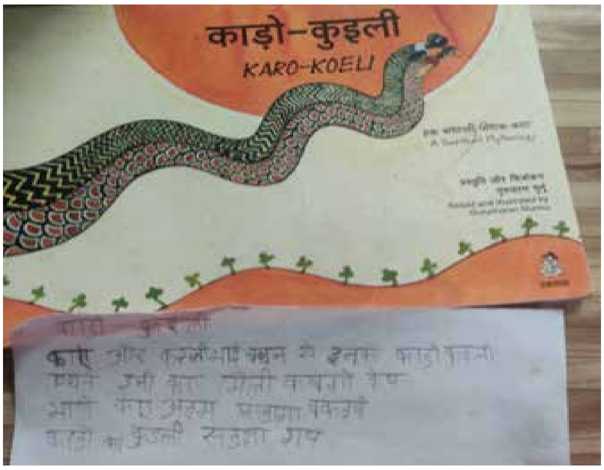
Working through not-for-profit partners in the field of education holds immense significance in fostering sustainable and impactful change. These partnerships enabled Max India Foundation to leverage the expertise, local knowledge, and community networks of established nonprofits, ensuring that efforts are targeted, efficient, and responsive to the specific needs of the communities being served. Our approach is to support such organizations engaged in education to elevate the child's foundational capabilities of numeracy and literacy and aid social emotional development.

Below is an account of projects and partnerships undertaken by Max India Foundation in FY 2022-23, providing detailed insights into their outcomes and the sustainable changes they have brought about to drive lasting positive change in the communities we serve:

Enjoy English- A tech driven education delivery model: Our partner Madhi Foundation designed and implemented the "Enjoy English" program in 10 government school classrooms in Chennai impacting 335 students across grades 2-3 in 2022-23. The program is a tech-driven delivery model that leverages contextual digital content and interactive tablet-based activities to build English language proficiency amongst students. More than 70% of students interviewed shared that the bilingual videos aided them in understanding the story plot and events better.

Kids as Changemakers: Our partner Teach For India (TFI) started its pilot project: Fellows of the Future. This track is grounded in the principles of Partnership and Kids as Changemakers. This quarter 17 students from TFI classrooms across 5 states attended 35 sessions that were themed around educational inequity, the leadership India needs today, pedagogy and personal leadership. Students shared their journey of leading themselves, others and India at all the TFI city sites.

Contextualized learning in conflict prone zone: Our partner Shikhsarth personalized contextual learning solutions for children in conflict areas. This enabled self-paced and self-designed learning catering to different learning styles for a child in an elementary classroom and. These were made accessible to them in a ready-to-use format.



Sensory Learning for children with special needs: Our partner Raphael Ryder Cheshire International Centre created a Sensory Park for children with special needs in the early intervention and school readiness programme, encouraging the development of advanced motor skills. Additionally a workshop was conducted for educators on "Identification and management Strategies for Sensory- Motor development in young children with special needs.

Socio Emotional Learning (SEL) for Teachers: Our partners have identified that educators are key levers to deliver social emotional learning to students. During the year, NGO partners supported by Max India Foundation- Labhya, Manzil, Virmani Public school, Kshamtalaya Foundation, Apnishala conducted experiential capacity building workshops on Social Emotional Learning. Such training goes a long way in solidifying the effects of Social Emotional Learning at all levels and gives teachers a better grasp on the curriculum.

Building Safe Spaces with Parents and Educators: Safety does not look very different in children and adults. Hence, to create a safe environment for children we must first be aware of what makes us feel safe. Last year our NGO partner Simple Education Foundation engaged parents and educators in sessions where they deepened their understanding of what it means to offer and receive safety. They entered the space with a simple question: "What makes you feel safe?" and left it with another "How can we ensure our children feel the same?"

Education Entrepreneurship Models: Our partners enabled students and parents to take charge of their career paths and explore their potential to the fullest. Manzil Welfare Society launched a management development program for young entrepreneurs with the aim to equip the entrepreneurs with management perspectives and to provide them with dynamic leadership skills so that they can effectively lead their growing organizations. In another unique program Saarthi trains women in the community to become Saarthi-preneurs.

iDiscover Fellowship: Our partner Kshamtalaya foundation demonstrated holistic learning and excellence in governance through their iDiscover fellowship program. This fellowship works on the demonstration model where schools were supported by fellows from the community with a focus on strengthening the ecosystem by demonstrating quality learning and intervening towards building excellence in governance. Fellows conducted 319 Integrated learning sessions with students. One week of learning festival was also conducted during the year.

The power of staying: Years ago, our partner Teach for India alums helped their Students take the first steps in nurturing their passion for the arts. They created a movie called Ready, Steady! There is power in staying connected, and it is visible in the collective effort of the Alumni who came together to support the making of this film, working both behind and in front of the camera.

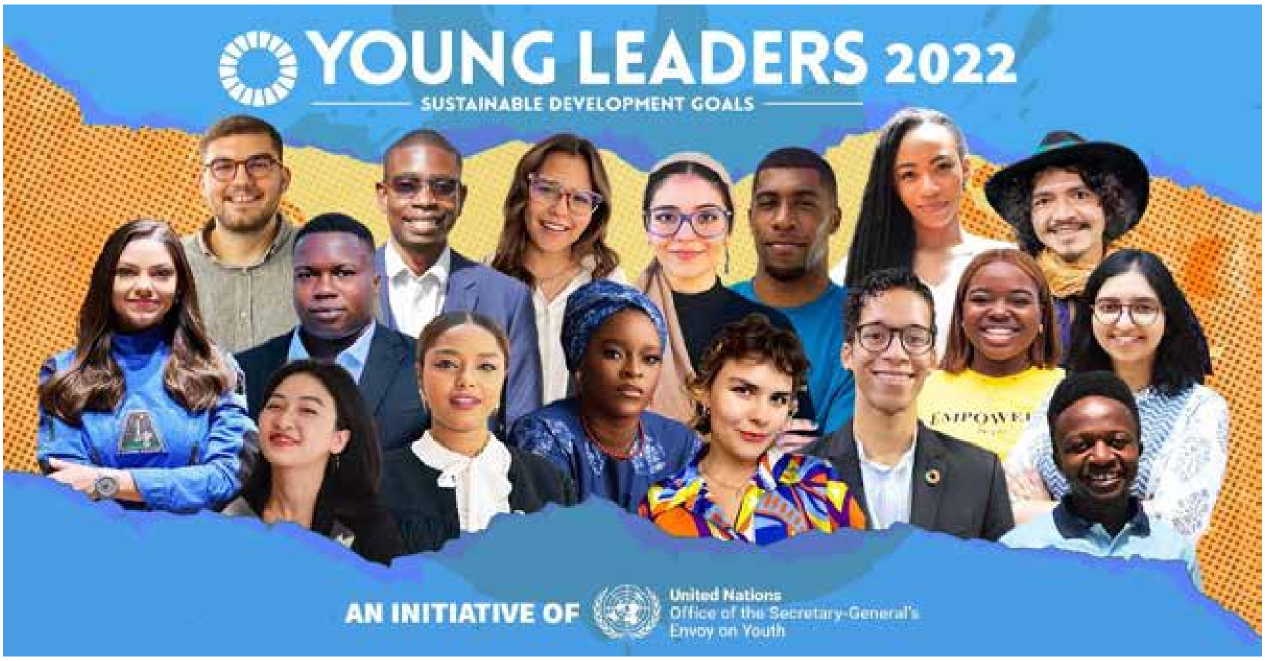
Centre of Influence and Inclusion: With the support of Max India Foundation, Latika Roy Foundation initiated construction of India's first state-of-the-art campus for disabled children and their families in Dehradun. This state-of-the-art campus is purpose-built to universal design & accessibility standards with the specialized equipment, accessible playgrounds, customized lighting, wide doorways and ramps needed by disabled children.

Shiksha ke Saajhedar: NGO partners supported by Max India Foundation work in close partnership with the communities– by identifying parents in the communities,bringing them on-board and unlocking their true potential as a parent.

Our partners Saarthi Education and Saajha identified parents who are interested in offering support to other parents and students from their community. They offered support and assistance to parents with their child's learning process.

Voice at UN platform: Our partners were recognised at international platforms for their incredible work in the field of education. Richa Gupta, co-founder of Labhya Foundation, was recognised by the UN Youth Envoy as a Sustainable Development Goals (SDG) as one of the 17 global youth ambassadors for change.

Also during the 77th session of the United Nations General Assembly (UNGA), Teach for India student Pragati Raskar moderated an event where she invited students to pitch solutions for transforming education.



RECOGNITION: WORLD'S BEST SCHOOL

Two schools run in partnership by our NGO partners were shortlisted as one of the Top ten World's Best School- Apni Shala for its Social Emotional Learning initiative-Khoj & Peepul for its Exemplar school initiative.

GIVING WITH DIGNITY: BEYOND EDUCATION

Advancing emerging women in social sector:Our partner India Leaders for Social Sector launched Emerging Women's Leadership program -an intensive 7-week program designed to support the leadership

development journeys of emerging women leaders in the social sector. The Program equipped leaders with the necessary knowledge, skills, and tools to advance their leadership journey, and create impact in the sector. The program was aimed to unleash the potential of emerging women leaders in India's social sector by early and proactive leadership support to high potential women.

MEAL DISTRIBUTION:

Max India Foundation organised a 3 month Mid Day meal camp for 1050 students of Shri Dashmesh Jyot English Medium School to ensure nutritious food is available to students. Also meals are provided to 850 abandoned senior citizens, mentally disabled and bedridden people every day through our partner The Earth Saviours Foundation.

Relief activities: Max India Foundation conducted a relief camp by distributing warm blankets along with dry ration and dignity kits to the underprivileged with inadequate means of shelter in Delhi. In another relief activity Uboontu Foundation was supported in a wollen donation campaign for waste workers.

We extend our gratitude to all our stakeholders, whose unwavering support has enabled us to amplify the

impact of our education-focused initiatives. Together, we can continue to pave the way for a brighter future, where every individual has the opportunity to thrive and contribute to the progress of our society.

Max India Foundation will continue focussing its endeavours towards building systemic transformation on a large scale within the public education system, highlighting our continued commitment to educational excellence and our determination to drive lasting positive change in the communities we serve.

In the coming year, SEE Learning India team is preparing content in Hindi for the digital platform and is also piloting it in 3 schools. SEE Learning Emory is creating a digital platform for SEE Learning where the educators who are a part of the SEE Learning community can access resources and materials in various languages and can learn from best practices from those implementing SEE Learning across the world.

STORIES OF TRANSFORMATIONAL LEARNING IMPACT

I truly believe:

मेरी कक्षा मेरा देश,
सार्थक शिक्षा मेरा उद्देश्य

My journey with Foster and Forge Foundation has been very supportive and helpful. Especially the tools they provided us: Student vision scale for students and Beacon commitment scale for teachers. These tools helped us to reflect in a systematic, organized way and to achieve our goals through six effective teaching habits. It's important and the urgency to inculcate UN SGDs in each and every member of our society, especially our children. ~Educator, Shiksha Sankul, Uttar Pradesh

Love, trust and a compassionate attention of his teacher ignites the true potential in Dhairya*

Dhairya was a distraction in the classroom. Chandraveer, one of the facilitators with Kshamtalaya Foundation saw leadership potential in Dhairya and had an open dialogue with him on this. He created opportunities for him to channelize his energies in a constructive manner. Home visits and conversation with his parents further added to his engagement in school.

A few days later the teacher was happy to see considerable improvement in his performance and attitude.

Empowering mothers in the communities

Geetanjali* a mother of three children was reserved and would feel nervous to interact with others before joining the Saajedaar program. She applied for the Saajedaar program and began her journey as a Saajedaar. During her work, she got to learn and apply various skills such as communication, and technology on the ground and made a conscious effort to engage in conversations with other parents. In the session on Foundational Literacy and Numeracy (FLN), she learnt activities that she could do with her children as well. Geetanjali started as someone who was very shy and now engages with other parents very confidently. She is now an active member of the program and also supports other parents in her community.

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Strategic Review

Corporate Governance Report

CORPORATE GOVERNANCE REPORT

OUR CORPORATE GOVERNANCE PHILOSOPHY

Your Company continues its emphasis on high levels of Corporate Governance. We remain committed to excellence in Corporate Governance and recognize that it is a driver of value-driven leadership and high standards of accountability, transparency, and ethics across the Group.

To ensure strong discipline in capital management, robust performance management of its businesses, and sustained value creation across all stakeholders, Your Company embarked upon a journey, over a decade ago, to implement a comprehensive governance framework across the Group. This entailed the implementation of various transformational initiatives across three key facets of governance:

BOARD ARCHITECTURE

The Boards in each of the Group's operating companies were re-configured to create the right composition with an ideal number of Independent Directors, ensuring board diversity with respect to functional and industry expertise, having an active and engaged lead Director on each Board, and separating the role of the respective CEOs and the Chairman. In addition, a clear role for the Board has been articulated in areas such as strategy formulation, monitoring financial health, leadership development, risk management, and succession planning.

BOARD PROCESSES

The various people and processes of the Board have been optimized (viz. boarding of Directors, Board education and business engagement, enabling independence, adherence to the code of conduct, etc.). Key operational aspects such as ensuring a comprehensive and well-balanced meeting agenda, timely and adequate flow of information to the Board, and inviting external speakers to inform the Board on best practices, are in place to ensure that the Board's time is spent optimally in all critical areas of the business. Further, it is ensured that the Board materials are comprehensive, crisp, and relevant for strategic discussions.

All material matters to be considered by each Board are reviewed in specific Board sub-committees that are composed of the right balance between the Non-executive and Independent Directors, who add value to, and are specifically qualified for the sub-committee. Detailed charters are published for every sub-committe of the Board.

BOARD EFFECTIVENESS

To enhance 'Board Effectiveness' and assess the Board's performance, an annual evaluation of Board Members is conducted, and inter-Company Board movements are also effected, as may be required, to ensure that each Board is well-equipped and engaged to take the right decisions for the business. In addition, various mechanisms have been implemented to improve the performance of the Board, which involves establishing clear standards of conduct & behavior, setting a calendar of key governance interventions (such as strategy-setting sessions, risk management sessions), consequence management, etc.

BOARD OF DIRECTORS

As on March 31, 2023, the Board comprised 10 (ten) Non-executive Directors of which 6 (six) were Independent. Mr. Analjit Singh (DIN: 00029641), Promoter Director is the Chairman of the Board of Directors of the Company as on March 31, 2023.

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

During the year under review, the following changes in the Board composition have taken place:

- Mrs. Naina Lal Kidwai resigned from the Board on May 31, 2022, as part of her planned transition and to fulfill her several other responsibilities and professional commitments;
- Mrs. Gauri Padmanabhan was appointed as a woman Independent Director on August 25, 2022; and
- Mr. Mohit Talwar, Managing Director of the Company retired effective from the closure of business hours of January 14, 2023, after an illustrious career spanning over 15 years with Max Group.

The details of the Directors and their attendance at the Board meetings held during the Financial Year 2022-23 and at the last annual general meeting of the Company, including the details of their Directorships and Committee Memberships, as on March 31, 2023, are furnished hereunder:

Name of Director	Attendance at Board meetings during the year 2022-23		Attendance at the last AGM held on August 25, 2022	Number of committees positions held in other public companies as on March 31, 2023, *		Directorships in other Listed Companies in India (category of Directorship)
	Held	Attended		Chairman	Member	
Mr. Analjit Singh *[Chairman & Non-Executive Non-Independent Director]* DIN: 00029641 [Promoter Director]	5	5	Yes	-	-	Max India Limited (Non-Executive Director & Chairman) Max Ventures and Industries Limited (Non-Executive Director & Chairman)
Mrs. Naina Lal Kidwai** [Independent Director] DIN: 00017806	2	2	(Resigned on May 31, 2022, before the date of AGM)	-	-	NA
Mr. Mohit Talwar*** [Managing Director] DIN: 02394694	4	4	Yes	-	1	Max India Limited (Non-Executive Director)
Mr. Aman Mehta [Independent Director] DIN: 00009364	5	5	Yes	1	1	Wockhardt Limited (Independent Director)
Mr. Dinesh Kumar Mittal [Independent Director] DIN: 00040000	5	3	Yes	4	3	Balrampur Chini Mills Ltd (Independent Director) Bharti Airtel Limited (Independent Director) Max Ventures And Industries Limited (Independent Director) Trident Limited (Independent Director)

Name of Director	Attendance at Board meetings during the year 2022-23		Attendance at the last AGM held on August 25, 2022	Number of committees positions held in other public companies as on March 31, 2023, *		Directorships in other Listed Companies in India (category of Directorship)
	Held	Attended		Chairman	Member	
Mr. Sahil Vachani [Non-Executive Non-Independent Director] DIN: 00761695 [Promoter Director]	5	5	Yes	-	2	Max Ventures and Industries Limited (Managing Director)
Mr. Jai Arya [Independent Director] DIN: 08270093	5	5	No	-	-	-
Sir Richard Stagg [Independent Director] DIN: 07176980	5	3	Yes	-	-	-
Mr. Hideaki Nomura [Non-Executive Nominee Director] DIN: 05304525	5	5	Yes	-	-	-
Mr. Mitsuru Yasuda [Non-Executive Nominee Director] DIN: 08785791	5	5	Yes	-	1	-
Mr. K. Narasimha Murthy [Independent Director] DIN: 00023046	5	5	Yes	4	5	Max Healthcare Institute Limited (Independent Director) Nelco Ltd. (Independent Director)
Mrs. Gauri Padmanabhan**** [Independent Director] DIN: 01550668	2	2	NA	-	1	Max Ventures and Industries Limited (Independent Director)

* Represents Memberships/Chairmanships of Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies, other than companies formed under Section 8 of the Companies Act, 2013/Section 25 of the Companies Act, 1956
** Resigned on May 31, 2022
*** Retired on January 14, 2023
**** Appointed on August 25, 2022

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

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

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

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

CONFIRMATION OF THE INDEPENDENCE OF THE INDEPENDENT DIRECTORS

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

During the year under review, Mrs. Naina Lal Kidwai (Independent Director) as part of her planned transition and to fulfill her several other responsibilities and professional commitments resigned before the expiry of her tenure effective from the closure of business hours on May 31, 2022.

Details of Board meetings held during the financial year ended March 31, 2023:

During the Financial Year ended March 31, 2023, the Board of Directors of your Company met five times. Dates of the board meetings along with the total number of directors associated as of the date of the meetings and directors' attendance at the meetings are mentioned below: -

S. No.	Dates of Board meeting	Board Strength associated as on the date of the meeting	No. of Directors present in the meeting
1	April 6, 2022	11	11
2	May 10, 2022	11	11
3	August 1, 2022	10	9
4	October 19, 2022	11	9
5	January 31, 2023	10	9

INTER-SE RELATIONSHIP AMONG DIRECTORS

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

The details of equity shares of ₹2/- each held by Non-Executive Directors of the Company as on March 31, 2023, are:

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

Apart from the above, none of the Non-Executive, including Independent Directors, holds any shares as their own or on behalf of any other person on a beneficial basis in the Company as on March 31, 2023.

HOW DO WE MAKE SURE OUR BOARD IS EFFECTIVE?

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

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

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

All Agenda items are accompanied by comprehensive notes on the related subject and in certain areas such as business plans/business reviews and financial results, detailed presentations are made to the Board members. The materials for the Board and Committee meetings are generally circulated (electronically in a secure dedicated portal). The Board is regularly updated on the key risks and the steps and processes initiated for managing, reducing, and if feasible, eliminating various risks. Business risk evaluation and management is an ongoing process within the Company.

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

Further, the Company has made familiarization programmes to familiarize Independent Directors with the Company, their roles, rights, responsibilities in the Company, the nature of the industry in which the Company operates, the business model of the Company, etc. The detail of such a familiarization programme is available at https://www.maxfinancialservices.com/corporate-policies

CODE OF CONDUCT

In compliance with Regulation 26(3) of SEBI LODR Regulations, the Company had adopted a Code of Conduct for the Directors and senior management of the Company ('the Code'), a copy of which is available on the Company's website at https://www.maxfinancialservices.com/corporate-policies.

All the members of the Board of Directors and senior management personnel had affirmed compliance with the above-mentioned regulation, including Code for the financial year ended March 31, 2023, and a declaration to this effect signed by the Director, authorized for this purpose by the Board, forms part of this report as **Annexure-I.**

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

COMMITTEES OF THE BOARD

Audit Committee:

As of March 31, 2023, this Committee comprised Mr. Dinesh Kumar Mittal (Chairman), Mr. Aman Mehta, Mr. Mitsuru Yasuda, and Mr. K Narasimha Murthy as members. All members of the Committee are Independent Directors, except Mr. Mitsuru Yasuda, who is a Non-Executive Nominee Director. The Company Secretary of the Company acts as the Secretary of this Committee.

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

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

Meetings & attendance during the year ended March 31, 2023:

During the year ended March 31, 2023, the Audit Committee met five times – on April 27, 2022, May 10, 2022, August 1, 2022, October 19, 2022, and January 31, 2023. The Composition and attendance of the members at the meeting held during the FY 2022-23 are given below:

Name of Committee members	Number of meetings entitled to attend	Number of meetings attended
Mr. Dinesh Kumar Mittal-Chairperson	5	4
Mr. Aman Mehta	5	5
Mrs. Naina Lal Kidwai*	2	2
Mr. Mitsuru Yasuda	5	5
Mr. K Narasimha Murthy**	3	3

*Mrs. Naina Lal Kidwai resigned effective from the closure of business hours on May 31, 2022

**Mr. K Narasimha Murthy was coopted as a member of this Committee on June 1, 2022

Nomination and Remuneration Committee:

As on March 31, 2023, this Committee comprised Mr. Aman Mehta (Chairman), Mr. Analjit Singh, Mr. Hideaki Nomura, Mr. Jai Arya, Mr. Dinesh Kumar Mittal, and Sir Richard Stagg as members. All the members are Independent Directors, except Mr. Analjit Singh and Mr. Hideaki Nomura, who are Non-Executive Non-Independent Directors.

The scope of the Nomination and Remuneration Committee has been defined by the Board of Directors in accordance with Regulation 19 and Part D of Schedule II to the SEBI LODR Regulations and applicable provisions of the Companies Act, 2013. This Committee inter alia, evaluates the compensation and benefits for Executive Directors, top management, and Senior Executives at one level below the Board, recruitment of key managerial personnel and finalization of their compensation, induction of Executive and Non-Executive Directors and fixing the method, criteria, and quantum of compensation to be paid to the Non-Executive Directors. It also administers the ESOP Scheme(s) of the Company including the allotment of equity shares arising from the exercise of stock options. The remuneration policy of the Company is aimed at attracting and retaining the best talent to leverage performance in a significant manner. The strategy takes into account, the remuneration trends, talent market, and competitive requirements. All the recommendations made by the Committee to the Board during the year have been accepted by the Board.

Meetings & attendance during the year ended March 31, 2023:

During the year ended March 31, 2023, the Nomination and Remuneration Committee met three times – on April 6, 2022, May 10, 2022, and January 31, 2023. The composition and attendance of the members at the meeting held during the FY 2022-23 are given below:

Names of Committee members	Number of meetings entitled to attend	Number of meetings attended
Mr. Aman Mehta- Chairperson	3	3
Mrs. Naina Lal Kidwai*	2	2
Mr. Analjit Singh	3	1
Mr. Dinesh Kumar Mittal	3	3
Mr. Hideaki Nomura	3	3
Mr. Jai Arya	3	3
Sir Richard Stagg**	1	0

*Mrs. Naina Lal Kidwai resigned effective from the closure of business hours on May 31, 2022.
**Sir Richard Stagg was co-opted as a member of this Committee on June 1, 2022

STAKEHOLDERS RELATIONSHIP COMMITTEE:

As on March 31, 2023, this Committee comprised Mr. Sahil Vachani (Chairman), Mr. Dinesh Kumar Mittal and Mr. Mitsuru Yasuda as members. Key responsibilities of this Committee are the formulation of procedures, in line with the statutory guidelines, for ensuring the speedy disposal of various requests received from shareholders, from time to time, and redressal of shareholders' and investors' complaints/ grievances. The Committee also approves the transfer and transmission of securities and issuance of duplicate certificates etc.

The Committee has delegated the authority to effect the transfer and/or transmission of shares up to 1000 per folio to the Company Secretary/Compliance Officer, and such transfers are subsequently ratified in the next meeting of the Committee. The Company has normally attended to the Shareholders/Investors' complaints within a period of 7 working days except in cases that were under legal proceedings/disputes.

During the financial year ended March 31, 2023, six complaints were received and resolved by the Company, which were general in nature viz. issues relating to non-receipt of duplicate certificates, non-receipt of shares after the transfer, and transfer into IEPF Authority, etc., all of those were resolved to the satisfaction of the respective shareholders. Mr. V. Krishnan, Company Secretary of the Company, is the designated Compliance Officer.

Meetings & attendance during the year ended March 31, 2023:

During the year ended March 31, 2023, the Stakeholders Relationship Committee met Two times – on May 10, 2022 and January 31, 2023. The composition and attendance of the members at the meeting held during the FY 2022-23 are given below:

Name of the Committee member	Number of meetings entitled to attend	Number of meetings attended
Mr. Sahil Vachani- Chairperson	2	2
Mr. Mitsuru Yasuda	2	2
Mr. Dinesh Kumar Mittal	2	2
Mr. Mohit Talwar*	1	1

*Mr. Mohit Talwar retired effective from the closure of business hours on January 14, 2023

Risk Management Committee:

As of March 31, 2023, this Committee comprised of Mr. Aman Mehta (Chairman), Mr. Dinesh Kumar Mittal, Mr. Jai Arya, and Mr. Mitsuru Yasuda. Three members of the Committee are Independent Directors and Mr. Mitsuru Yasuda is a Non-Executive Non-Independent Director. The responsibilities of this Committee are enshrined in the Companies Act, 2013, applicable to the SEBI LODR Regulations and as per the risk management framework of the Company. All the recommendations made by the Committee to the Board during the year have been accepted by the Board.

Meetings & attendance during the year ended March 31, 2023:

During the year ended March 31, 2023, the Risk Management Committee met two times – on April 27, 2022, and October 19, 2022. The composition and attendance of the members at the meeting held during the FY 2022-23 are given below: -

Name of the Committee member	Number of meetings entitled to attend	Number of meetings attended
Mr. Aman Mehta-Chairperson	2	2
Mrs. Naina Lal Kidwai*	1	1
Mr. Dinesh Kumar Mittal	2	2
Mr. Jai Arya	2	2
Mr. Mohit Talwar**	2	2
Mr. Mitsuru Yasuda	2	2

* Mrs. Naina Lal Kidwai resigned effective from the closure of business hours of May 31, 2022

** Mr. Mohit Talwar retired effective from the closure of business hours of January 14, 2023

MEETING OF INDEPENDENT DIRECTORS

A separate meeting of the Independent Directors was held on May 12, 2023, in the presence of all the six Independent Directors of the Company where, inter alia, the following agenda items were, inter-alia, considered in the performance evaluation of the board/committees/chairman for the financial year ended March 31, 2023, in terms of applicable regulations.

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

Remuneration paid to the Directors during 2022-23

During the year 2022-23, the Company paid a sitting fee of ₹ 1,00,000/- per meeting to its Non-executive/ Independent Directors for attending the meetings of the Board and Committees of the Board and separate meeting(s) of Independent Directors. There were no pecuniary relationships between the Company and its Non-Executive/Independent Directors, except as detailed below:

Sitting fees paid for 2022-23 are as below:

S. No.	Name of Director	Amount (₹)
1	Mr. Analjit Singh	6,00,000/-
2	Mrs. Naina Lal Kidwai	800,000/-
3	Mr. Aman Mehta	16,00,000/-
4	Mr. Dinesh Kumar Mittal	15,00,000/-
5	Mr. Sahil Vachani	7,00,000/-
6	Mr. Jai Arya	11,00,000/-
7	Sir Richard Stagg	4,00,000/-
8	Mr. K. Narasimha Murthy	9,00,000/-
9	Mr. Hideaki Nomura	Nil
10	Mr. Mitsuru Yasuda	Nil
11	Mrs. Gauri Padmanabhan	2,00,000/-

Commission paid to Directors during 2022-23 is as below:

Pursuant to applicable provisions of the Companies Act, 2013 rules made thereunder, payment of commission was made during the financial year to Directors of the Company for the previous financial year 2021-22, as detailed below:

Name of Director	Amount (₹)
Mrs. Naina Lal Kidwai	20,00,000/-
Mr. Aman Mehta	20,00,000/-
Mr. Dinesh Kumar Mittal	20,00,000/-
Mr. Jai Arya	20,00,000/-
Sir Richard Stagg	20,00,000/-
Mr. K Narasimha Murthy	20,00,000/-
Mr. Analjit Singh	1,00,00,000/-

Additionally, Mr. Analjit Singh has also been paid a gross compensation of ₹ 3.50 crore for the Financial Year ended March 31, 2023, in terms of a special resolution approved by the shareholders of the Company effective April 01, 2022.

The Board has not considered payment of commission to Independent Directors for the financial year ended March 31, 2023, in view of the inadequacy of profit for the said year under review.

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

During FY 2022-23, the Company paid the following remuneration to Mr. Mohit Talwar as Managing Director of the Company:

Details of the remuneration of Mr. Mohit Talwar as Managing Director for the period from April 1, 2022, to January 14, 2023, i.e., till the date of retirement from the Company are as under:

Description	Amount in ₹
Salary and allowances	2,98,31,275
Other Benefits (Perquisites)	47,35,601
Performance Incentive/special payments	2,01,24,370
Retirals	1,50,56,478
Service contract	-
Notice period	-
Stock options granted (in numbers)	Nil

During the year 2022-23, no Director was granted any employee stock options.

ANNUAL GENERAL MEETING

The Annual General Meetings (AGMs) of the Company for the financial years 2020, 2021, and 2022 were held through Video Conferencing/Audio Visual means on December 30, 2020, September 23, 2021, and August 25, 2022, respectively in compliance with the provisions of the Companies Act, 2013 and SEBI LODR Regulations, as permitted by the Ministry of Corporate Affairs ("MCA") and Securities and Exchange Board of India ("SEBI") through various circulars. The details of the last three AGMs held, and special resolutions passed by the shareholders in the said AGMs are as under:

Financial Year ended	Date & Time	Special Resolutions passed
March 31, 2020	December 30, 2020 – 1200 hrs. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	1) Approval for re-appointment of Mrs. Naina Lal Kidwai (DIN:00017806) for the second and final term of 5 (five) consecutive years with effect from January 15, 2021 to January 14, 2026. 2) Approval for the re-appointment of Mr. Mohit Talwar (DIN: 02394694) as the Managing Director of the Company for a further period of one-year w.e.f January 15, 2021 to January 14, 2022. 3) Approval for the purchase of equity shares of Max Life Insurance Company Limited, from Axis Bank Limited, Axis Capital Limited, and Axis Securities Limited and/or their affiliates, for an aggregate amount not exceeding ₹20,000 crore from time to time in one or more tranches.

Financial Year ended	Date & Time	Special Resolutions passed
March 31, 2021	September 23, 2021 – 1100 hrs. (IST) through Video Conferencing ("VC")/ Other Audio-Visual Means ("OAVM")	No Special Resolution was passed at this Annual General Meeting.
March 31, 2022	August 25, 2022 – 1030 hrs (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM")	1) Approval of the appointment of Mrs. Gauri Padmanabhan (DIN: 01550668) as an Independent Director and to hold office for a term of 5 (five) consecutive years with effect from August 25, 2022 up to August 24, 2027. 2) Approval for payment of commission to Non-Executive Chairman and Independent Directors of the Company for the Financial year ended March 31, 2022. 3) Approval for compensation payable to Mr. Analjit Singh, Non-Executive Chairman of the Company for the Financial ending March 31, 2023.

POSTAL BALLOT AND POSTAL BALLOT PROCESS

During the financial year 2022-23, the Company passed the following resolutions through the postal ballot process.

1. Approval for implementation of 'Max Financial Employee Stock Option Plan 2022' ('ESOP Plan-2022') and for grant of options to the eligible employees of the Company.

2. Approval for grant of options to the eligible employees of subsidiaries (present and future) of the Company.

3. Approval for the acquisition of equity shares from the secondary market for the implementation of ESOP Plan-2022 to the eligible employees of the Company and its subsidiary companies (both present and future).

   The shareholders have approved the aforesaid proposals no. 1 to 3 by way of special resolutions with the requisite majority. The results of the postal ballot were declared on May 11, 2022.

4. Approval for payment of Compensation to Mr. Analjit Singh as the Non-Executive Chairman of the Company for the Financial Year 2023-24:

   The shareholders have disapproved the aforesaid proposal no. 4. In this regard, 67.40% of the total votes were cast in favour of the special resolution which was short of the requisite 75% affirmative voting Therefore, the said proposal no. 4 was not carried through, and the results of the postal ballot were declared on March 18, 2023.

THE PROCESS FOLLOWED FOR PASSING RESOLUTIONS THROUGH POSTAL BALLOT:

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

The Company issued the postal ballot notice dated April 6, 2022, for items 1 to 3 and for item 4 on February 10, 2023. All the notices mentioned above were sent electronically.

In light of the COVID-19 and in accordance with Section 110 of the Companies Act, 2013 and Rules 22 and 20 of the Companies (Management and Administration) Rules, 2014 read with Circular no. 14/2020 dated April

8, 2020, read with Circular no. 17/2020 dated April 13, 2020, Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 08, 2021, Circular No. 03/2022 dated May 5, 2022, Circular No. 10/22 dated December 22, 2022, and other applicable circulars issued by the Ministry of Corporate Affairs, Government of India ('MCA Circulars'), physical copy of the Notices were not circulated to the members. However, it was clarified that all the persons who are members of the Company as on the respective cut-off dates, i.e., April 6, 2022, and February 10, 2023 (including those members who may not have received this Notice due to non-registration of their email IDs with the Company or with the Depositories) were entitled to vote in relation to the resolutions specified in respective Notices.

The results of the postal ballots were declared on May 11, 2022, and March 18, 2023, respectively at the Website of the Company along with the Scrutinizer's Report. The results were also informed simultaneously to the BSE Limited (the BSE) and National Stock Exchange of India Limited (the NSE), where the Company's shares are listed and made accessible on the Company's website at https://max-finance.weaddo.live/investorrelations/disclosures

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

MEANS OF COMMUNICATION

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

The official news releases and the presentations made to the investors/analysts are also displayed on the Company's website. The Company made presentations to financial analysts and institutional investors after the quarterly/annual financial results were approved by the Board.

DISCLOSURES

(a) Related party transactions

There are no materially significant related party transactions with its promoters, the Directors or the management, their subsidiaries, relatives, etc., that may have potential conflict with the interests of the Company at large. Approval for material related party transactions between Max Life Insurance Company Limited, a material subsidiary of the Company and its related party, viz., Axis Bank Limited for payment of fees/commission for distribution of life insurance products, display of publicity materials, procuring banking services, and other related business were received from the shareholders in the Annual General meeting held on August 25, 2022.

The Company has formulated a policy for transacting with related parties, which is available on the website of the Company at https://www.maxfinancialservices.com/corporate-policies

Transactions entered into by the related parties are disclosed in Note No. 28 under Notes to Accounts to the standalone financial statements in the Annual Report

(b) Compliance by the Company

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

No penalties or strictures have been imposed on the Company by the stock exchanges, SEBI, or any other statutory authorities on any matter relating to capital markets during the last three years.

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

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

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

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

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

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

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

(f) **Fees to the Statutory Auditors of the Company**

The total fees for all services paid by the Company to the Statutory Auditors of the Company are mentioned in Note No. 36 of Notes to standalone financial statements.

(g) **Dividend Distribution Policy**

The Board of Directors of the Company approved a Dividend Distribution Policy in terms of Regulation 43A of the SEBI LODR Regulations. The said policy is available on the website of the Company at https://www.maxfinancialservices.com/corporate-policies

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

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

(i) Other Disclosures

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

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

Name of material subsidiary	Date and place of Incorporation	Name and date of appointment of statutory auditors
Max Life Insurance Company Limited	July 11, 2000, at New Delhi	M/s. Fraser & Ross, Chartered Accountant appointed on May 23, 2018, for a period of five years. M/s. B K Khare & Co., Chartered Accountant, appointed on May 10, 2022, for a period of five years.

GENERAL SHAREHOLDER INFORMATION

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

MANAGEMENT DISCUSSION & ANALYSIS

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

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

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

M/s. Chandrasekaran Associates, Practicing Company Secretaries have certified that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V of the SEBI LODR Regulations and the said certificate is annexed as **Annexure III** to report.

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

DISCLOSURE ON NON-MANDATORY REQUIREMENTS

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

Shareholders' Rights:

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

Audit Qualification:

It has always been the Company's endeavor to present unqualified financial statements. There is no audit qualification in respect of the financial statements of the Company for the financial year 2022-23.

Separate posts of Chairman and CEO

The Company has separate persons for the post of Chairman and Managing Director, Mr. Analjit Singh, a Non-Executive Promoter Director is the Chairman of the Company. During the period under review, Mr. Mohit Talwar was the Managing Director of the Company until his retirement effective from the closure of business hours of January 14, 2023. The Board had recommended the proposal for the appointment of Mr. V Krishnan as the Manager under the provisions of the Company Act, 2013 effective July 1, 2023.

Reporting of Internal Auditor

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

For Max Financial Services Limited
Analjit Singh
Chairman
DIN:00029641

Place: South Africa
Date: May 12, 2023

Annexure-I

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

This is to declare and confirm that Max Financial Services Limited ("the Company") has received affirmations of compliance with the provisions of the Company's Code of Conduct for the financial year ended March 31, 2023, from all Board of Directors and Senior Management personnel of the Company.

For **Max Financial Services Limited**

Sahil Vachani
Director
DIN: 00761695

Place: New Delhi
Date: May 12, 2023

Annexure- II

CERTIFICATION BY DIRECTOR AND CHIEF FINANCIAL OFFICER

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

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

A. We have reviewed the financial statements and the cash flow statement of the Company for the financial year ended March 31, 2023, and to the best of our knowledge and belief:

  (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that are misleading; and

  (b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal, or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, wherever applicable, deficiencies in the design or operation of such internal controls, if any, of which we are aware of, and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the Auditors and the Audit Committee, wherever applicable:

  (i) significant changes in internal control over financial reporting during the year;

  (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

  (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Max Financial Services Limited

Place: New Delhi	**Sahil Vachani**	**Amrit Pal Singh**
Date: May 12, 2023	Director	Chief Financial Officer

Annexure -III

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

[Under SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015)]

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

We have examined all the relevant records of Max Financial Services Limited (the Company) for the purpose of certifying all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31st March 2023. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

For Chandrasekaran Associates
Company Secretaries
Firm Registration No.: P1988DE002500
Peer Review Certificate No.: 1428/2021

Rupesh Agarwal
Managing Partner
Membership No. ACS 16302
Certificate of Practice No. 5673
UDIN: A016302E000275077

Date: May 12, 2023
Place: Delhi

Annexure- IV

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers and declarations received from respective Directors, We hereby certify that as on Financial Year ended on March 31, 2023, none of the Directors on the Board of the Company as stated below have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

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

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

For Chandrasekaran Associates
Company Secretaries
Firm Registration No.: P1988DE002500

Peer Review Certificate No.: 1428/2021

Rupesh Agarwal
Managing Partner
Membership No. A16302
Certificate of Practice No. 5673
UDIN: A016302E000275022

Date: May 12, 2023
Place: Delhi

Strategic Review

GENERAL SHAREHOLDER INFORMATION – 2022-23

MAX FINANCIAL SERVICES

GENERAL SHAREHOLDER INFORMATION - 2022-23

REGISTERED OFFICE:

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

CORPORATE OFFICE/INVESTOR HELPLINE:

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

SHARE TRANSFER AGENT:

Mas Services Limited,
T-34, 2nd Floor, Okhla Industrial Area, Phase - II
New Delhi–110 020
Tel–011 26387281/82/83, Fax–011 26387384
e-mail: investor@masserv.com

ANNUAL GENERAL MEETING:

Date and Time: Tuesday, August 22, 2023 at 1000 hrs.
Venue: Through Video Conference ("VC") or Other Audio-Visual Means ("OAVM")
Book Closure: Wednesday, August 16, 2023 to Tuesday, August 22, 2023 (both days inclusive)

Financial Year

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

FINANCIAL CALENDAR - 2023-24:

1. First quarter results - By second week of August 2023
2. Second quarter & half yearly results - By last week of October, 2023
3. Third quarter results - By first week of February 2024
4. Annual results - Before May 30, 2024

LISTING ON STOCK EXCHANGES:

The Equity Shares of the Company are listed on the BSE Limited ('BSE') and the National Stock Exchange of India Limited ('NSE').

The Company confirms that it has paid annual listing fees due to BSE and NSE for the year 2023-24.

CONNECTIVITY WITH DEPOSITORIES:

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

STOCK CODE:

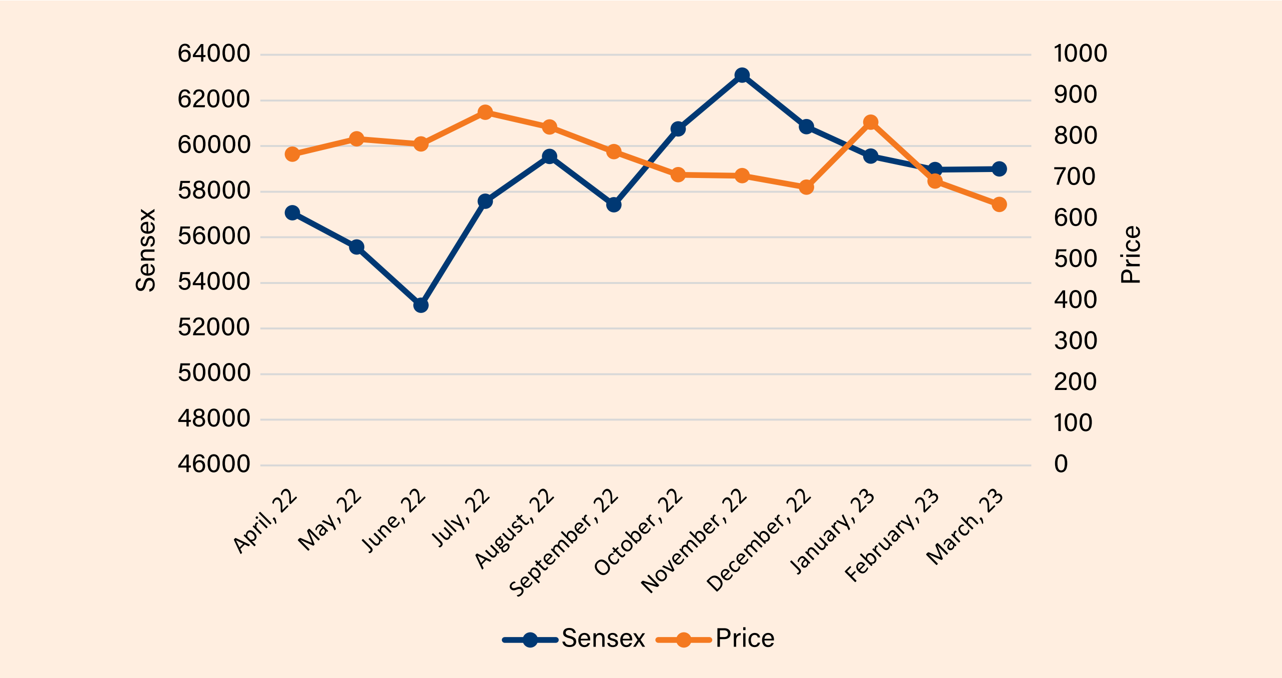
BSE - 500271
NSE - MFSL
Demat ISIN No. for NSDL and CDSL - INE180A01020

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

SHARE PRICE DATA - MONTHLY HIGH AND LOW QUOTATION ON NSE AND BSE

Month	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low(₹)
April, 22	807.80	713.30	814.00	714.00
May, 22	806.00	696.50	805.20	697.05
June, 22	835.95	765.00	835.45	764.90
July, 22	878.50	772.15	878.05	774.50
August, 22	885.00	767.50	884.70	767.50
September, 22	856.90	750.00	857.65	749.50
October, 22	777.95	665.55	777.70	664.95
November, 22	731.60	625.20	731.75	627.80
December, 22	729.45	656.45	729.15	656.65
January, 23	874.40	673.90	870.50	674.45
February, 23	861.85	678.55	858.35	678.90
March, 23	706.00	604.65	708.10	604.40

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



SHAREHOLDING PATTERN AS ON MARCH 31, 2023:

Category	No. of shares held	% of shareholding
Promoters	35016256	10.15
Mutual Funds	102779098	29.78
Banks	825	0.00
Insurance Companies	10385737	3.01
Foreign Portfolio Investors – Category – 1	88341232	25.60
Foreign Portfolio Investors – Category – 2	841241	0.24
Foreign Direct Investment	75458088	21.86
Alternate Investment Funds	4380294	1.27
Bodies Corporate	6843424	1.98
Non-resident Indians	1443337	0.42
Clearing Members	373852	0.11
NBFC Registered with RBI	4715	0.00
Other Financial Institutions	12020	0.00
Foreign National	518	0.00
Foreign Companies	1200	0.00
Directors and their relatives (excluding Independent Directors and nominee Directors)	0	0.00
Key Managerial Personnel	5100	0.00
Resident Individuals	18418211	5.34
Trusts	6046	0.00
Unclaimed Suspense Account	57835	0.02
Investor Education and Protection Fund (IEPF)	745742	0.22
Total	**345114771**	**100**

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2023:

No. of Shareholders	Percentage to total	Shareholdings	No. of shares	Percentage to total
80264	98.528	1 to 1000	14037218	4.067
601	0.737	1001 to 2000	2143756	0.621
231	0.286	2001 to 4000	1620914	0.469
88	0.108	4001 to 6000	1068874	0.314
33	0.040	6001 to 8000	585988	0.169
20	0.024	8001 to 10000	462187	0.133
62	0.076	10001 to 20000	2224456	0.644
164	0.201	20001 and above	322971378	93.583
81,463	**100**	**Total**	**345114771**	**100**

DEMATERIALISATION STATUS AS ON MARCH 31, 2023:

(i) Shareholding in dematerialized mode 99.82%

(ii) Shareholding in physical mode 0.18%

RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by the Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, a firm of practicing Company Secretary carries out the Reconciliation of Share Capital Audit, on a quarterly basis, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) with the total listed and paid-up capital. The audit report, inter alia, confirms that the total listed and paid up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form and total number of shares in physical form.

FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED MODE

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

FOR SHAREHOLDERS HOLDING THEIR EQUITY SHARES IN PHYSICAL FORM

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

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

SHARE TRANSFER SYSTEM

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

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

DIVIDEND

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

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

UNCLAIMED DIVIDENDS

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

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

The Company had paid a Final Dividend in FY 2014-15 and Interim Dividend in FY 2015-16 and the unpaid dividends were transferred to a separate accounts in same year within prescribed time. In terms of the provisions of Section 124 (5) of the Companies Act, 2013 read with Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the amount of dividend which remains unpaid/unclaimed for more than 7 years, from the date of the payment of dividend shall be mandatorily transferred by the Company to the Investor Education and Protection Fund (IEPF).

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

The Company had declared Final Dividend for the financial year 2014-15 and Interim Dividend for the financial year 2015-16 on May 27, 2015 and November 6, 2015, respectively. The unpaid/unclaimed dividend for the aforesaid Final Dividend for FY 2014-15 and Interim Dividend for FY 2015-16 were due for transfer to IEPF Authority on October 23, 2022 and December 10, 2022, respectively.

Further, the equity shares on which dividend have not been claimed/encashed for a continuous period of last seven years i.e., from FY 2014-15 and 2015-16 shall also be mandatorily transferred by the Company to IEPF as per the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

In this regard, the Company had given adequate notice individually to the concerned shareholders on July 19, 2022 advising them to encash the said dividends. Further, the Company had published an advertisement on July 22, 2022 to the members of the Company, advising them to encash the said dividends in Business Standard (English), all editions and Desh Sewak (Punjabi), Chandigarh edition for the information of the members of the Company.

In this regard, a sum of ₹12,12,321/- which was lying as unpaid/unclaimed dividend in the Dividend Account No. 000184400010350 viz., Final Dividend for FY 2014-15 of the Company with Yes Bank was remitted to IEPF on October 27, 2022. Further, 45,710 equity shares of ₹2/- each were also transferred by the Company to Investor Education and Protection Fund on November 10, 2022, as per Section 124(6) of the Companies Act 2013, being shares in respect of which dividend have not been encashed or claimed for seven consecutive years or more. A sum of ₹18,56,579/- which was lying as unpaid/unclaimed dividend in the Dividend Account No. 000184400009773 viz., Interim Dividend for FY 2015-16 of the Company with Yes Bank was remitted to IEPF on December 14, 2022. Further, 23,783 equity shares of ₹2/- each were also transferred by the Company to Investor Education and Protection Fund on December 23, 2022, as per Section 124(6) of the Companies Act 2013, being shares in respect of which dividend have not been encashed or claimed for seven consecutive years or more by the shareholders.

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

Further, members who have not claimed/encashed Final Dividend for the Financial Year 2015-16, are advised to write to the Registrar and Transfer Agent of the Company, i.e., Mas Services Limited, T-34, Okhla Industrial Area, Phase – II, New Delhi–110020, Tel Nos. 011-41320335/41610099 and e-mail id investor@masserv.com immediately. In this regard, the Company had given adequate notice individually to the concerned shareholders on June 30, 2023 advising them to encash the said dividends. Further, the Company had published an advertisement on July 7, 2023, to the members of the Company, advising them to encash the said dividend in Business Standard (English), all editions and Desh Sewak (Punjabi), Chandigarh edition for the information of the members of the Company.

OUTSTANDING GDRS/ADRS/WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND LIKELY IMPACT ON EQUITY:

As at March 31, 2023, the Company did not have any outstanding GDRS/ADRS/Warrants or any convertible instruments.

LIST OF ALL CREDIT RATINGS OBTAINED BY THE ENTITY ALONG WITH ANY REVISIONS THERETO DURING THE RELEVANT FINANCIAL YEAR, FOR ALL DEBT INSTRUMENTS OF SUCH ENTITY OR ANY FIXED DEPOSIT PROGRAMME OR ANY SCHEME OR PROPOSAL OF THE LISTED ENTITY INVOLVING MOBILISATION OF FUNDS, WHETHER IN INDIA OR ABROAD

Not Applicable

COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

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

Plant Locations: Not Applicable

COMMUNICATION OF FINANCIAL RESULTS

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

ADDRESS FOR CORRESPONDENCE WITH THE COMPANY

Investors and shareholders can correspond with the office of the share transfer agent of the Company or the Corporate Office of the Company at the following addresses:

MAS SERVICES LIMITED (REGISTRAR & TRANSFER AGENT)

T-34, 2nd Floor
Okhla Industrial Area, Phase – II
New Delhi – 110020

Contact Persons:
Mr. Sharwan Mangla
Tel No.:-011-26387281/82/83
Fax No.:- 011–26387384
e-mail: investor@masserv.com

MAX FINANCIAL SERVICES LIMITED

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

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Piyush Soni
Tel. No.:- +91 120 4696000
e-mail:- psoni@maxindia.com

please visit us at www.maxfinancialservices.com for the financial and other information about the Company.

MAX | FINANCIAL SERVICES

Strategic Review

Board’s Report

BOARD'S REPORT

Dear Members,

Your directors have the pleasure of presenting the 35th (Thirty-fifth) Board's Report of Max Financial Services Limited ("MFSL" or "the Company") along with the audited Financial Statements for the financial year ended March 31, 2023.

STANDALONE RESULTS

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

(₹ in crore)

	Year ended 31.03.2023	Year ended 31.03.2022
Dividend income	Nil	144.46
Treasury Income	30.24	34.18
Sale of services	20.32	20.64
Rental Income	0.56	0.42
Gain on sale of investment property	6.69	-
Revenue from operations	**57.81**	**199.70**
Other income	0.42	2.36
Total income	**58.23**	**202.06**
Expenses		
Employee benefits expenses	9.22	21.62
Legal and professional expenses	15.63	13.85
Other expenses	10.92	15.89
Depreciation and amortization expense	3.10	3.48
Finance costs	0.11	0.14
Total expenses	**38.98**	**54.98**
Profit before tax	**19.25**	**147.08**
Tax expense	5.37	44.46
Profit after tax for the year	**13.88**	**102.62**
Other comprehensive income for the year	(0.07)	0.36
Total comprehensive income	**13.81**	**102.98**

Your Company is primarily engaged in the business of making and holding investments in its subsidiary, Max Life Insurance Company Limited ("Max Life") and providing management consultancy services to group companies and accordingly, in terms of extant RBI guidelines, your Company is an Unregistered Core Investment Company (Unregistered CIC) as it does not meet the criteria stipulated by RBI for registration as a Systematically important CIC. Further, there is no change in the nature of Business during the FY 2022-23.

The net worth of your Company on a standalone basis grew marginally by 0.2% to ₹6,763 crore as of March 31, 2023 as against ₹6750 crore as of March 31, 2022. The increase in the net worth was mainly on account of profits.

CONSOLIDATED RESULTS

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

In FY 2022-23, MFSL reported consolidated revenues of ₹31,431 crore, which grew by 1%, due to lower investment income. Excluding Investment Income, consolidated revenues grew 13%. The Gross Premiums at ₹25,432 crore, grew by 13% compared to the previous year. The Company reported a consolidated Profit after Tax of ₹452 crore, which grew 42% compared to the previous year.

Max Life AUM as of March 31, 2023, stood at ₹1,22,857 crore, a rise of 14% over the previous year, owing to the increased scale of business. The Market Consistent Embedded value of Max Life as of March 31, 2023, was ₹16,263 crore, with an Operating Return on Embedded Value (RoEV) of 22.1% and the value of a new business at ₹1,949 crore has grown 28%, achieved the highest ever VNB margins of 31.2%, 380 bps improvement year on year.

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

(₹ in crore)

	Year ended 31.03.2023	Year ended 31.03.2022
Policyholders' Income from Life Insurance operations	31,050.62	30,849.16
Interest Income	302.12	226.52
Net gain on fair value changes	39.34	95.95
Dividend Income	3.10	2.69
Rental Income	6.46	2.25
Gain on sale of investment property	6.69	0.00
Sale of services	4.34	4.64
Revenue from operations	**31,412.67**	**31,181.21**
Other income	18.39	6.37
Total income	**31,431.06**	**31,187.58**
Expenses		
Policyholders' Expenses of Life Insurance operations	30,788.75	30,687.55
Employee benefits expenses	29.23	36.77
Legal and professional expenses	15.78	13.85
Other expenses	28.60	32.75
Impairment on financial instruments	(0.59)	(1.73)
Finance costs	37.46	24.74
Depreciation and amortization expense	4.63	5.00
Total expenses	**30,903.86**	**30,798.93**
Profit before tax	**527.20**	**388.65**
Tax expense	75.31	70.25
Profit after tax for the year (including non-controlling interests)	**451.89**	**318.40**
Other comprehensive income for the year	(7.97)	(11.91)
Total comprehensive income (after tax)	**443.92**	**306.49**
Total comprehensive income attributable to		
Owners of the company	372.12	243.66
Non-controlling interests	71.80	62.83

MATERIAL CHANGES AFFECTING FINANCIAL POSITION

There are no material changes and commitments affecting the financial position of the Company, which occurred between the end of the financial year of the Company i.e., March 31, 2023, and the date of the Directors' report i.e., May 12, 2023.

SUBSIDIARIES, ASSOCIATES & JOINT VENTURE COMPANIES

As of March 31, 2023, your Company had two operating subsidiaries viz., Max Life Insurance Company Limited and Max Life Pension Fund Management Limited. Further, the Company has also incorporated one special purpose entity, Max Financial Employees Welfare Trust in April 2022. There were no other associate or joint venture companies.

The report containing salient features of the financial statement of Max Life, included in the consolidated financial statements, presented in Form AOC–1 is attached to this report as **Annexure 1,** as per Rule 5 of the Companies (Accounts) Rules, 2014.

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

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

MATERIAL UNLISTED SUBSIDIARY

In terms of the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), your Company has a policy for determining 'Material Subsidiary' and the said policy is available on the Company's website at https://www.maxfinancialservices.com/corporate-policies

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

DIVIDEND

Your Directors have not recommended any dividend for the financial year 2022-23.

The Board of Directors of your Company has approved a Dividend Distribution Policy in line with Regulation 43A of SEBI Listing Regulations. The said policy is available on the website of the Company at https://www.maxfinancialservices.com/corporate-policies

TRANSFER TO RESERVES

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

SHARE CAPITAL

The Company did not issue any fresh issue of shares during the current year under review. The paid-up share capital of the Company as of March 31, 2023, stood at ₹69,02,29,542/-(Rupees Sixty-nine crore two lakhs twenty-nine thousand five hundred forty-two only) comprising 34,51,14,771 equity shares of ₹2/- each.

EMPLOYEE STOCK OPTION PLANS

Your Company has two employee stock option plans viz. Max Employee Stock Plan ('The 2003 Plan') and Max Financial Employees Stock Option Plan – 2022 ('2022 Plan'). The 2003 Plan provides for the grant of stock options aggregating not more than 5% of the number of issued equity shares of the Company to eligible employees and Directors of the Company.

Max Financial Employees Stock Option Plan - 2022 was approved by the Shareholders of the Company on May 9, 2022. This 2022 Plan does not contemplate the issue of any fresh shares. The Company established a separate Trust, viz., Max Financial Employees Welfare Trust ('Trust'). The Trust shall acquire shares of the Company in the secondary market, hold and transfer to option holders upon exercise of vested options. The Company granted 15,04,623 options on June 22, 2022, to the employees of Max Life, which would entitle the option-holders to acquire one equity share of ₹2/- each for cash from Max Financial Employees Welfare Trust at an Exercise Price of ₹808.97 per option payable to ESOP Trust and that the aforesaid options shall be vested in a graded manner. The 2003 & 2022 Plans are administered by the Nomination and Remuneration Committee constituted by the Board of Directors of the Company. Disclosures as required under SEBI (Share Based Employee Benefits) Regulations, 2014 are enclosed in this report as **Annexure-2.**

The 2003 Plan came into effect on October 1, 2003, and is valid for a period of 20 years up to September 30, 2023. The Board of Directors of the Company in its meeting held on May 12, 2023, decided not to extend the validity of the 2003 plan. There is no outstanding option in terms of the 2003 Plan. 2003 Plan shall automatically expire on September 30, 2023.

A certificate from the Secretarial Auditors confirming that the ESOP plans of the Company, viz., (i) the 2003 Plan and (ii) 2022 Plan of the Company have been implemented in accordance with the applicable SEBI Regulations shall be placed before the members at the ensuing Annual General Meeting.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Further, in terms of Section 152 of the Act and the Articles of Association of the Company, Mr. Mitsuru Yasuda is liable to retire by rotation at the ensuing Annual General Meeting. Mr. Mitsuru Yasuda, being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting.

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

The Board met five times during the financial year 2022-23 as detailed below:

S. No.	Date	Board Strength	No. of Directors present
1	April 6, 2022	11	11
2	May 10, 2022	11	11
3	August 1, 2022	10	9
4	October 19, 2022	11	9
5	January 31, 2023	10	9

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

During the year under review, the following changes in the Board composition/Key Managerial Personnel have taken place:

- Mrs. Naina Lal Kidwai resigned from the Board from the closure of business hours on May 31, 2022, as part of her planned transition and to fulfill her several other responsibilities and professional commitments.
- Mrs. Gauri Padmanabhan was appointed as a woman Independent Director on August 25, 2022.
- Mr. Mohit Talwar retired as the Managing Director of the Company w.e.f from the closure of business hours on January 14, 2023;
- Mr. Mandeep Mehta resigned as Chief Financial Officer of the Company w.e.f. from the closure of business hours on April 30, 2022; and
- Mr. Amrit Pal Singh was appointed as Chief Financial Officer of the Company w.e.f. May 01, 2022.

As of the date of this Report, Mr. Amrit Pal Singh, Chief Financial Officer, and Mr. V. Krishnan, Company Secretary are the Key Managerial Personnel of the Company.

At the Board meeting of the Company held on May 12, 2023, the Board considered and approved the following:

(i) Acceptance of resignation of Mr. V Krishnan as the Company Secretary of the Company on the close of business hours on June 30, 2023;

(ii) Appointment of Mr. Piyush Soni as the Company Secretary of the Company effective July 1, 2023; and

(iii) Appointment of Mr. V Krishnan as the Manager of the Company in terms of the provisions of the Companies Act, 2013 read with applicable provisions of SEBI Listing Regulations effective July 1, 2023 for a period of three years subject to the approval of the Shareholders of the Company.

FORFEITURE OF STOCK OPTIONS:

There are no outstanding options in terms of Max Employee Stock Plan-2003 as of date. All options that were granted and vested with the option-holders have all been exercised during the year ended March 31, 2022.

STATEMENT OF DECLARATION BY INDEPENDENT DIRECTORS:

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

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

COMMITTEES OF THE BOARD OF DIRECTORS:

The Company has the following committees which have been established as a part of the best corporate governance practices and are in compliance with the requirements of the relevant provisions of applicable laws and statutes. A detailed note on the same is provided under the Corporate Governance Report forming part of this Annual Report.

1. **Audit Committee:**

   The Audit Committee met five times during the financial year 2022-23, viz. on April 27, 2022, May 10, 2022, August 1, 2022, October 19, 2022, and January 31, 2023. As of the date of this report, the Committee comprises Mr. Dinesh Kumar Mittal (Chairman), Mr. Aman Mehta, Mr. Mitsuru Yasuda, and Mr. K Narasimha Murthy. All the recommendations by the Audit Committee were accepted by the Board.

2. **Nomination and Remuneration Committee:**

   The Nomination and Remuneration Committee met three times during the financial year 2022-23, viz. on April 6, 2022, May 10, 2022, and January 31, 2023. As of the date of this report, the Committee comprises Mr. Aman Mehta (Chairman), Mr. Analjit Singh, Mr. Dinesh Kumar Mittal, Mr. Hideaki Nomura Mr. Jai Arya and Sir Richard Stagg.

3. **Stakeholders' Relationship Committee:**

   The Committee met twice during the financial year 2022-23, viz. on May 10, 2022, and January 31, 2023. As of the date of this report, the Committee comprises of Mr. Sahil Vachani (Chairman), Mr. Dinesh Kumar Mittal, and Mr. Mitsuru Yasuda.

4. **Risk Management Committee:**

   As of the date of this report, the Committee comprises Mr. Aman Mehta (Chairman), Mr. Dinesh Kumar Mittal, Mr. Jai Arya, and Mr. Mitsuru Yasuda. This Committee met twice during the year under review on April 27, 2022 and October 19, 2022.

5. **Corporate Social Responsibility Committee:**

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

6. **Independent Directors:**

   The Board of Directors includes six Independent Directors as of March 31, 2023, viz. Mr. Aman Mehta, Mr. Dinesh Kumar Mittal, Mr. Jai Arya, Sir Richard Stagg, Mr. K. Narasimha Murthy, and Mrs. Gauri Padmanabhan.

   The Independent Directors had separate meetings on May 10, 2022, and May 12, 2023. The meetings were conducted to:

   a) Review the performance of Non-Independent Directors and the Board as a whole;

   b) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and

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

PERFORMANCE EVALUATION OF THE BOARD

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

The Board of Directors has evaluated the performance of Independent Directors during the year 2022-23 and opined that the integrity, expertise, and experience (including proficiency) of the Independent Directors are satisfactory.

The performance evaluation was carried out by obtaining feedback from all Directors through an online survey mechanism through Diligent Boards, a secure electronic medium through which the Company interfaces with its Directors. The outcome of this performance evaluation was placed before the meetings of the Nomination and Remuneration Committee and Independent Directors and the Board meeting for the consideration of the members.

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

HUMAN RESOURCES

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

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

As of March 31, 2023, there were 11 (Eleven) employees on the rolls of the Company.

NOMINATION AND REMUNERATION POLICY

In adherence to the provisions of Sections 134(3(e) and 178(1) & (3) of the Act, the Board of Directors on the recommendation of the Nomination and Remuneration Committee had approved a policy on Directors' appointment and remuneration. The said policy includes terms of appointment, criteria for determining qualifications, performance evaluation, and other matters. A copy of the same is available on the website of the Company at https://www.maxfinancialservices.com/corporate-policies

CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company is not required to constitute a CSR Committee under section 135 of the Act, and a copy of the duly adopted CSR policy is available on the website of the Company at https://www.maxfinancialservices.com/corporate-policies

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

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

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

Accordingly, dividend income received by MFSL from Max Life for FY 2021-22 is not included in computing the limits for CSR contribution to be made by the MFSL as Max Life already contributes to CSR. Based on the average net profits of the 3 preceding FYs, MFSL has incurred an average **net loss** in the last 3 years. MFSL is therefore not required to make any CSR contribution.

POLICY FOR PREVENTION OF SEXUAL HARASSMENT

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

LOANS, GUARANTEES, OR INVESTMENTS IN SECURITIES

The details of loans given, and investments made by the company pursuant to the provisions of Section 186 of the Act are provided in Note No. 29 to the standalone financial statements of the Company for FY 2022-23.

MANAGEMENT DISCUSSION & ANALYSIS

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

REPORT ON CORPORATE GOVERNANCE

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

A certificate from the Non-Executive Director and Chief Financial Officer on compliance with Part B of Schedule II of SEBI Listing Regulations forms part of the Corporate Governance Report as **Annexure-2**.

Further, a certificate from M/s Chandrasekaran Associates, Practicing Company Secretaries regarding compliance with the conditions of Corporate Governance pursuant to Part E of Schedule V of SEBI Listing Regulations is Annexed to the Corporate Governance Report as **Annexure-3.**

Copies of various policies adopted by the Company are available on the website of the Company at https://www.maxfinancialservices.com/corporate-policies

STATUTORY AUDITORS AND AUDITORS' REPORT

Pursuant to Sections 139 & 142 of the Act, M/s Deloitte Haskins and Sells, LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018), were appointed as the Statutory Auditors of the Company at the 32nd Annual General Meeting ("AGM") held on December 30, 2020, for a period of five years. They continue as the Statutory Auditors of the Company.

There are no audit qualifications, reservations, disclaimers or adverse remarks, or reporting of fraud in the Statutory Auditors Report given by M/s Deloitte Haskins and Sells, LLP, Statutory Auditors of the Company for the financial year 2022-23 annexed in this Annual Report.

M/s Deloitte Haskins & Sells LLP, after carrying out the audit for the financial year ended March 31, 2023, had resigned on May 12, 2023, to enable the Company to align its statutory auditors with the successor statutory auditors of Max Life, viz., M/s S. R. Batliboi and Co. LLP. The Board, after placing on record its appreciation for the contribution made by M/s Deloitte Haskins & Sells LLP over the last seven years accepted their resignation as statutory auditors in the meeting held on May 12, 2023.

Further, the Board took note of requisite declarations, consent letters and eligibility certificates received from M/s S.R. Batliboi and Co. LLP, the proposed Statutory Auditors. They have confirmed that their appointment as Auditors, if made, shall be in accordance with the conditions laid down in the Companies Act, 2013 and rules made thereunder, including the criteria provided in Section 141 and Section 144 of the Companies Act, 2013 and SEBI Listing Regulations. Basis the above, the Board recommended the following for consideration of the shareholders:

(i) For the appointment of M/s S. R. Batliboi and Co. LLP as the statutory auditors of the Company to fill the casual vacancy caused by the resignation of existing statutory auditors till the next date of the ensuing annual general meeting through a postal ballot process; and

(ii) For the appointment of M/s S. R. Batliboi and Co. LLP as the statutory auditors for a five-year term from the date of the forthcoming Annual General Meeting to be held in 2023 till the conclusion of the 40th Annual General Meeting to be held in the year 2028 on such remuneration as may be mutually agreed between the statutory auditors and the Board of Directors of the Company, from time to time.

SECRETARIAL AUDITORS AND SECRETARIAL AUDIT REPORT

Pursuant to Section 204 of the Act, your Company had appointed M/s Chandrasekaran Associates practicing Company Secretaries, New Delhi as its Secretarial Auditors to conduct the secretarial audit of the Company for FY 2022-23. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for FY 2022-23 is annexed to this report as **Annexure 4.**

There are no audit qualifications, reservations, disclaimers, or adverse remarks in the said Secretarial Audit Report.

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

Further, Max Life Insurance Company Limited, the material subsidiary of the Company has undergone a Secretarial Audit for the year ended March 31, 2023. The Secretarial Audit Report issued by M/s Chandrasekaran Associates, Practicing Company Secretaries, New Delhi is enclosed as **Annexure-5.** The Secretarial Auditors have mentioned the details of the penalty/fine levied by the Insurance Regulatory and Development Authority of India (IRDAI)/National Stock Exchange of India Limited (NSE) respectively for FY 2023 on Max Life Insurance Company Limited and that there were no other qualification, reservation, disclaimers or adverse remarks in the Secretarial Audit Report for FY 2023. The Board of Max Life Insurance Company Limited while noting the above, instructed the Management to be more cautious in meeting the timelines of compliance with applicable laws, adhere to the instructions of IRDAI and comply with the provisions of applicable laws in letter and spirit.

INTERNAL AUDITORS

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

INTERNAL FINANCIAL CONTROLS

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

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

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

RISK MANAGEMENT

Your Company considers that risk is an integral part of its business and therefore, it takes proper steps to manage all risks in a proactive and efficient manner. The Board has formed a Risk Management Committee to identify the risks impacting the business and formulate strategies/policies aimed at risk mitigation as part of risk management. Further, a core team of senior management has also been formed to identify and assess key risks, risk appetite, tolerance levels and formulate strategies for mitigation of risks identified in consultation with process owners.

The Company has adopted a Risk Management policy, whereby risks are broadly categorized into Strategic, Operational, Compliance, and Financial & Reporting Risks. The Policy outlines the parameters of identification, assessment, monitoring, and mitigation of various risks which are key to business performance.

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

VIGIL MECHANISM

The Company has a vigil mechanism pursuant to which a Whistle Blower Policy has been adopted and is in place. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns raised and also that no discrimination will be meted out to any person for a genuinely raised concern in respect of any unethical and improper practices, fraud, or violation of the Company's Code of Conduct.

The said Policy, covering all employees, Directors, and other people having an association with the Company, is hosted on the Company's website at https://www.maxfinancialservices.com/corporate-policies

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

COST RECORDS

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

PUBLIC DEPOSITS

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

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

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

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

Further, the members of the Company in their 34th Annual General Meeting held on August 25, 2022, had approved the material-related party transaction by Max Life Insurance with its related party, viz., Axis Bank Limited for payment of fees/commission for distribution of the life insurance products, display of publicity materials, procuring banking services, and other related business in terms of SEBI Listing

Regulations effective April 1, 2022, till the date of ensuing annual general meeting.

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

The details of all the Related Party Transactions form part of Note No. 28 to the standalone financial statements attached to this Annual Report.

The Policy on the materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at https://www.maxfinancialservices.com/corporate-policies

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

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

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

a) Conservation of Energy

(i) the steps taken or impact on the conservation of energy: Regular efforts are made to conserve energy through various means such as the use of low energy-consuming lighting, etc.

(ii) the steps taken by the Company for using alternate sources of energy: Since your Company is not an energy-intensive unit, utilization of alternate sources of energy may not be feasible.

(iii) capital investment on energy conservation equipment: Nil

b) Technology Absorption

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

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

c) Foreign Exchange Earnings and Outgo

The foreign exchange earnings and outgo are given below:

Total Foreign Exchange earned	Nil
Total Foreign Exchange used	₹639.77 Lakhs

ANNUAL RETURN

The Annual Return as of March 31, 2023, under Section 92(3) of the Act read with Companies (Management and Administration) Rules, 2014, can be accessed at the website of the Company at https://www.maxfinancialservices.com/static/uploads/financials/pdf7b39741d007e8e46739bf90684b44ecb.pdf

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the annual accounts on a going concern basis;

e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

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

The Company had paid a Final Dividend in FY 2014-15 and an Interim Dividend in FY 2015-16, and the unpaid dividend was transferred to two separate bank accounts in the same year for the aforesaid two dividends. After the completion of Seven years, the unpaid amounts still lying in the said accounts were transferred to the Investor Education and Protection Fund, along with respective shares on which such dividend remained unpaid on October 23, 2022 and December 10, 2022, respectively.

UNCLAIMED SHARES

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

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

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

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

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

S. No.	Particulars	No. of Shareholders	No. of Equity Shares
1.	The Aggregate number of shareholders and the outstanding shares originally lying in the Unclaimed Suspense Account (as at the beginning of the financial year i.e., April 1, 2022)	304	78,870
2.	Number of shareholders who approached the listed entity for transfer of shares from the Unclaimed Suspense Account during the year	*104	21,035
3.	Number of shareholders to whom the shares were transferred from the Unclaimed Suspense Account, during the year	*104	21,035
4.	The aggregate number of shareholders and the outstanding shares in the Suspense Account (as of the end of the financial year i.e., March 31, 2023)	200	57,835

*This includes 18,355 equity shares comprising 100 shareholders which were transferred to the Investor Education and Protection Fund

Till the date of this report, the Company had approved 2003 such claims from shareholders for 4,17,475 shares, for transfer of the shareholding back to the shareholders from the Unclaimed Suspense Account in Demat form.

CAUTIONARY STATEMENT

Statements in this Report, particularly those which relate to Management Discussion and Analysis, describing the Company's/subsidiary's objectives, projections, estimates and expectations may constitute "forward-looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied in the statement depending on the circumstances.

ACKNOWLEDGMENTS

Your Directors would like to place on record their appreciation of the contribution made by its management and its employees, who through their competence and commitment have enabled the Company to achieve impressive growth. Your Directors acknowledge with thanks the cooperation and assistance received from various agencies of the Central and State Governments, Financial Institutions and Banks, Shareholders, Joint Venture partners, and all other business associates.

On behalf of the Board of Directors
Max Financial Services Limited

Analjit Singh
Chairman
DIN: 00029641

Place: South Africa
Date: May 12, 2023

Annexure 1

FORM AOC-1

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

PART "A" - SUBSIDIARIES

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

(Amount in ₹ Lakhs)

Sl. No.	Name of Subsidiary Company	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned	Reporting Currency and Exchange rate as on the last date of relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of Shareholding (in %)
1	Max Life Insurance Company Limited	11 July, 2000	31 March, 2023	₹	191,881.29	162,084.61	12,812,084.25	12,458,118.35	12,285,660.03	3,137,378.94	50,464.14	6,944.39	43,519.75	-	87.00%
2	Max Life Pension Fund Management Limited*	28 February, 2022	31 March, 2023	₹	5,500.00	10.51	5,824.68	314.17	5,676.60	281.30	14.12	3.61	10.51	-	100.00%
3	Max Financial Employees Welfare Trust	11 May, 2022	31 March, 2023	₹	0.10	(1.10)	12,874.69	12,875.69	12,186.89	684.59	(1.10)	-	(1.10)	-	100.00%

* Wholly owned Subsidiary of Max Life Insurance Company Limited.

PART "B" - ASSOCIATE COMPANIES AND JOINT-VENTURES

Not Applicable, as there are no Associates/Joint Ventures

For Max Financial Services Limited

Place: New Delhi
Date: May 12, 2023

Sahil Vachani
Director

Amrit Pal Singh
Chief Financial Officer

Annexure 2

DETAILS OF MAX EMPLOYEES STOCK PLANS FOR THE YEAR ENDED MARCH 31, 2023

I. MAX EMPLOYEES STOCK PLAN-2003

A. RELEVANT DISCLOSURES IN TERMS OF THE 'GUIDANCE ON ACCOUNTING FOR EMPLOYEE SHARE-BASED PAYMENTS' ISSUED BY ICAI OR ANY OTHER RELEVANT ACCOUNTING STANDARDS AS PRESCRIBED FROM TIME TO TIME:

Details are provided in Note No. 26 of Standalone Financial Statements for the year ended March 31, 2023.

B. Diluted EPS on the issue of shares pursuant to all the schemes covered under the regulations in accordance with IND-AS-33 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time:

₹ 0.40 per share.

C. Details related to ESOS:

i. The description of Max Employee Stock Plan 2003 is summarized as under:

S. No.	Particulars	Plan 2003
1	Date of shareholders' approval	September 30, 2003
2	Total number of options approved under ESOPs	1,33,48,642
3	Vesting requirements	Vesting may be time-based or performance-based as determined by the Nomination and Remuneration Committee ("NRC"), from time to time, under the relevant Option Agreement.
4	Exercise price or pricing formula	As determined by the NRC, under the relevant Option Agreement.
5	Maximum term of options granted	As determined by the NRC, subject to the compliance of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
6	Source of shares (primary, secondary, or combination)	Primary
7	Variation in terms of options	Nil

ii. The method used to account for ESOPs:

The Company has adopted a fair value method of Valuation.

iii. Option movement during the year:

Number of options outstanding at the beginning of the year	Nil
Number of options granted during the year	Nil
Number of options forfeited/lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of the exercise of options	Nil
Money realized by exercise of options (INR), if the scheme is implemented directly by the company	Nil
Loan repaid by the Trust during the year from exercise price received '	Not Applicable. The ESOP Plan-2003 is not administered by any Trust.
Number of options outstanding at the end of the year	Nil
Number of options exercisable at the end of the year	Nil

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

The Weighted average exercise price for options exercised during FY 2022-23 was ₹Nil Further, the weighted average fair value of the outstanding options as on March 31, 2023 was ₹ Nil For details, please refer to Note No. 26 of Standalone Financial Statements.

v. Employee-wise details of options granted by the Company during the financial year 2022-23

a)	Senior Managerial Personnel	Nil	
b)	Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year; and	NA	
c)	Identified employees who were granted option during any one year, equal to or exceeding 1% of the company's issued capital (excluding outstanding warrants and conversions) at the time of grant.	Nil	

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

NO ESOPS WERE GRANTED BY THE COMPANY DURING THE FINANCIAL YEAR 2022-23.

weighted-average values of share price (at the time of grant)	NA
exercise price	NA
expected volatility	NA
expected option life (in years)	NA
expected dividends	NA
risk-free interest rate	NA
any other inputs to the model	NA
the method used and the assumptions made to incorporate the effects of expected early exercise	NA
how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	NA
whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	NA

DISCLOSURES IN RESPECT OF GRANTS MADE IN THREE YEARS PRIOR TO IPO UNDER EACH ESOS.

Not Applicable.

II. MAX FINANCIAL EMPLOYEES STOCK OPTION PLAN -2022

Max Financial Employees Stock Option Plan - 2022 was approved by the Shareholders of the Company on May 9, 2022. This 2022 Plan does not contemplate the issue of any fresh shares. The Company established a separate Trust, viz., Max Financial Employees Welfare Trust ('Trust'). The Trust shall acquire shares of the Company in the secondary market, hold and transfer to option holders upon exercise of vested options. The Company granted 15,04,620 options on June 22, 2022 to the employees of Max Life, which would entitle the option-holders to acquire one equity share of ₹2/- each for cash from Max Financial Employees Welfare Trust at an Exercise Price of ₹808.97 per option payable to ESOP Trust and that the aforesaid options shall be vested in a graded manner. Details as per part F of Schedule 1 read with Regulation 14 of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021 are furnished hereunder:

(i) General information on all schemes

Sl. No.	Particulars	Details
1	Name of the Trust	Max Financial Employees Welfare Trust
2	Details of the trustee(s)	KP Corporate Solutions Limited
3	Amount of loan disbursed by company/ any company in the group, during the year	The Company did not provide any loan. However, Max Life Insurance Company Limited provided a sum of ₹121.90 Crore to Max Financial Employees Welfare Trust for the acquisition of shares of the Company for grant of stock options to its employees from the secondary market as of March 31, 2023.
4	Amount of loan outstanding (repayable to company/any company in the group)	₹128.75 Crore (includes interest payable on the loan outstanding – ₹6.85 Crore)
5	Amount of loan, if any, taken from any other source for which company/any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	₹10,000 as an initial corpus to the Trust

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

Sl. No.	Particulars	Details
1.	Number of shares held at the beginning of the year	Nil
2.	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid-up equity capital as at the end of the previous financial year, along with information on the weighted average cost of acquisition per share	15,04,620 equity shares of ₹2/- each through secondary acquisition comprising of 0.43% of the paid-up capital of the Company at the weighted average of ₹809.96 per share.
3.	Number of shares transferred to the employees/ sold along with the purpose thereof	Nil
4.	Number of shares held at the end of the year	15,04,620 equity shares

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

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	Nil
Acquired during the year	15,04,620 equity shares
Sold during the year	Nil
Transferred to the employees during the year	Nil
Held at the end of the year	15,04,620 equity shares

On behalf of the Board of Directors
Max Financial Services Limited

Analjit Singh
Chairman
DIN: 00029641

Place: South Africa
Date: May 12, 2023

Annexure 3A

INFORMATION AS PER SECTION 197 OF THE ACT READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2023

(i) Percentage increase in the remuneration of each Director, Chief Financial Officer and Company Secretary in the FY 2022-23:

Sl. No.	Name	Designation	Remuneration for FY 22 (₹ crore)	Remuneration for FY 23 (₹ crore)	% Increase in Remuneration in FY 23 vs. FY 22
1	Mr. Mohit Talwar[1]	Managing Director	11.47	6.97	-39%
2	Mr. Mandeep Mehta[2]	Chief Financial Officer	0.09	0.015	-83%
3	Mr. V Krishnan[3]	Company Secretary	2.27	1.39	-39%
4	Mr. Jatin Khanna[4]	Chief Financial Officer	3.95	-	NA
5	Mr. Amrit Pal Singh[5]	Chief Financial Officer	-	0.165	NA

1 *Mr. Mohit Talwar retired from the position of Managing Director of the Company on the closure of business hours of January 14, 2023. FY 23 remuneration includes retiral benefits. FY 22 remuneration includes a one-time special incentive of ₹5.0 crore paid for his valued contribution in the consummation of Axis transaction.*

2 *Mr. Mandeep Mehta left the services of the Company from the closure of business hours on April 30, 2022.*

3 *Mr. V. Krishnan's FY 22 remuneration includes a one-time special incentive of ₹1.25 crore paid for his valued contribution in the consummation of Axis transaction.*

4 *Mr. Jatin Khanna left the services of the Company on September 30, 2021. His remuneration for FY 22 includes a one-time special incentive of ₹1.5 crore paid for his valued contribution in the consummation of Axis transaction and perquisite value of ₹1.3 crore being the value of ESOPs exercised during FY 22 against the ESOPs granted earlier.*

5 *Mr. Amrit Pal Singh was appointed as the CFO in place of Mr. Mandeep Mehta w.e.f. May 1, 2022. Apart from the remuneration disclosed above, he also received remuneration from Max Life Insurance Company Limited, a material subsidiary Company, in his capacity as CFO.*

Note: *All independent Directors of the company received a gross commission of ₹20 Lakhs each for the year ended March 31, 2022 basis the profits of the Company for FY 2022, while no such commission was paid to such directors for FY 23. Further, Mr. Analjit Singh received gross compensation of ₹3.5 crore during FY 23 (₹3 crore in FY 2022). He has also been paid a Commission on profits amounting to ₹1 crore for the year ended March 31, 2022, during FY 23 (₹3 crore for the year ended March 31, 2021, during FY 2022).*

(ii) The Median Remuneration of Employees excluding Whole-time Directors ("MRE") was ₹26,36,484/- in FY 2023 as against ₹29,86,691/- in FY 2022. The decrease in MRE in FY 2023 as compared to FY 2022 is around 12% due to a one-time special incentive paid to certain employees in FY 2022 and a reduction in headcount.

Further, the Ratio of Remuneration of Mr. Mohit Talwar (the only executive director during FY 2023) to the MRE for FY 2023 is around 26.5:1

(iii) The Company had eleven permanent employees on the rolls of the Company as on March 31, 2023.

(iv) The average increase in fixed remuneration (excluding WTD remuneration) in FY 2023 over FY 2022 was around 8%.

(v) The Remuneration paid during the financial year under review was as per the remuneration policy of the Company.

During FY 2023, no employee received remuneration in excess of the remuneration paid to Executive Director(s) and held 2% or more of the equity shares in the Company, along with spouse and/or dependent children.

On behalf of the Board of Directors
Max Financial Services Limited

Analjit Singh
Chairman
DIN: 00029641

Place: South Africa
Date: May 12, 2023

Annexure - 3B

PARTICULARS OF EMPLOYEES

INFORMATION AS PER SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2023

Details of top ten employees in terms of remuneration, and includes all employees who were in receipt of remuneration of (A) ₹102,00,000/- Per Annum or more, or (B) ₹8,50,000/- Per month or more, if employed for part of the year

Sr. No.	Name	Age (Yrs.)	Designation	Nature of duties	Employment	Remuneration (In ₹)	Qualification	Date of Commencement of employment	Experience (Yrs.)	Last Employment Held Organisation	Position held
A.	**Employed throughout the year**										
1	Krishnan, V	59	Company Secretary	Company Secretary	Contractual Employee	13,915,380	B.Com, FCS	01.07.2019	38	Max India Limited	Company Secretary
2	Rao, Anuradha	64	Executive Assistant Office of Founder & Chairman	Executive Assistant	Contractual Employee	6,253,556	BA (Hons)	03.06.1987	43	Northern Engineering Industries (India) Limited	Assistant cum Secretary
3	Nishant Kumar Gehlawat	40	General Manager - Finance	FinanceEmployee	Fixed Term	4,426,894	CA, PGPMAX-ISB, B.Com (Hons)	01.05-2020	17	Max India Limited	General Manager - Finance
4	Shri Raj	59	Sr. Manager - Finance	Finance	Contractual Employee	2,858,138	B.Com	01.05-2020	38	Max India Limited	Sr. Manager - Finance
5	Ramsundar, K K	65	Admin. Assistant Office of Founder & Chairman	Administration	Contractual Employee	2,720,610	B.Com (P), PGDBA, PGDMM	02.07.1979	47	Ranbaxy Labs Limited	Steno Typist
6	Pai, Ramachandra Vishnu	56	Manager - Administration	Administration	Fixed Term Employee	2,552,359	B.Com	18.09.1995	33	Johnson & Johnson	Warehousing Supervisor
7	Sunita Paul	52	Executive Assistant	Executive Assistant	Fixed Term Employee	2,196,672	BA with Office Management	01.05-2020	27	Max India Limited	Executive Assistant
8	Anjana Chhabra	51	Executive Assistant	Executive Assistant	Fixed Term Employee	2,179,190	BA, Diploma in Secretarial Practice, MBA in HR	01.05-2020	30	Max India Limited	Executive Assistant
B.	**Employed for part of the year**										
1	Simardeep Kaur	42	GM - Human Capital	Human Resourses	Fixed Term Employee	2,888,302	MBA in HR & Finance	16.10-2020	18	Max Skill First Ltd.	Vice President & Head HR
2	Talwar, Mohit	63	Managing Director	General Management	Fixed Term Employee	69,747,724	Post Graduate (Arts), Post Graduate (Hospitality Management)	01.11.2007	44	Standard Chartered Bank	Director & Head Wholesale Bank, East India
	TOTAL					**95,823,444**					

Notes :

1 Remuneration includes salary, allowances, value of rent free accommodation, bonus, leave travel assistance, personal accident and health insurance, Company's contribution to Provident, Pension, Gratuity and Superannuation fund, leave encashment and value of perquisites, as applicable.

2 None of the above employees is a relative of any director of the Company.

3 Mr. Mohit Talwar holds 2,05,958 equity shares constituting 0.06% of the equity share capital of the Company, as of the date of this report. His remuneration for FY 2023 includes retiral benefits.

4 None of the above employees held 2% or more equity shares of the Company, by himself/herself or along with his/her spouse and dependent children .

On behalf of the Board of Directors
Max Financial Services Limited

Place: South Africa
Date: May 12, 2023

Analjit Singh
Chairman
DIN: 00029641

Annexure -4

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 ("**during the period under review**") according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 to the extent applicable;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 to the extent applicable;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;

d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 to the extent applicable ;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **Not Applicable during the period under review.**

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the

Companies Act and dealing with client to the extent of securities issued;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable during the period under review** and

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018. **Not Applicable during the period under review.**

(vi) As confirmed and certified by the management, there is no sectoral law specifically applicable to the Company based on the Sectors/Businesses. Further, the management confirmed that the Company is an Unregistered Core Investment Company in terms of The Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as updated from time to time and hence does not require registration as a NBFC.

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

a) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent applicable.

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

We further report that,

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

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

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

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

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

We further report that the Company received a demand notice dated February 18, 2020 from the Office of Enforcement Directorate, New Delhi ("ED Office"). The said notice referred to an adjudication order dated June 30, 2004 issued by Office of the Additional Commissioner of Customs, New Delhi imposing a penalty of ₹8 crore on the Company (erstwhile Max India Limited) for alleged non-submission of documentary evidence in respect of import of goods against foreign exchange remitted. The Company, had vide its reply dated February 28, 2020, sought time from the ED Office to submit detailed response and also sought assistance in retrieval of facts and relevant background papers involving the adjudication proceedings against the Company. The Company had submitted applications under the Right to Information Act, 2005 on June 9, 2020 with the Customs Department, Delhi Zone for seeking the background papers to this case. The Company had represented before the Directorate of Enforcement authorities to drop the proceedings on the above matter as Various officials of the Customs Department had responded stating that no records were available in this regard with the Department. The Company has not paid any penalty on this matter as the matter was pending with the Directorate of Enforcement till June 2022. Thereafter, in the month of June 2022, the Company received another demand notice ("**new demand notice**"), dated June 16, 2022, for the aforesaid alleged non submission of documentary evidence in respect of import of goods against foreign exchange remitted and this new demand notice, did not acknowledge any of earlier submissions made by the Company. However, as confirmed by the management of the Company that the Company responded to Directorate of Enforcement on June 30, 2022, with all earlier responses and requested them to help with documents and also confirmed that the Company has not paid any penalty on this matter as the matter is currently pending with the Directorate of Enforcement.

For Chandrasekaran Associates
Company Secretaries
Firm Registration No.: P1988DE002500
Peer Review Certificate No.: 1428/2021

Rupesh Agarwal
Managing Partner
Membership No. A16302
Certificate of Practice No. 5673
UDIN: A016302E000274978

Date: May 12, 2023
Place: Delhi

Notes:

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

ANNEXURE-A TO THE SECRETARIAL AUDIT REPORT

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

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Chandrasekaran Associates
Company Secretaries
Firm Registration No.: P1988DE002500
Peer Review Certificate No.: 1428/2021

Rupesh Agarwal
Managing Partner
Membership No. A16302
Certificate of Practice No. 5673
UDIN: A016302E000274978

Date: May 12, 2023
Place: Delhi

Annexure -5

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2023

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

(i) The Companies Act, 2013 (the 'Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **Not Applicable**

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; applicable only to the extent of dematerialization of equity shares and Non-Convertible Debentures of the Company;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

   a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **Not Applicable**

   b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable**

   d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **Not Applicable**

e) Securities and Exchange Board of India (Issue and Listing of Non- Convertible Securities) Regulations, 2021 to the extent applicable;

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **Not Applicable**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (including erstwhile regulation); **Not Applicable**

i) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);

(vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/industry are:

1. Insurance Regulatory and Development Authority of India Act, 1999,

2. Insurance Act, 1938 and various Rules, Regulations & Guidelines issued thereunder, including circulars issued from time to time.

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

1. Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Non-Convertible Securities.

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

1. National Stock Exchange of India Limited (NSE) vide its letters dated June 29, 2022 and August 30, 2022 levied a fine of ₹5,000/- and ₹10,000/- for two instances of non-compliances with respect to Regulation 50(1) and Regulation 60(2) each respectively of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. As per SEBI Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper dated 10th August, 2021(Updated on 13th April, 2022, post listing of securities the company shall submit information in requisite fields to the stock exchanges where their securities are listed within 30 days from the end of financial year, but their was delay in the said intimation.

3. Insurance Regulatory and Development Authority of India (IRDAI) vide its order dated 13th October, 2022 levied a penalty of ₹3 crores on Company with respect to share swap/ transfer among Axis Bank and its subsidiaries, Max Financial Service Limited (MFSL) and Mitsui Sumitomo International (MSI).

We further report that,

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

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

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

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

We further report that during the audit period, following specific events/actions took place having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Board of Directors and Shareholders in their meeting held on 10th May, 2022 approved the Adoption of Max Financial Employee Stock Option Plan 2022' ('ESOP Plan-2022'), as introduced by Max Financial Services Limited (MFSL) for the benefit of key employees of the Company.
2. The Board of Directors and Shareholders of the Company have approved and adopted Restated Articles of Association of the Company in place of the existing Articles of Association of the Company.

For **Chandrasekaran Associates**

Company Secretaries FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Rupesh Agarwal Managing
Partner Membership No. A16302
Certificate of Practice No. 5673
UDIN:A016302E000281952

Date: 12.05.2023
Place: Delhi

Note:

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

(ii) We conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The management has confirmed that the records submitted to us are true and correct.

Annexure-A

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

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

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

For **Chandrasekaran Associates**

Company Secretaries FRN: P1988DE002500
Peer Review Certificate No.: 1428/2021

Rupesh Agarwal Managing
Partner Membership No. A16302
Certificate of Practice No. 5673
UDIN:A016302E000281952

Date: 12.05.2023
Place: Delhi

Annexure-6

FORM NO. AOC-2

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis:

    a) Name(s) of the related party and nature of the relationship: Max Life Insurance Company Limited (Subsidiary company)

    b) Nature of contracts/arrangements/transactions: Sub-licensing of trademarks

    c) Duration of the contracts/arrangements/transactions: 10 years

    d) Salient terms of the contracts or arrangements or transactions including the value, if any: The contract for sub-licensing of trademarks has been entered into with subsidiary companies, pursuant to a Scheme of Demerger approved by Hon'ble High Court of Punjab at Chandigarh, which allows usage of trademarks without any consideration.

    e) Justification for entering into such contracts or arrangements or transactions: The trademarks have been licensed to the Company for limited usage. Prior to the Scheme of Demerger, Max Life Insurance Company Limited had been using such trademarks. It was contemplated to allow usage of such trademarks by Max Life, without impacting the ownership of such trademarks.

    f) Date(s) of approval by the Board: August 8, 2016

    g) Amount paid as advances, if any: NIL

    h) Date on which the special resolution was passed in the general meeting as required under the first proviso to section 188: September 27, 2016

2. Details of material contracts or arrangements or transactions at arm's length basis: N.A.

    a) Name(s) of the related party and nature of the relationship:
    b) Nature of contracts/arrangements/transactions:
    c) Duration of the contracts/arrangements/transactions:
    d) Salient terms of the contracts or arrangements or transactions including the value, if any:
    e) Date(s) of approval by the Board, if any:
    f) Amount paid as advances, if any:

On behalf of the Board of Directors
Max Financial Services Limited

Analjit Singh
Chairman
DIN: 00029641

Place: South Africa
Date: May 12, 2023

Annexure-7

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT, 2022-23

TABLE OF CONTENT

Refer note below to read the Business Responsibility and Sustainability Report, 2022-23:

Note: This is a consolidated report of Max Financial Services Limited (*hereinafter referred to as 'MFSL'*) and its material subsidiary i.e., Max Life Insurance Company Limited (*hereinafter referred to as 'MLI'*). In accordance with the Annexure II of SEBI's Guidance Note for Business Responsibility and Sustainability Reporting (BRSR) issued *vide* Circular dated 10th May 2021, MFSL and MLI are filing consolidated BRSR for the financial year 2022-23.

BRSR SECTION A:

GENERAL DISCLOSURES

Details of the listed entity

1. **Corporate Identity Number (CIN):**
   MFSL: L24223PB1988PLC008031 and **MLI:** U74899PB2000PLC045626
2. **Name of the Listed Entity:** Max Financial Services Limited
3. **Year of Incorporation: MFSL** - 1988 and **MLI** - 2000
4. **Registered Office Address:**
   MFSL: Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr Punjab 144533
   MLI: 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr Punjab 144533
5. **Corporate Address:**
   Max Financial Services Limited, L20M (21), Max Towers, Plot No. C-001/A/1 Sector – 16B, Noida-201301, Uttar Pradesh
   Max Life Insurance, 90C, Udyog Vihar, Sector-18, Haryana, 122015
8. **Website: MFSL**: www.maxfinancialservices.com and **MLI:** www.maxlifeinsurance.com
9. **Financial year for which reporting is being done**: 1st April 2022 – 31st March 2023
10. **Paid-up Capital: MFSL:** INR 6,90,229,542 and **MLI**: INR 19,18,81,28,560
11. **Name of the Stock Exchange(s) where shares are listed:**
    Equity shares of MFSL are listed on BSE Limited and National Stock Exchange of India Limited
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**
    For MFSL:
    Mr. V. Krishnan, Company Secretary and Compliance Officer
    Email: vkrishnan@maxindia.com, Ph: +91-120-4696000
    For MLI:
    Mr. Anurag Chauhan, General Counsel and Company Secretary
    Email: anurag.chauhan@maxlifeinsurance.com Ph: +91-124-4121500
13. **Reporting boundary:**
    The disclosure made in this report are on a consolidated basis i.e., of MFSL and MLI.
14. **Details of business activities (accounting for 90% of the turnover):**

For MFSL

Description of main activity	Description of business activity	% of turnover
Professional, Scientific and Technical	Management consultancy activities	35.1
Financial and insurance Service	Financial and insurance Service	52.3
Real Estate*	Real estate activities with own or leased property	12.6

* The turnover of the Company includes income from Real estate activities on investment property, includes one-time gain on sale of investment property

For MLI:

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

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

For MFSL:

Product/Service		NIC Code	% of total turnover contributed
1.	Professional, Scientific and Technical	74140	35.1
2	Financial and insurance Service	65993	52.3
3	Real Estate*	70109	12.6

* The turnover of the Company includes income from Real estate activities on investment property, includes one-time gain on sale of investment property

For MLI:

Product/Service		NIC Code	% of total turnover contributed
1.	Life Insurance	66010	100

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

OPERATIONS

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

- **For both MFSL and MLI:**

Locations	Number of plants	Number of offices	Total
National	Not Applicable	271	271
International		Nil	Nil

17. **Markets served by the entity:**

a) **Number of locations:**

- **For MFSL and MLI:**

Locations	Number
National	
a) States	247
b) Union Territories	24
Total :	271
International (no. of countries)	NIL

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

Nil for both MFSL and MLI.

c) **A brief on types of customers:**

- **For MFSL:**

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

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

EMPLOYEES

18. **Details as at the end of financial year:**

a) **Employees (including differently abled):**

For both MFSL and MLI:

S.No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. C	% (C/A)
EMPLOYEES						
1	Permanent (D)	19349	14379	74.31%	4970	25.6%
2	Other than Permanent (E)	Nil	Nil	-	Nil	-
3	Total employees (D+E)	19349	14379	74.31%	4970	25.6%

Note: Permanent employees do not include the employees on part-time basis. We do not have fixed-term employees.

b) **Differently abled employees:**

For both MFSL and MLI:

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. C	% (C/A)
EMPLOYEES						
1	Permanent (D)	21	18	85.71%	3	14.28%
2	Other than Permanent (E)	Nil	Nil	-	Nil	-
3	Total employees (D+E)	21	18	-	3	-

19. **Participation/Inclusion/Representation of women:**

For MFSL:

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	10	1	10%
Key Managerial Personnel	2	0	Nil

For MLI:

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	14	1	7%
Key Managerial Personnel	4	0	Nil

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

20. **Turnover rate for permanent employees:**

For MFSL:

	FY 23 (Turnover rate in current FY)			FY 22 (Turnover rate in current FY)			FY 21 (Turnover rate in current FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.33%	Nil	8.70%	33.33%	Nil	22.2%	11.76%	28.57%	16.67%

For MLI:

	FY 23 (Turnover rate in current FY)			FY 22 (Turnover rate in current FY)			FY 21 (Turnover rate in current FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	48.6%	54.7%	50.1%	47.8%	52.8%	49.0%	37.9%	39.1%	38.2%

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

HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

21. **Names of holding/subsidiary/associate companies/joint ventures of MFSL:**

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

CSR DETAILS

22. **CSR Activities**

MFSL: CSR spending is not applicable to MFSL for the Financial Year ended March 31, 2023.

MLI:

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

(ii) Turnover (in Rs.): 24,882 crore

(iii) Net worth (in Rs.): 3,505 crore

TRANSPARENCY AND DISCLOSURES COMPLIANCES

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

Stakeholder group from whom complaint is received	Grievance redressal mechanism in place	FY 23			FY 22		
	If Yes, then provide web-link for grievance redress policy*	Number of complaints filed	Number of complaints pending resolution at the end of the year	Remarks	Number of complaints filed	Number of complaints pending resolution at the end of the year	Remarks
Communities	No (*Note 1)	None	None	None	None	None	None
Investors (other than shareholders)	No (*Note 2)	None	None	None	None	None	None
Shareholders	No (*Note 3)	None	None	None	6	None	None
Employees and workers	Yes (*Note 4)	71	Nil	None	43	Nil	None
Customers	Yes (*Note 5)	4,490	Nil	None	2,977	Nil	None
Value Chain Partners	No (*Note 6)	None	None	None	None	None	None
Other (please specify)	-	-	-	-	-	-	-

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

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

Note 3: The representatives of all the shareholders are the members of the Board of Directors of the Company. The concerns/grievances/queries of the shareholders are adequately addressed and resolved. In MFSL, investor helpline number is +91 120 4696000 Email: investorhelpline@maxindia.com

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

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

Note 6: A standard clause for addressing grievances from the value chain partners is incorporated in every agreement entered with them.

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

For both MFSL and MLI:

	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Responsible product offering	Opportunity	To offer products which serves the best interest of policy holders	Evaluating the performance of the products by keeping the interest of policyholders and shareholders on focus.	Positive
2	Governance	Risk and Opportunity	Robust governance is at the core of Company's vision and mission	▪ Policy revision/Board review/upgradation of governance framework. ▪ Regular statutory and secretarial audit	Positive and negative
3	Ethics & Compliance	Risk and Opportunity	Strong culture of ethics and compliance is the foundation of the Company	▪ Board review/ upgradation of governance framework/ effective training. ▪ Regular review and monitoring of different compliances.	Positive and negative
4	Sustainable investing/ Responsible asset Management	Opportunity	Investments which takes into account environmental and social and governance related impact.	The Company has identified ESG parameters to be considered before making investments.	Positive
5	Natural disaster	Risk	Strong evidence of the impact of climate change have been long established by Intergovernmental Panel on Climate Change.	▪ Reviewing/modifying the business processes and mechanisms to enhance the resilience of the Company ▪ Business continuity plan in place which is reviewed regularly by the Board.	Negative
6	ESG verification & reporting	Risk and Opportunity	Company is ought to take on the responsibility of all the aspects such as environment, social and governance.	▪ Strengthen the pillars of ESG/taking measures for accurate reporting. ▪ Keeping the Board apprised of the recent developments taking in the sphere of ESG. ▪ To keep track of the best practices nationally and globally.	Positive and negative
7	Energy efficiency	Opportunity	To reduce the carbon emissions	Mainstreaming the energy efficient equipment and technology in the company.	Positive

	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8	Waste management	Opportunity	To be in alignment with the circular economy as proposed by the Government of India	Upgrading the existing mechanism of the company to be in alignment with the best practices.	Positive
9	Pollution	Opportunity	Pollution is one of the threats which the world is facing.	Upgrading the existing mechanism of the company to be in alignment with the best practices.	Positive
10	Water	Opportunity	Availability to potable water is diminishing with each year which makes its conservation an important aspect.	Integrating best practices for water conservation.	Positive
11	Data privacy & security	Risk and Opportunity	Respecting the privacy of policyholders. Ensuring the data is secured and there is no threat to the data of policyholders.	Reviewing the policy and other mechanism in place to ensure robust system for data privacy and security	Positive and Negative
12	Digital transformation	Opportunity	To keep up with the advancement taking place in technology sphere in order to help employees and customers.	Upgrading the process/ investment in newer technologies	Positive
13	Workforce development	Opportunity	Treasuring each individual and ensuring their development	Reviewing and upgrading the policies, process/ effective training programs	Positive
14	Health & wellness	Opportunity	The well-being of employees is directly proportional to the well-being of the company.	Reviewing and upgrading the policies, process/ effective health and wellness programs	Positive
15	Local community support	Opportunity	Contributing to the society/Seva bhav is one of the core values of the Company	Reviewing CSR activities/ engaging effectively with the community/upliftment	Positive
16	Diversity, Equity and Inclusion	Opportunity	To have fresh perspective, to perform effectively and for better decision-making	Reviewing the policy/ ensuring the DEI principles are reflected in the Company's culture	Positive

BRSR SECTION B:

MANAGEMENT AND PROCESS DISCLOSURES

Principle 1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable.
Principle 2	Businesses should provide good and services in a manner that is sustainable and safe.
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains.
Principle 4	Businesses should respect the interests of and be responsive to all their stakeholders.
Principle 5	Businesses should respect and promote human rights.
Principle 6	Businesses should respect and make efforts to protect and restore the environment.
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.
Principle 8	Businesses should promote inclusive growth and equitable development.
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner.

	Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	Policy and management processes									
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board?	Yes	Yes	Yes[1]	Yes	Yes	Yes	Yes	Yes	Yes
		Note 1: For ensuring well-being of the employees by the value chain partners, the Company currently ensures it through service agreements entered with them.								
	c. Web Link of the Policies	https://www.maxfinancialservices.com/corporate-policies and https://www.maxlifeinsurance.com/about-us/media-centre/key-company-policies								
2	Whether the entity has translated the policy into procedures.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Do the enlisted policies extend to your value chain partners?	The value chain partners are expected to follow their respective policies at their level. Currently, the Company has enforced the mechanism through service agreements entered with them.								
4	Name of the national and international codes/certifications/ labels/standards adopted by your entity and mapped to each principle	-	-	-	-	-	-	-	-	ISO 27001 - Information Security Management; ISO 22301 Business continuity management system

	Disclosure questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5	Specific commitments, goals and targets set by the entity with defined timelines	Diversity and Inclusion ▪ Achieve 30% gender diversity ratio by financial year 2025. The Company has achieved 26% gneder diversity by 31st March, 2023. ▪ Organized an exclusive session with CEO for all women employees. Employee Engagement ▪ Conducted an employee engagement survey with a score of 95%. Corporate Social Responsibility ▪ Positively impacted 42,500 beneficiaries through physical CSR volunteering initiatives by employees ▪ Benefited 24,692 children through the education initiatives in partnership with Max India Foundation ▪ Planted 98,796 saplings across Gurugram, Bangalore, Chennai and Kolkata at the Wazirabad lake ▪ Serviced 54,700 applications and 46,700 unique beneficiaries (~50% female) for availing benefits of various Govt. schemes from Haridwar and Purbi Singhbhum serviced Ethical Investment: ▪ Launched Ethical Fund where the investment excludes in sectors such as alcohol, gambling, contest, entertainment etc. Responsible Investment: ▪ 100% ESG integration in equity investment research and decision-making. ▪ 75% of equity portfolio to be ESG compliant at all time. Energy Efficiency and Sustainability: To reduce the carbon emissions by 80% by 2028: ▪ Replaced 500 ton of AC in FY23 with energy efficient ACs. ▪ Implemented 100% tap sensors and water aerators in the head office of MLI								
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met									

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

There has been a tremendous rise in the conscious investors in India and across the globe who are not only concerned with the financial disclosures but also the non-financial disclosures of the company. There is no Board Room where discussions around Environment, Social and Governance aspect is not discussed. At Max Life, we keenly take note of the developments occurring in the sphere of ESG and the best practices followed by the companies to advance the ESG framework. Last year India submitted five nectar elements, famously known as *Panchamrit*, to United Nations Framework Convention on Climate Change[1]. Max Life does not form part of energy intensive sector but recognizing the responsibility it owes to its environment and society, it made a commitment to reduce its carbon emissions by 80% by 2030. We have actively taken efforts for the tree plantation drive and awareness of financial literacy amongst communities. Further, to sustain a robust corporate governance structure, the emphasis is laid on the composition of directors including the right mix of executive, non-executive and independent directors, process to adhere proper and effective flow of information, maintaining diversity to enhance the effectiveness of Board. We encourage the culture to consider ESG as a way of doing business rather than looking it as a mere regulatory requirement. For this, we have conducted several healthy dialogues with employees especially the internal stakeholders and the Board to sensitize about the importance of ESG.

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

8. **Details of the highest authority responsible for implementation and oversight of the business responsibility policy(ies)**
For MFSL:
Mr. V. Krishnan, Company Secretary and Compliance Officer
Email: vkrishnan@maxindia.com: 0120-4696000

1 Press Information Bureau, India's stand at COP-26, 3rd Feb 2022 Press Information Bureau (pib.gov.in) (last visited on 10th April 2022)

For MLI:
Mr. Anurag Chauhan, General Counsel and Company Secretary
Email: anurag.chauhan@maxlifeinsurance.com
Ph: +91-124-4121500

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

The Board of both MFSL and MLI are apprised on a quarterly basis about the sustainability related initiatives taken by the entities. There is a dedicated resource and a senior leader to handle the ESG initiatives.

10. Details of review of NGRBCs

For both MFSL and MLI:

	Subject for review	Indicate whether review was undertaken by director/committee of the board/any other committee									Frequency (annually/half yearly/ quarterly/any other)								
		P 1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
a	Performance against above policies and follow up action	The policies of the Company are approved by the Board/Committee of the Board/Senior Management of the Company.									All policies are reviewed periodically by the Board i.e., yearly/biennially/ on a need basis as per statutory requirements.								
b	Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company complies with the extant statutory requirements as applicable																	

		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? If Yes, provide name of the agency.	All policies are internally reviewed by the Board.								

12 If principles not covered by a policy, provide reasons for the same.

	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
A	The entity does not consider the Principles material to its business	Not Applicable								
B	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles									
C	The entity does not have the financial or/ human and technical resources available for the task									
D	The entity does not have the financial or/ human and technical resources available for the task									
E	Any other reason									

BRSR SECTION C:

PRINCIPLE 1

Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable.

ESSENTIAL INDICATORS

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

For both MFSL and MLI:

Segment	Total number of training and awareness programmes held (in hours/ sessions)	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	11 sessions	• The Company conducts familiarization programmes for Directors of the Company at the time of their appointment which covers about their roles, rights, responsibilities, nature of the industry in which the Company operates, the business model of the Company and so forth. The same is conducted with the following objectives: a) To familiarize the directors with background of the company's governance philosophy b) To explain statutory duties and responsibilities of the Directors etc. c) To discuss the roles, decision making process, values of Max Life d) To discuss organization's expectations from the Board members. • Separate sessions are conducted with each of the key leader of each function of the Company to provide the new directors with better insight of working in every function across the organization and strategic aspects of the Company. • The members of the Board undergo an extensive orientation programme on their joining. • Further, on quarterly basis, the Board is apprised of the key developments taking place in the legal and regulatory landscape and about the internal policies in various Committee meetings and CEO update during Board meeting and through various sessions by external experts on topical subjects. Further, on quarterly basis, the Board is apprised of the key developments taking place in the legal and regulatory landscape and about the internal policies.	100%
Key Managerial Personnel	17 sessions	The Key Managerial Personnel are part of the Board and Committee meetings and have attended all the familiarization programmes on a quarterly basis. They attend many other trainings in the capacity of employees as well.	100%

Segment	Total number of training and awareness programmes held (in hours/ sessions)	Topics/principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Employees other than BoD and KMPs	Approx. 9.4 lac hours	The employees undergo several training programs during their tenure which covers all principles. The broad categories are listed as under: 1) Code of conduct for employees 2) Well-being and safety of employees 3) Values-based capacity building programme 4) Diversity, Equity and Inclusivity 5) Ethical sales and marketing 6) Topical subjects such as AI, relevant policy developments, leadership and communication skills.	100%
Workers	Not Applicable		

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

For both MFSL and MLI:

	NGRBC Principle	Name of the regulatory/ enforcement agencies judicial institutions	Amount (In INR)	Brief of the case	Has an appeal been preferred?
Monetary	Nil for MFSL MLI: IRDAI in October 2022, imposed a penalty of INR 3 crore for violation of directions of the Authority in the matter of restructuring of shareholding of the Company including share swap between MFSL and Mitsui Sumitomo Insurance Company and the transfer of shares to Axis entities. The penalty was paid by MLI to IRDAI on October 17, 2022				
Penalty/Fine					
Settlement					
Compounding fee					
Non-Monetary	Nil for MFSL Nil for MLI				
Imprisonment					
Punishment					

3. **Of the instances disclosed in question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.**
Not Applicable for both MFSL and MLI

4. **Does the entity have an anti-corruption or anti-bribery policy? If Yes, provide details in brief and if available, provide a web-link to the policy.**
   - Yes, both MFSL and MLI has anti-corruption and anti-bribery policy. The policy provides information and guidance on how to recognize and deal with bribery and corruption issues. It guides the Company to act professionally, fairly and with utmost integrity in all our business dealings and relationships.
   - All employees have to go through various awareness materials distributed on a periodic basis through induction sessions, compliance handbook and annual compliance certification training materials.

- The web link of the policy is: https://www.maxlifeinsurance.com/about-us/media-centre/key-company-policies and https://www.maxfinancialservices.com/corporate-policies.

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

	FY 23	FY 22
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	N.A.	N.A.

6. **Details of complaints with regard to conflict of interest:**
   For both MFSL and MLI:

	FY 23		FY 22	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	None	-	None	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

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

   Nil

LEADERSHIP INDICATORS

1. **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**
   The majority of the value chain partners of both MFSL and MLI are service providers. In the financial year, 2022-23, there was no awareness programme held for value chain partners, however, the Company intends to do it in the near future.

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

2. **Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? If Yes, provide details of the same.**
   The Company has the board charter and policy on related party transactions in place which contain appropriate provisions for managing conflict of interest situations involving members of the Board. There is adequate Standard Operating Procedure to give effect to the related party transactions. The Company also receives an annual declaration from its Board of Directors on the entities that they are interested in and it is ensured that requisite approvals are taken prior to entering into any transaction with any such entity. For good governance, a director generally abstains himself/herself from participating in the discussions in the matters involving entities where they hold common directorship, even when they are not technically interested.

BRSR SECTION C:

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**
    - Both MFSL and MLI's nature of business is to enhance financial protection. MLI's major investment is for the upgradation of digital infrastructure for improving customer experience. The share of investments in digital technology are 88% of company's total capital investments in financial year 2022-23.

	Current financial year (%)	Previous financial year (%)	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	-	-	

2. **Does the entity have procedures in place for sustainable sourcing? If Yes, what percentage of inputs were sourced sustainably?**
    - The nature of the business of both MFSL and MLI does not involve sourcing of raw material/products etc. Thus, the Company does not have a procedure in place for sustainable sourcing.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) Other waste.**
    - Owing to the nature of the business, MFSL and MLI does not indulge in consumption of plastic for packaging or hazardous waste. For E-waste, MLI has an Information Security Policy which is approved by the Board for disposal of IT assets.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities. If Yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**
    - Owing to the nature of the business, Extended Producer Responsibility is not applicable on MFSL and MLI.

LEADERSHIP INDICATORS

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

      Providing life insurance is a primary business of the company. The customer life cycle in life insurance starts with origination or sourcing of policies, followed by underwriting and issuance of policies and thereafter, servicing of the policy based on customer needs and requirements and finally, by way of payment at the time of policy maturity or claim settlement. The following information is given in detail:

Sourcing of insurance policies:

Each channel and sourcing intermediary used to source insurance policies is expected to adhere closely to legal requirements and company rules. Individual licensed advisers, sales representatives, associated banks, financial organizations operating as brokers, and corporate agents are some of the sources for insurance policies. Additionally, customers can choose to acquire insurance coverage online through brokers, websites of partners, as well as web aggregators and digital platforms. Customers have the ability to select the sourcing and servicing framework in both physical and digital media based on their unique preferences or needs.

Underwriting:

The Company has a well-defined risk management process to determine the risk involved in insuring a particular life. Based on various demographic, financial and health parameters disclosed by the customer, the life insurance company first determines whether the life proposed to be insured poses an acceptable risk and, if so, it calculates a fair price for the coverage or demands further requirements like income documents, medical tests etc. to ascertain the quality of life of the individual seeking coverage. The underwriting process determines the eligibility based on the information provided, documents submitted and disclosures made during tele/video-underwriting or medical underwriting. Various checks and scrutiny is done to ensure the authenticity and genuineness of the disclosures made. The underwriting process at the Company is digitally enabled. The system supports the decision-making process based on logic built into the system itself. Adoption of technology has helped the Company scale and process insurance applications quicker.

Post conclusion of underwriting and scrutiny of all relevant documents against the disclosures made, policies are issued as per the underwriting decision. The policy kit is made available to the customers in both electronic and physical format. The introduction of electronic insurance accounts where the insurance policy is stored digitally eliminates the need for printing and despatching of the physical policy document. The introduction of electronic insurance accounts where the insurance policy is stored digitally.

Policy Servicing:

The servicing stage involves a number of different transactions, such as renewing the contract by paying renewal premiums, financial transactions like switching funds in unit-linked products, or servicing requests from policyholders like address changes and nominee changes. Because a life insurance policy is a long-term commitment, the Company makes an effort to stay in touch with customers throughout the duration of their policies and to meet their various needs as they arise. The Company offers complete digital solutions for policy servicing through its website, mobile app, or platforms of its partners and web-aggregators, in addition to the servicing options offered at the company's branches.

Maturity, Surrender and Claims Settlement:

An insurance policy may be closed upon maturity, upon surrender by the policyholder, or upon settlement of the claim in the event of the insured person's death, depending on the nature and design of the product and the terms and conditions of the policy. A policy of insurance could additionally come to an end under the circumstances outlined in the contract's terms and conditions. In the event of such closures, payment is made in accordance with the terms and conditions in place of contract termination. The policyholder, claimant, or nominee, as applicable, receives a communication detailing the payment. Life insurance companies pay out different types of claims depending on the policy and circumstances surrounding the insured's death. The most common types of claims paid by a life insurance company include:

i) Death benefit: This is the most common type of claim paid by a life insurance company. When the insured person passes away, the life insurance company pays out a lump sum of money to the beneficiaries named in the policy.
ii) Accidental death benefit: This type of claim is paid if the insured person dies as a result of an accident. The amount paid out is usually a multiple of the policy's face value and is separate from the regular death benefit.

iii) Terminal illness benefit: If the insured person is diagnosed with a terminal illness and is expected to pass away within a certain period, the life insurance company may pay out a portion of the death benefit early to help with medical expenses and other costs associated with the illness.

iv) Critical illness benefit: Some life insurance policies include a critical illness benefit, which pays out a lump sum of money if the insured person is diagnosed with a specified critical illness such as cancer, heart attack, or stroke.

Apart from these claim payouts in a life insurance policy there are also, maturity claims and surrender value claims:

a) Maturity Claim: When a life insurance policyholder completes the policy term, and the policy matures, they become eligible for a maturity claim. The maturity claim amount is paid only if the policyholder has paid all the premiums and has kept the policy in force until the end of the policy term.

b) Surrender Value Claim: If a policyholder wants to terminate the policy before the policy term ends, they can do so by surrendering the policy to the insurance company. In the event of such claims, payment as per the terms and conditions are made in lieu of termination of the contract. A communication with the details of the payment is sent to the policyholder or the claimant or the nominee as the case may be.

As a company, Max Life promotes customers in engaging in Electronic Transfer of payments for the ease of convenience, security with speed and hassle free process to ensure high level customer engagement and satisfaction A customer can intimate any of the claims by intimating the claims physically at the branches or through the distribution partner or on the website or mobile application. Post receipt of the requisite documents and after ascertaining the eligibility of the claim, the claim is processed and accordingly the amount is disbursed as per policy terms and conditions.

Customer redressal is an essential part of any industry, including the life insurance industry. If a customer is facing any issues or grievances related to the policy, the first step is to register the complaint via contacting the call center over call or an e- mail or physically visiting the branch and registering the relevant complaint with the policy details. A robust mechanism is in place to ensure a correct and timely resolution is given to the customer via e mail communication to the customer. A dedicated and independent grievance management team is appointed which ensures that all customer grievances are addressed in a timely manner with appropriate resolution. The Company strictly adheres to regulatory guidelines in ensuring fair, efficient and timely resolution of customer complaints. The summary of grievances is reviewed by the Customer Service Team and Policyholders' Protection Committee reported to the Board.

	NIC code	Name of product/ service	% of total turnover contributed	Boundary for which the life cycle perspective/ assessment was conducted	Whether conducted by independent external agency	Results communicated in public domain. If Yes, provide the web-link
1	Please refer to the above explanation					
2						

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

   Owing to the nature of the business, there is no significant social or environmental concern or risk arising from the services offered by the Company.

	Name of product/service	Description of the risk/concern	Action taken
1	Not applicable		
2			
3			

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

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

	Indicate input material	FY 23	FY 22
1	Not applicable		
2			

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

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

	FY 23			FY 22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Not Applicable					
E-waste						
Hazardous waste						
Other waste						

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

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

	Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
1	Not Applicable	
2		

BRSR SECTION C:

PRINCIPLE 3

Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

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

MFSL:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	7	7	100	7	100	Nil	Nil	Nil	Nil	Nil	Nil
Female	4	4	100	4	100	Nil	Nil	Nil	Nil	Nil	Nil
Total	11	11	100	11	100	Nil	Nil	Nil	Nil	Nil	Nil
Other than Permanent employees	-	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

MLI:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent employees											
Male	14372	14372	100	14372	100	-	-	14372	100	Please refer to the note below	
Female	4966	4966	100	4966	100	4966	100	-	-		
Total	19338	19338	100	19338	100	4966	26	14372	74		
Other than Permanent employees	-	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-

Note:

- To enable women employees to stay invested in their careers, the company offers supportive policies that cater to their needs at various life stage. Some of these polices include maternity leave, adoption leave & medical leave in case of mischarge/medical termination of pregnancy, any illness arising out of pregnancy
- Permanent employees do not include the employees on a part-time basis. We do not have fixed-term employees.

b. Details of measures for the well-being of workers:

Not applicable since the Company does not employ any worker.

	% of workers covered by										
	Total (A)	Health Insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent workers	Not Applicable										
Male											
Female											
Total											
Other than Permanent workers											
Male											
Female											
Total											

2. Details of retirement benefits, for current financial year and previous financial year:

For MFSL:

Benefits	FY 23			FY 22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100%	Not Applicable	Not Applicable	100%	Not Applicable	Not Applicable
Gratuity	100%			100%		
Employee State Insurance (ESI)	N.A.			100%		
Others	N.A.			100%		

For MLI:

Benefits	FY 23			FY 22		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority
PF	100%	Not Applicable	Yes	100%	Not Applicable	Yes
Gratuity	100%		Yes	100%		Yes
Employee State Insurance (ESI)	8%		Yes	17%		Yes
Others	-		-	-		-

3. **Accessibility of workplaces: Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

   Corporate offices of both MFSL and MLI are accessible to differently abled employees.

   Note: The accessibility of workplaces is considered as per the SEBI's Guidance Note for BRSR issued as Annexure II *vide* Circular dated 10th May 2021.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

   - Yes, the web link of MFSL's Rights of Persons with Disabilities Act, 2016 can be accessed at: https://www.maxfinancialservices.com/static/corporate-policies/equal-opporunity-policy.pdf
     MFSL does not have the policy as per the Rights of Persons with Disabilities Act, 2016.
   - Yes, the web link of MLI's Rights of Persons with Disabilities Act, 2016 can be accessed at: https://www.maxlifeinsurance.com/about-us/media-centre/key-company-policies

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

   MFSL: Nil. Since nobody availed the maternity and paternity leave at MFSL.

   MLI:

Gender	Return to work rate	Retention rate
Permanent employees		
Male	100%	36%
Female	99%	134%
Total	99%	58%
Permanent workers	Not Applicable	
Male		
Female		
Total		

Note: The return to work rate and retention rate is considered as per the SEBI's Guidance Note for BRSR issued as Annexure II *vide* Circular dated 10th May 2021.

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If Yes, give details of the mechanism in brief:**

   Yes

	If Yes, then give details of the mechanism in brief
Permanent Workers	Not applicable
Other than Permanent Workers	
Permanent Employees	All employees are encouraged to report concerns about misconduct, harassment, irregularities, governance weakness, or breach of laws, in a confidential manner and without any fear or retaliation. Concerns reported may be in violation of Code of Conduct policy, Conflict of Interest policy, Data Privacy policy, Equal Opportunity Policy, Anti Money Laundering Policy, Gifts, Meals and Entertainment policy, Prevention of Sexual Harassment policy, Recruitment Policy, Workplace Anti-Harassment Policy, Anti Bribery and Anti-Corruption Policy, Code for Personal Trading in Securities, Relative Hiring Policy-Agent, Anti-Fraud Policy or Information Security Policy or any other policy applicable at the time. The company has established a Governance Team, known as MyVoice (myvoice@maxlifeinsurance.com), to receive, track, and facilitate the resolution of grievances within the timeframes specified. This team acknowledges the complaint, classifies and assigns it to the appropriate team for investigation. Additionally, the team monitors timelines and consequence management for all complaints. All disciplinary actions are carried out in accordance with the Employee Disciplinary Action Process (EDAP) policy of the company.
Other than Permanent Employees	Not applicable

7. Membership of employees and workers in association(s) or unions recognised by the listed entity:

Category	FY 23			FY 22		
	Total employees/ workers in respective category (A)	No. of employees/ workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/ workers in respective category	No. of employees/ workers in respective category, who are part of association(s) or Union(D)	% (D/C)
Total Permanent Employees				The Company does not have any employee association.		
Male	NIL	NIL	NIL			
Female	NIL	NIL	NIL			
Total Permanent Workers						
Male	Not Applicable					
Female						

8. Details of training given to employees and workers:

For both MFSL and MLI:

	FY 23					FY 22				
	Total (A)	Health and safety measures		Skill upgradation		Total (A)	Health and safety measures		Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. (C)	% (C/A)
Employees										
Male	14379	-	-	8569	61%	11,368	-	-	11382	100%
Female	4970	-	-	2853	59%	3,868	-	-	3750	97%
Total	19349	-	-	11422	60%	15,236	-	-	15132	99%
Workers	Not Applicable									
Male										
Female										
Total										

9. Details of performance and career development reviews of employees and worker:

For both MFSL and MLI:

	FY 23			FY 22		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	14,379	12,364	86.0%	11,368	10,206	89.8%
Female	4,970	4,254	85.7%	3,868	3,391	87.8%
Total	19,349	16,618	85.9%	15,236	13,597	89.3%
Workers	Not Applicable					
Male						
Female						
Total						

* The performance and career development of all full time employees who have joined before 31st December of financial year are eligible to participate in the appraisal process for the financial year. Those employees who have joined after the cut-off date are assessed in the subsequent financial year's appraisal process.

10. Health and safety management system:

a) **Whether an occupational health and safety management system has been implemented by the entity? If Yes, the coverage such system?**

Yes, the Company follows certain guidelines to ensure employee health and safety. Health of employees is enabled via the following measures with respect to air, water and cleanliness:

i. Air: All the offices of MFSL and MLI are air conditioned. In HO buildings, AC's are incorporated with Minimum Efficiency Reporting Values (MERV) filters which helps in improve air quality by capturing dust particles present in the air.

ii. Water: Mineral water and RO machines are placed in all Branch offices and Head Office. Monthly water testing happens at Head offices and at Branch offices quarterly maintenance of RO is conducted.

iii. Cleanliness: Appropriate cleanliness and sanitization measures at regular frequency within the office premises are undertaken by our house keeping team to ensure our employee get neat and clean offices to our employees on a daily basis and even conduct periodic pest controls.

During Covid period, health and safety protocols were enhanced. The company supported its employees with the help of our service provider in delivering oxygen concentrator, food and medicine supply which benefited over 100 employees and their family members. The Company instituted protocols for office sanitization and cleanliness over 600 times by Virex only, which is globally acclaimed disinfectant. Other precautions like thermal screening of employee, hands free sanitizer dispenser, hybrid model adoption, social distancing, etc. were adopted based on government directives and issued travel and health advisories to employee. Employee safety is enabled via the following measures:

i. Provision of restricted entry by our deployed security guards.

ii. Fire Safety – Usage of Fire Alarm Panel System at all offices to detect fire alert, sprinklers and hydrants (as per the NBC norms), provision of fire extinguisher. Emergency Response (ERP) drills are conducted (in Covid times online webinars were conducted) to stimulate employee's response to any specified emergency like fire, earthquake, etc. In our Head offices, fire and water curtains are present.

iii. Electrical Safety – All our electrical circuits are protected by switch gear: Miniature Circuit Breaker, Module Case Circuit Breaker and Residual Case Circuit Breaker (MCB, MCCB & RCCB), earthing system is in place

iv. There are periodic checks on electrical and fire safety parameters by consultants and the issues highlighted are timely rectified like Electrical audit, Planned Preventive Measures & Fire Safety checks.

b) **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Regular communication is circulated internally to the employees and awareness sessions are conducted on safety-related aspects which includes fire and evacuation drills.

c) **Whether you have processes for workers to report the work related hazards and to remove themselves from such risks.**

Owing to the nature of the business, there is no work related hazard for employees.

d) **Do the employees/worker of the entity have access to non-occupational medical and healthcare services?**

- MLI provides Group Medical Insurance Policy to employees in which the premium is paid by the Company for employee, spouse and up to two children.
- MLI provides ESIC benefits over and above the Group Medical Insurance Policy to employees whose salary is less than equal to 2.77 lakhs per annum.

11. Details of safety related incidents:

Safety Incident/Number	Category	FY 23	FY 22
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	Not Applicable	
Total recordable work-related injuries	Employees	0	0
	Workers	Not Applicable	
No. of fatalities	Employees	0	0
	Workers	Not Applicable	
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	Not Applicable	

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

1) For digital health/wellness at employees' fingertips: Each employee has access to a digital personal health assistant, Visit Health App. Attaching the document for detailed walk through on the benefits that the App provides.
   Benefits summarized:
   i. Unlimited Free Doctor Consultation
   ii. Discounted Diagnostic & Medicine Delivery
   iii. Health & Wellness Dashboard
   iv. Insurance E-Card access, Hospitalization Requests

2) Employee wellness calendar**:**
   i. Planned Well Being Activities each month
   ii. Calendar can be accessed at Company's Intranet

3) Promoting healthy habits at workplace: Healthier food in Canteen Tuck shop

4) Employee health – Key partnerships
   Antara Assisted Care Services: All MLI employees to get up to 25% discount on below:
   i. Medi Care Products
   ii. Care at Home (Nursing and Patient care at home, Physiotherapy, X-Ray & ECG
   iii. Care Homes (Assisted Living for Seniors)

13. Number of Complaints on the following made by employees and workers:

	FY 23			FY 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	None	None	None	None	None	None
Health and Safety	None	None	None	None	None	None

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
	FY 23	FY 22
Health and safety practices	Electrical Audit & Rectification	Electrical Audit & Rectification
Working Conditions	Planned Preventive Measures & Rectification Fire Safety Checks	Planned Preventive Measures & Rectification Fire Safety Checks

15. Provide details of any corrective action taken or underway to address safety-related incidents and on significant risks/concerns arising from assessments of health and safety practices and working conditions.

MFSL: No incident took place

MLI: Based on four fire incidents at branch offices, we observed that these incidents took place at night hours or on holidays. To ensure that this does not happen, an advisory for switching off of all the electrical equipment's post working hour except UPS was rolled out and the Company through various supervisory mechanism ensures the implementation of such advisory.

LEADERSHIP INDICATORS

1. **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (B) Workers?**

   Yes, MLI provides for life insurance and other compensatory package in the event of death to its employees which can be seen as under:

   - All statutory benefits
   - Leave encashment
   - Life insurance coverage: 2.5 times of Total Fixed Pay or INR 20 Lacs whichever is higher
   - Group Medical insurance: In case of demise, the insurance coverage for eligible family members (spouse and 2 dependent children – as per employee declaration) continues until the end of the policy period. If the demised employee has elected for top-up coverage for parents or parents-in-law, the insurance coverage continues until the end of the policy period.
   - Children education benefit: One time Children Education Benefit is payable in the event of death due to accident to the nominee of the employee. Benefit applicable to dependent child up to the age of 23 years pursuing studies.
   - Accidental insurance: MLI has a separate death in service policy for its employees wherein the sum assured is payable in the event of death due to accident to the nominee of the employee.
   - Incentive/Annual Bonus: Incentive/Bonus is paid for full year, in which the demise happens, to the nominee of the demised employee based on predetermined calculation
   - Long Term Incentive: LTIP granted (if any) is paid to the nominee of the demised employee in full (without pro-ration), subject to the EDAP clearance
   - ESOP/Phantom Stocks: If a Grantee dies while still employed, all unvested options will be immediately vested to their beneficiaries or nominees. The beneficiaries or nominees have 180 days from the date of death to exercise the options.

2. **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**
   Both MFSL and MLI have statutory clauses in the agreements entered with value chain partners which mandates that statutory dues have been deducted and deposited.

3. **Provide the number of employees/workers having suffered high consequence work related injury/ill-health/fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	FY 23	FY 22
Total no. of affected employees/workers		
Employees	Nil	
Workers		
No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment		
Employees	Nil	
Workers		

4. **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?**
   No

5. **Details on assessment of value chain partners:**
   Currently, both MFSL and MLI do not have the practice of assessment of value chain partner.

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	
Working Conditions	

6. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from assessments of health and safety practices and working conditions of value chain partners.**
   The need for corrective actions did not arise as the Company does not currently practice assessment of value chain partners on health and safety and working conditions.

BRSR SECTION C:

PRINCIPLE 4

Businesses should respect the interests of and be responsive to all its stakeholders

ESSENTIAL INDICATORS

1. **Describe the processes for identifying key stakeholder groups of the entity.**
   Both MFSL and MLI have identified key internal and external stakeholder through regular interaction with Board, senior management, employees, customers and value chain partners.
2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

S. No.	Stakeholder Group	Whether identified as vulnerable and marginalized group	Channels of communication	Frequency of engagement (annually/ half yearly/ quarterly/ others)	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Customers	No	Media, Website, Social media, Customer satisfaction survey, Workshops and seminars, Annual and quarterly reports	Regular	Improved customer experience, Better relationship
2	Employees	No	Team meetings, Training, webcasts, and workshops, Emails	Regular	Diversity and inclusion, Well-being and safety of employees, Enhancing knowledge of employees
3	Shareholders/ investors	No	E-mail, website, General Meetings, Communication to stock exchanges, other investor calls, public disclosures, statutory advertisements	Frequent as required under the applicable laws or as and when required	To apprise the shareholders on how the Company is currently doing and plan/proposals for near term future and to obtain necessary approvals required under applicable laws.
4	Suppliers	No	Annual report, Quarterly report, Media and news, Workshops and seminars, Website	Regular	Long-term business partnership, Product responsibility
5	Communities and NGOs	Yes	CSR activities and initiatives, Health and wellness initiatives, Training and workshops	Regular	Restoration of livelihood and income generation, Community engagement
6	Governments and Regulators	No	Written communications, submission of reports and returns, workshop by regulators, meetings/ discussions	Frequent and need-based	Better risk management, Timely and proper reporting, Contributing to overall business development
7	Distribution partners	No	Websites, Team meetings, Emails	Frequent and need-based	Expanding business, Revenue generation

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   - The MD & CEO of the Company represents management before the Board and presents the ESG matters of the Company. The comments and actionable, if any, as provided by the Board are noted and the status of the same is taken to the next Board meeting.
   - The Company through its various Committee Meetings engages with other stakeholder on any economic, environmental and social topics.
   - The ESG team conducts regular meetings i.e., monthly or bi-monthly with internal stakeholders to help them to comply with ESG practices and update them with the recent developments.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   - Yes, the inputs received are well taken for management of ESG matters of the Company, notably, the company has dedicated ESG resource in place, Further, the ESG report of Company is published annually covering the ESG activities and initiatives of the Company. Also, the business and strategic plan of the Company for FY 24 has a separate section on ESG plan.
   - The inputs received from the regular meetings conducted with internal stakeholders are considered and then the Company reviews its policies and procedures to align it with the ESG standards. For instance, the Company is undergoing the stage of developing the ESG policy for which the inputs are sought from all the relevant stakeholders. After receiving the inputs, it will go through the deliberation stage so to analyze the reasonability of the proposed suggestions. Thereafter, the policy will be placed before the Board for approval. Thus, the whole process of forming the policy involves extensive stakeholder consultation.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups.**

   - Through CSR initiatives, the Company provides support to vulnerable/marginalized stakeholder groups. For details please see Principle 8.

BRSR SECTION C:

PRINCIPLE 5

Businesses should respect and promote human rights

ESSENTIAL INDICATORS

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

For both MFSL and MLI:

	FY 23			FY 22		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
Employees						
Permanent	19349	15,385	80%	15,236	13,750	90%
Other than permanent	-	-	-	-	-	-
Total Employees	19349	15,385	80%	15,236	13,750	90%

Note:

- MLI is committed to educating new hires and existing employees on maintaining a professional work environment where each one is treated with respect and dignity.
- These trainings are conducted using both virtual and face to face medium. Employees are informed about their rights and responsibilities in case they face a situation of workplace or sexual harassment. A specially designed e-module on Prevention of Sexual Harassment (POSH) of Woman at the workplace is given to all new hires, where employees complete training and are subsequently assessed on their understanding of the Policy and the POSH Act. There are tailor-made courses on Leading with Inclusion, how to reduce your unconscious bias for employees conducted on a periodic basis.
- Communications are released periodically by the Chief People Officer on workplace conduct, ethical behavioural, whistle blower policy, diversity equity and inclusion.
- Employees are also encouraged to use external training platform for self-development on the above topics and other topics as well, which foster workplace engagement and harassment free environment in the corporate workspace.

2. Details of minimum wages paid to employees and workers:

For both MFSL and MLI:

	FY 23					FY 22				
	Total (A)	Equal to Minimum Wage (B)	% (B/A)	More than Minimum Wage (C)	% (C/A)	Total (A)	Equal to Minimum Wage (B)	% (B/A)	More than Minimum Wage (C)	% (C/A)
Employees										
Permanent	19349	-	-	19349	100	15236	-	-	15236	100
Male	14379	-	-	14379	100	11368	-	-	11368	100
Female	4970	-	-	4970	100	3868	-	-	3868	100
Other than Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Workers	Not Applicable									
Permanent										
Male										
Female										
Other than Permanent										
Male										
Female										

3. Details of remuneration/salary/wages:

	Number	Median remuneration/salary/wages of respective category
Male		**MLI:** For the details of remuneration of Directors and Key Managerial Personnel, the Annual Return of the Company for FY 2022-23 as provided under Section 92(3) of the Companies Act, 2013 available on website can be referred: https://www.maxlifeinsurance.com/content/dam/corporate/public-disclosures/2022-23/Q4-FY-22-23/Annual_Return_FY_2022-23.pdf **MFSL:** https://www.maxfinancialservices.com/static/uploads/financials/pdf7b39741d007e8e46739bf90684b44ecb.pdf
Board of Directors (BoD)		
Key Managerial Personnel		
Employees other than BoD and KMP		
Workers		
Female		
Board of Directors (BoD)		
Key Managerial Personnel		
Employees other than BoD and KMP		
Workers		

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

- Ms. Simardeep Kaur, CHRO, MFSL
- Mr. Shailesh Singh, Chief People Officer, MLI

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has a requisite policy for Prevention of Sexual Harassment, which is available on the website of the Company at www.maxfinancialservices.com/shareholder-information. The comprehensive policy ensures gender equality and the right to work with dignity to all employees (permanent, contractual, temporary and trainees) of the Company. The company has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. MFSL Policy link:https://www.maxfinancialservices.com/corporate-policies

6. Number of Complaints on the following made by employees and workers:

- **MFSL**: There were no complaints by the employees.
- **MLI:**

	FY 23			FY 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	23	4	-	15	4	Pending 4 resolved by June 2022
Discrimination at workplace	24	-	-	14	NIL	NA
Child Labour	NIL	NIL	-	NIL	NIL	NA
Forced Labour/ Involuntary Labour	NIL	NIL	-	NIL	NIL	NA
Wages	NIL	NIL	-	NIL	NIL	NA
Other human rights related issues	NIL	NIL	-	NIL	NIL	NA

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Max Group maintains the highest standards of professionalism, integrity, ethical business practices. It has always promoted fairness and transparency in all its acts and its endeavour for the same is evident in the Code of Conduct, where the principles and standards that govern and guide the actions of the Company and its employees are mentioned. 'Caring' is at the core of all we do and is defined by respecting people and acting with compassion. We are committed to a work environment of mutual trust and equality, in which all employees are treated with respect and dignity. We strongly believe that each individual has the right to work in a professional workspace that promotes equal opportunities and prohibits discriminatory practices, including any kind of harassment.

The Company has a robust grievance redressal mechanism for handling harassment complaints. The Workplace Anti-Harassment policy, Prevention of Sexual Harassment policy, Whistle blower Policy entail that employees, customers, vendors, suppliers, agents, consultants associated with MLI can raise concerns without any fear of retaliation or hostile work environment. Anyone found to have retaliated against or victimized the person (s) who make a complaint or participate in any investigation in relation to alleged sexual harassment or harassment of any kind is subject to disciplinary action as per Employee Disciplinary Action Process.

The Prevention of Sexual Harassment policy includes guidelines to prevent adverse consequences to complainants:

- Details of complaint, identity of the aggrieved woman, respondent, witnesses, any information relating to conciliation or inquiry proceedings are kept confidential
- Anyone found to have retaliated against or victimized the person (s) who make a complaint in good faith or participate in any investigation in relation to alleged sexual harassment is subject to disciplinary action as per the Service Rules of the organization
- Interim measures such as leave, work from home, change of reporting supervisor etc. may be provided to the complainant until inquiry is completed.

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, human rights are part of business agreements and contracts. MFSL and MLI are dedicated to upholding the human rights of all its employees and it strictly ensures compliance with all applicable laws of the land pertaining to human rights. Owing to the nature of business, MFSL and MLI have negligible scope of services where child labour can be employed. However, there is a specific provision where the supply chain vendors are mandated to comply with the applicable laws of the country. For discrimination at workplace, there is a business code of conduct which is part of the annexure of the agreement to ensure that supply chain vendors operate ethically.

9. Assessments for the year:

For financial year, 2022-23, MFSL and MLI have not conducted assessment by third party or statutory authority. However, it complies with all the applicable laws.

Assessment for the year	% of plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	We ensure employment to employees above the legal age of employment and ensure compliance to minimum wage requirements.
Forced/involuntary labour	We have an internal audit mechanism to ensure adherence to human rights policy.
Sexual harassment	No assessment has been done by third party/statutory authorities/third parties
Discrimination at workplace	No assessment has been done by third party/statutory authorities/third parties
Wages	N.A.
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1. **Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**
   - The Company reviews its policies on a regular basis and circulates internal email to the employees to raise awareness about the existence of such policies. For instance, employees are encouraged to report cases where fraud, bribery or any other non-compliance is observed.
   - The Company regularly sensitises its employees on the Code of Conduct through various training programmes as well.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

   Internal audits are conducted by the Company which ensures the due-diligence of implementation of various human rights policies.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   The corporate office of MFSL and MLI are accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016.

4. **Details on assessment of value chain partners:**

   Both MFSL and MLI has not conducted any assessment of value chain partners on the parameters as mentioned in the table below. However, the Company aspires to conduct it in the near future.

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	None of the value chain partners have been assessed on the parameter of sexual assessment at their workplace.
Discrimination at workplace	
Child Labour	As the nature of business is to provide insurance services, the scope of involvement of child labour is negligible.
Forced Labour/Involuntary Labour	
Wages	N.A.
Others – please specify	-

5. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at question 4 above.**

   Not applicable

BRSR SECTION C:

PRINCIPLE 6

Businesses should respect and make efforts to protect and restore the environment

ESSENTIAL INDICATORS

1. **Details of total energy consumption (in Joules or multiples) and energy intensity:**
   - **For both MFSL and MLI:**

Parameter	FY 23 (in MJ)	FY 22 (in MJ)
Total electricity consumption (A)	4,25,91,922	3,08,20,544
Total fuel consumption (B)	36,10,953	31,07,923
Energy consumption through other sources (C)	Nil	Nil
Total energy consumption (A+B+C)	4,62,02,875	3,39,28,466
Energy intensity per rupee of turnover (Total energy consumption/turnover in lakh rupees)	18.53 (MJ/Lakh Rs)	15.29 (MJ/Lakh Rs)
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

   - Yes, independent assessment by Maroon Oak Technologies Private Limited.

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? If Yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken.**
   Not Applicable

3. **Provide details of the following disclosures related to water:**

   - MFSL and MLI's water consumption is limited to drinking water, sanitization and cleaning. MLI has taken few initiatives for water conservation at its Head Office (HO) which is mentioned as below:
   - Deployed sensor based urinals
   - Sensor based taps to minimize the usage of water
   - Installation of aerator taps
   - Installed two rain water harvesting pit which helps in saving 1,44,000 liters of water per rainfall of 150mm
   - Sewage Treatment Plant with a capacity of 50KLD
   - RO devices installed at both HO and branch offices which recovers 70% of water

   Note: The details are not filled in the table below as the water consumption at MLI and MFSL has been only for drinking water, sanitization and cleaning.

Parameter	FY 23	FY 22
Water withdrawal by source (in kilolitres)	N.A.	N.A.
(i) Surface water	N.A.	N.A.
(ii) Groundwater	N.A.	N.A.
(iii) Third party water	Note 1	Note 1
(iv) Seawater/desalinated water	N.A.	N.A.
(v) Others	N.A.	N.A.
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	N.A.	N.A.
Total volume of water consumption (in kilolitres)	N.A.	N.A.
Water intensity per rupee of turnover (Water consumed/turnover)	N.A.	N.A.
Water intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency?) If yes, name of the external agency.		

Note 1: MFSL and MLI uses water only for drinking, sanitization and cleaning. We did not measure the water consumed for the afore-mentioned purpose in FY 2022-23.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If Yes, provide details of its coverage and implementation.**

   Not Applicable as the nature of business of both MFSL and MLI is to secure financial protection.

5. **Please provide details of air emissions (other than GHG emissions) by the entity:**

   - The nature of business of both MFSL and MLI does not amount to air pollutants as defined in the Air (Prevention and Control of Pollution) Act, 1981, thereby not contributing to air pollution. Hence, no data is filled in the below table.
   - Both MFSL and MLI has placed indoor plants in their office premises to keep a check on the indoor air pollution to ensure well-being of employees.

Parameter	Unit	FY 23	FY 22
NOx	Not Applicable		
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others – please specify			
Indicate if any independent assessment/evaluation/ assurance has been carried out by an external agency? If yes, name of the external agency			

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity:**

   - **For both MFSL and MLI:**

Parameter	Break-up	Unit	FY 23 (TCo2e)	FY 22 (TCo2e)
Total Scope 1 emissions	CO_2	Metric tonnes		
	CH_4	Metric tonnes		
	N_2O	Metric tonnes		
	HFCs	Metric tonnes		
	PFs	Metric tonnes		
	SF_6	Metric tonnes		
	NF_3	Metric tonnes		
	Total	Metric tonnes	265.64	228.53
Total Scope 2 emissions	CO_2	Metric tonnes		
	CH_4	Metric tonnes		
	N_2O	Metric tonnes		
	HFCs	Metric tonnes		
	PFs	Metric tonnes		
	SF_6	Metric tonnes		
	NF_3	Metric tonnes		
	Total	Metric tonnes	10,647.98	7,705.14
Total Scope 1 and Scope 2 emissions per lakh rupee of turnover	TCo2e/Lakh Rs	TCo2e/ Lakh Rs	0.0044	0.0036
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

   - Yes, independent assessment by Maroon Oak Technologies Private Limited.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

In the financial year, 2021-22, MLI made a commitment to 80 per cent reduction in carbon emissions by 2028. To achieve this target, the Company has replaced CFL lights with LED and old Air Conditioners with energy efficient Air Conditioners and other measures are also being undertaken.

8. Provide details related to waste management by the entity:

For both MFSL and MLI:

Total waste generated (in metric tonnes)		
Plastic waste (A)	N.A.	N.A.
E-waste (B)	13,630 kg	8281 kg
Bio-medical waste (C)	N.A.	N.A.
Construction and demolition waste (D)	N.A.	N.A.
Battery waste (E)	2859.5 kg	4806 kg
Radioactive waste (F)	N.A.	N.A.
Other hazardous waste. Please specify, if any. (G)	N.A.	N.A.
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	N.A.	N.A.
Total (A+B + C + D + E + F + G + H)	16489.5 kg	13087 kg
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	N.A.	N.A.
(ii) Re-used	N.A.	N.A.
(iii) Other recovery operations	N.A.	N.A.
Total	N.A.	N.A.
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	N.A.	N.A.
(ii) Landfilling	N.A.	N.A.
(iii) Other disposal operations	N.A.	N.A.
Total	N.A.	N.A.
Indicate if any independent assessment/evaluation/ assurance has been carried out by an external agency? If Yes, name of the external agency.	None	

Note: Owing to the nature of the business, the Company does not generate plastic waste, radioactive waste, biomedical waste, construction and demolition waste and other hazardous waste.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

1.2 lacs of plastic water jars have been prevented from going into landfills by opting RO machines with ROPVD technology in head offices & field offices. In an endeavor to reduce plastics consumption, the Company, as a policy does not procure single-use plastic water bottles and other items such as garbage bags etc.

10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details:**

Location of operations/ offices	Type of operations	Whether the conditions of environmental approval/ clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
The Company does not have any offices in ecologically sensitive areas. Since there is no office of MLI and MFSL at any ecologically sensitive area		

11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant web link
Not applicable					

12. **Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder. If not, provide details of all such non-compliances:**

Specify the law/regulation/ guidelines which was not complied with	Provide details of the noncompliance	Any fines/penalties/ action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Based on the nature of business, MFSL and MLI is in compliance with applicable environmental norms.			

LEADERSHIP INDICATORS

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources:**

Parameter	FY 23	FY 22
From renewable sources	Nil	Nil
Total electricity consumption (A)	Nil	Nil
Total fuel consumption (B)	Nil	Nil
Energy consumption through other sources (C)	Nil	Nil
Total energy consumed from renewable sources (A+B+C)	Nil	Nil
From non-renewable sources		
Total electricity consumption (D)	4,25,91,922	3,08,20,544
Total fuel consumption (E)	36,10,953	31,07,923
Energy consumption through other sources (F)	Nil	Nil
Total energy consumed from non-renewable sources (D+E+F)	Nil	Nil
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.	-	

2. Provide the following details related to water discharged:

	FY 23	FY 22
Water discharge by destination and level of treatment (in kilolitres)	Not Applicable	
(i) To surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) To groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) To seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If Yes, name of the external agency		

Note: Owing to the nature of the business, the Company does not use water for running its core business.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres). For each facility/ plant located in areas of water stress, provide the following information:

I. Name of the area

II. Nature of operations

III. Water withdrawal, consumption and discharge in the following format:

	FY 23	FY 22
Water withdrawal by source (in kilolitres)	Not Applicable	
(i) Surface water		
(ii) Groundwater		
(iii) Third party water *Note		
(iv) Seawater/desalinated water		
(v) Others		
Total volume of water withdrawal (in kilolitres)		
Total volume of water consumption (in kilolitres)		
Water intensity per rupee of turnover (water consumed/turnover)		
Water intensity (optional) – the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into surface water		
- No treatment		
- With treatment – please specify level of treatment		
(ii) Into groundwater		
- No treatment		
- With treatment – please specify level of treatment		
(iii) Into seawater		
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties		
- No treatment		
- With treatment – please specify level of treatment		
(v) Others		
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		
Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? If Yes, name of the external agency. –None		

Note 1: MFSL and MLI uses water only for drinking, sanitization and cleaning. We did not measure the water consumed for the afore-mentioned purpose in FY 2022-23.

5. Please provide details of total Scope 3 emissions and its intensity:
MFSL and MLI: The Company did not compute scope 3 emissions for FY 2022-23.

Parameter	Break-up	Unit	FY 23	FY 22
Total Scope 3 emissions	CO2	Metric tonnes	-	-
	CH4	Metric tonnes	-	-
	N2O	Metric tonnes	-	-
	HFCs	Metric tonnes	-	-
	PFs	Metric tonnes	-	-
	SF6	Metric tonnes	-	-
	NF3	Metric tonnes	-	-
	Total	Metric tonnes	-	-
Total Scope 3 emissions per rupee of turnover			-	-
Total Scope 3 emission intensity – the relevant metric may be selected by the entity			-	-
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.	-			

6. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

7. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives:

Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
In the financial year 2021-22, MLI made a commitment to 80 per cent reduction in carbon emissions by 2028. To achieve this target, the Company has replaced CFL lights with LED and old Air Conditioners with energy efficient Air Conditioners and other measures are also being undertaken		

8. **Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

- Yes, MLI has developed a robust Business Continuity Management (BCM) framework in order to ensure resilience and continuity of products and to minimise the impact of risk of business disruption and system failure.
- Further, MLI has Board approved BCM policy. One of the key objectives of the Policy is to ensure that the processes and systems are sufficiently robust to withstand a range of events such as unavailability of premises, technology, people or suppliers. The Company is also committed for continuous improvement of Business Continuity Management System
- MLI has been accredited with the ISO 22301:2019 certification for its business continuity management systems.

9. **Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**
We have not addressed our value chain partners on environmental impacts this year.

10. **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts**
- Both MFSL and MLI have not conducted any assessment of value chain partners to evaluate the environmental impact. Since the Company's main business is to provide financial protection, the value chain partners are mostly service providers. The scope of having adverse environmental impact by such value chain partners is little or negligible.
- Nonetheless, the Company aspires to sensitize the value chain partners about the impact of their activities on the environment.

BRSR SECTION C:

PRINCIPLE 7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

ESSENTIAL INDICATORS

1a. Number of affiliations with trade and industry chambers/associations.

1b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to:

	Name of the trade and industry chambers/associations	Reach of trade and industry chambers/associations
1	Federation of Indian Chambers of Commerce and Industry	National
2	Confederation of Indian Industry	National
3	Life Insurance Council	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

   There was no instance of anticompetitive conduct by the entity, thus, there is no information to be provided for the below table.

Name of authority	Brief of the case	Corrective action taken
Not applicable		

Leadership Indicators

Details of public policy positions advocated by the entity:

MLI is a member of trade bodies like FICCI and CII, Life Insurance Council and other such associations. Max Life provides suggestions and inputs on various regulatory matters with respect to the insurance industry in general and life insurance in particular. Max Life has adopted the two districts of Haridwar and Purbi Singhbum for spreading insurance awareness and promoting insurance marketing firms ("IMFs") in these districts. Further, the Insurance Regulatory and Development Authority ("IRDAI") has also allotted the states of Uttar Pradesh and Arunachal Pradesh to Max Life as a lead insurer, for increasing insurance penetration in these states. Max Life supports the regulator and the ministry of finance in drafting policy matters and promotion of initiatives for insurance penetration, distribution and support of policyholders' interests. Max Life is also part of various Industry Level Committees/working groups formed by the Life Insurance Council or IRDAI.

Public policy advocated	Method resorted for such advocacy	Whether information available in public domain?	Frequency of Review by Board (Annually/Half yearly/Quarterly/ Others)	Web Link, if available
Please refer to the explanation above				

BRSR SECTION C:

PRINCIPLE 8

Businesses should promote inclusive growth and equitable development

ESSENTIAL INDICATORS

Note: The information mentioned in the Principle 8 pertains to MLI as CSR spending is not applicable to MFSL for Financial Year ended March 31, 2023

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Project 1: In partnership with NGO, Teach for India The project aimed to provide high quality teaching and learning experience for students growing up in low income communities and ensure personal growth for the TFI fellows through experience in a leadership role as teachers, through training support. Key Impact Achieved ▪ Students received experiential lessons in critical thinking through project packets. ▪ As a result of learning online, the students became increasingly tech-savvy. ▪ Students learnt team-work and accountability by keeping check of each other's work. ▪ 100% students in one fellow's class were provided with devices during COVID.	Not applicable. We have no SIA notification number		Yes	Yes	https://www.maxlifeinsurance.com/about-us/media-centre/key-company-policies
Project 2: In partnership with NGO, The Education Alliance The project sought to enhance student enrolment & attendance, provide professional development for teachers and build leadership capacity in order to empower teachers and middle management and eventually improve learning outcomes to a wide coverage of students in identified government schools. Key Impact achieved: ▪ Enhancement of psychological health of teachers by taking up sessions with them ▪ Enhancement of skills in communication, listening, collaboration, adaptability, empathy and patience. ▪ Sustained impact of ~85% across all project interventions	Not applicable. We have no SIA notification number		Yes	Yes	https://www.maxlifeinsurance.com/about-us/media-centre/key-company-policies

*The CSR activities at MLI and MFSL are carried out in accordance with the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 issued by the Ministry of Corporate Affairs Notification No. G.S.R. 40 (E) dated 22nd January 2021.

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.**
   The Company has not undertaken any project where any Rehabilitation and Resettlement (R&R) was involved. Thus, there is no information to be provided for the below table.

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable					

3. Describe the mechanisms to receive and redress grievances of the community.
   MLI does not have community grievance redressal mechanism under CSR as it engages through NGOs/ Implementation Agencies which have their own guidelines to receive and redress the grievances.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**
   The nature of business of both MFSL and MLI is to provide financial protection. Thus, there is no information to be provided for the below table.

	FY 23	FY 22
Directly sourced from MSMEs small producers	Not Applicable	
Sourced directly from within the district and neighbouring districts		

Leadership Indicators

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: question 1 of Essential Indicators above).**

   - MLI and MFSL does not have any project where any negative social impact was observed. Further, all projects are regularly monitored and meetings and dialogues are conducted with various stakeholders to ensure alignment with on-ground needs.
   - Due to the afore-mentioned reason, there is no information to be provided for the below table.

Details of negative social impact identified	Corrective action taken
Not applicable	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

State	Aspirational District	Amount spent (In INR)
Jharkhand, Uttarakhand and Uttar Pradesh	**East Singhbhum, Haridwar & Shrawasti & Chitrakoot**	**~115 Lacs**
Financial Literacy & Insurance Awareness under Pehal Max Life Insurance's Corporate Social Responsibility initiative, in partnership with Haqdarshak, aims to ensure financial and social protection of communities, by bridging the information access gap, and designing high-impact benefit unlocking programs for the most vulnerable households in villages near Haridwar (Uttarakhand) and East Singhbhum (Jharkhand).		

State	Aspirational District	Amount spent (In INR)

Our program, approaches financial inclusion through a holistic lens and works with communities to assess the need, conduct awareness and enrolment camps, maximize outreach, organize financial and digital literacy sessions, as well as ensure adoption of digital solutions in far flung areas. It also focuses on empowerment of women from communities by making them aware of their rights and entitlements and ensuring financial agency.
Following achievements were reported in Haridwar district in Uttarakhand and Purbi SInghbhum in Jharkhand in FY 23:
Haridwar, Uttarakhand
• 24,859 unique beneficiaries serviced (45.36% female)
• 10% between 1-17 years, 67% between 18-40 years, 17% between 41-59 years, 6% are 60 years and above
• To ensure financial protection of communities - 1,842 citizens linked with Pradhan Mantri Jeevan Jytoi Bima Yojna; 3,970 citizens linked with Pradhan Mantri Suraksha Bima Yojana; 823 linked with Pradhan Mantri Jan Arogya
• Yojana (Ayushman Bharat) and 2267 linked with Atal Ayushman – Uttarakhand Yojna
• 61 financial & digital literacy and awareness camps organized, reaching out to 2,522 citizens.
Purbi Singhbhum, Jharkhand:
• 21,917 unique beneficiaries serviced (54.11% female)
• 7% between 1-17 years, 55% between 18-40 years, 30% between 41-59 years, 8% are 60 years and above
• To ensure financial protection of communities – 1,128 citizens linked with Pradhan Mantri Jeevan Jytoi Bima Yojna; 22 citizens linked with Pradhan Mantri Suraksha Bima Yojana and 9,513 linked with Pradhan Mantri Jan Arogya
  • Yojana (Ayushman Bharat)
  • 64 financial & digital literacy and awareness camps organized, reaching out to 825 citizens.
Efforts Made:
• Following efforts made to enable reach to 10% reach in the target blocks -
  o 264 HDs trained (~65% female)
  o Door to Door Mobilisation
  o Financial Literacy & insurance awareness camps		

o Participating in SHG meetings, creating awareness on different banking schemes o Attending Block level SRLM meetings, sharing information on financial literacy o ICDS meetings with Anganwadi workers and Asha workers o Regular meetings with Pradhan, GP members and Panchayat Secretaries o Visiting schools, meetings with School officials & PTA members, conducting awareness sessions for students		

State	Aspirational District	Amount spent (In INR)
Max India Foundation Districts: Chitrakoot and Shravasti, Uttar Pradesh MIF in partnership with Foster and Forge Foundation runs a Beacon Educator Fellowship, which is a 2-year professional development program for government school teachers who lead change by transforming their classrooms by leaps and bounds and ensuring that all the children in their classroom are acquiring grade level competencies. The fellowships engaged in creating teacher leaders in government schools so that they can apply innovative teaching methods and help children build life- skills and solve real-life civic issues. Impact created: Chitrakoot: 5 schools, 5 teachers Shravasti: 55 schools, 55 teachers (Overall: 3000 plus children)		

3a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized/vulnerable groups?

3b. From which marginalized/vulnerable groups do you procure?

3c. What percentage of total procurement (by value) does it constitute?

For 3 a, b and c: The Company's core business is to provide insurance services. Thus, the above points are not applicable.

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

MFSL and MLI does not have any CSR project where any benefit from intellectual property is involved.

Intellectual Property based on traditional knowledge	Owned/Acquired	Benefit shared	Basis of calculating benefit share
Not applicable			

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

As mentioned in point 4 above, there was no such instance and the need to take any corrective step did not arise. Thus, there is no information to be provided for the below table.

Name of authority	Brief of the Case	Corrective action taken
Not applicable		

6. **Details of beneficiaries of CSR Projects:**

CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
Total Reach: Direct: 1,17,317 Indirect: 117 Lakhs Saplings: 98,786 Pehal CSR ▪ 97,220 beneficiaries reached through Government Scheme linkage, digital and financial literacy camps and volunteering initiatives by employees (~54% female). ▪ 98,796 saplings planted across Gurugram, Bangalore, Chennai and Kolkata Max India Foundation ▪ 24,768 children were benefited directly ▪ Additionally, 18+ lakh students of Delhi, 89+lakh students of Madhya Pradesh and 7.41 lakh students of Tripura were reached indirectly through NGO partner - The Education Alliance during FY23. Through these NGOs, support was also provided for training of 44 fellows and 2,39,164 teachers.	Total Reach: Direct: 1,21,988 Indirect: 117 Lakhs Saplings: 98,786	100%

BRSR SECTION C:

PRINCIPLE 9

Businesses should engage with and provide value to their consumers in a responsible manner

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**
   - MLI has laid down the process for receiving complaints and has a robust system for grievance redressal system. It has different turnaround time for the below mentioned service parameters:
   - Written communication of decisions on the proposal/raising additional requirements on the proposal
   - Providing copy of accepted proposal form
   - Cancellation of proposal and/or refund of proposal deposit
   - Post policy issuance cancellations/corrections/queries/non-claim related service requests
   - Requests for refund towards free look cancellation, surrender and withdrawal, refund of proposal deposit, refund of outstanding proposal deficit
   - Processing of maturity/survival benefit claim/annuities
   - Settlement of death claims and health claims
   - Investigation of death claims when required
   - Death claim settlement/repudiation
   - Acknowledgment of grievance
   - Resolution of grievance

   MLI's Grievance Redressal Policy can be accessed at https://www.maxlifeinsurance.com/content/dam/neo/pdf/Grievance_Redressal.pdf

2. **Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

   The information mentioned in the table below is not relevant for the nature of work carried out by MFSL and MLI, thus there is no information to provide.

	As a percentage to total turnover
Environmental and social parameters relevant to the product	N.A.
Safe and responsible usage	N.A.
Recycling and/or safe disposal	N.A.

3. **Number of consumer complaints in respect of the following:**

	FY 23			FY 22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	2535	-	-	1666	-	-
Restrictive trade practice	-	-	-	-	-	-
Unfair trade practices	-	-	-	-	-	-
Others- unfair business practices*	1904	-	-	1311	-	-

*Unfair business practices are primarily allegations pertaining to policy features not explained or incorrectly explained, incorrect returns assured, allegations pertaining to signature or document tampering, payment misappropriation and spurious or hoax calls.

4. **Details of instances of product recalls on account of safety issues:**

The information mentioned in the table below is not relevant for the nature of work carried out by MFSL and MLI, thus there is no information to provide.

	Number	Reasons for recall
Voluntary recalls	N.A.	
Forced recalls		

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.
   - MFSL:

     It has SOPs for Network Security, Data Privacy, Data Leakage & Prevention, Business Continuity which covers all the aspects related to Data & the network Security from internal & external networks:
     - There are defined SOPs for the Network & Data Privacy. There is a firewall and antivirus systems available for protection from the outside network/Cyber.
     - The access to the data at the Company is safeguarded by secured protocols. All the user's data and financial transactions are secured with layered security controls across the three layers of authentication. The Company has a Data Security Policy which is reviewed annually.
     - The web-link of the policy is available on the intranet.
   - MLI:

     It has robust cyber security and data privacy policy based on IRDAI cyber security guidelines and international standard(s) such as ISO 27001, NIST. As part of continuous assessment program for Information Security Management Systems (ISMS), independent auditors review and certify controls implemented at minimum on annual cadence. We are cognizant that this is an evolving space where hackers continue to find new ways to attack organisation, hence to up the ante, we continue to invest in state of art technologies such as Breach attack simulation which coupled with external assessments; keep us in top league when compared with global industry. The access to the information at the Company is safeguarded by robust authentication protocols. All the user's data and financial transactions are secured with layered security controls across the seven layers of OSI model viz. Application, Presentation, Session, Transport, Network, Data Link and Physical. The Company has an Information Security Policy which is reviewed annually and approved by the Board. The web-link of the policy is available on the intranet.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/ services.**

   No complaints were received during the financial year 2022-23 on cyber security and data privacy and marketing communications.

LEADERSHIP INDICATORS

1. **Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**
   - MLI provides information of all its products Information relating to products and services it's website: www.maxlifeinsurance.com
   - Max Life Insurance Lite App: The products of MLI are also listed on the app which can be downloaded on the mobile.
   - Social Media
   - Customer Care Number and Email ID

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

   At Max Life, we believe that it is important that Indian consumers should be aware of the true purpose of life insurance. Various surveys by leading research agencies have indicated that, while the majority of Indians are aware of life insurance plans, ownership of term insurance is low, and consumers are not aware of the role life insurance can play in building a financially secure nation. Max Life led the industry initiative on insurance awareness.

   1. Campaign on the benefits of life insurance: Max Life is working diligently to drive importance of financial protection with life insurance amongst people through varied media that include mass media campaigns, social media, public relations, knowledge articles on online portals and Max Life's website. We also drive insurance awareness through our proprietary researches India Protection Quotient & India Retirement Index Survey that we conduct at pre-defined intervals.
   2. Campaign focusing on protection of consumers: Fraudulent activities and spurious calling to defraud life insurance consumers are a reality that the life insurance industry is tackling through individual and joint efforts. Messages on protecting oneself from such acts are disseminated to our current policyholders by including such messages into the majority of customer communication. Similar information is also shared through SMS and articles with policyholders, along with social media campaign on fraud awareness.
   3. Campaign for customers: We regularly share relevant details about life insurance through direct mail to our existing customer base. Every month, we observe super customer week with an emphasis on increasing customer awareness and engagement. By communicating with consumers digitally once a month via various emails and SMSs, these sessions have assisted our customers in learning more about the benefits of life insurance.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   In case of any disruption/discontinuation of essential service:

   1. We inform our customers via email, WhatsApp and SMS communication. Content is either static or video based.
   2. Branch walk-in customers are informed by Max Life representatives.
   3. Advisors/agents are also sent electronic communication who in turn inform their customers and, information is also displayed on our website and through other social media assets.
   4. The withdrawn plans and riders of MLI can be accesses at the web-link Withdrawn Plans & Riders (maxlifeinsurance.com)

4. **Does the entity display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/services of the entity, significant locations of operation of the entity or the entity as a whole?**

   Yes. MLI displays product information on the product over and above what is mandated by IRDAI. The Company takes several steps to guide the customers on how they can benefit and minimise the risk. In addition, the Company carries out feedback with respect to customer satisfaction regarding products and services.

5. **Provide the following information relating to data breaches:**

   a) **Number of instances of data breaches along-with impact:**

      Nil

   b) **Percentage of data breaches involving personally identifiable information of customers**

      Nil

MAX FINANCIAL SERVICES

Financial Review

Standalone Financial Statement

INDEPENDENT AUDITOR'S REPORT

To The Members of Max Financial Services Limited

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of **Max Financial Services Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act . Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made 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 on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including annexures thereto,but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

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

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

Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements 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 standalone financial statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books; except for keeping backup on daily basis of such books of account maintained in electronic mode, in a server physically located in India.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2023 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 22 of the forming part of standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 33 of the notes forming part of standalone financial statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company - Refer Note 34 of the notes forming part of standalone financial statements.

iv. (a) The Management has represented that, to the best of it's knowledge and belief,as disclosed in the note 43 to the standalone financial statements, no funds(which are material either individually or in the aggregate) have been advanced or loaned or invested(either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entities, including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented that to best of its knowledge and belief and disclosed in the note 43 to the standalone financial statements, no funds(which are material either individually or in aggregate) have been received by the company from any person entities ("Funding Parties"), with the understanding, whether recorded or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or any guarantee, security or the like on behalf of Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule(11)(e) as provided under (a) and (b) above, contain any material misstatement.

v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No. 098564)
(UDIN:23098564BGVUUX9327)

Place: Gurugram
Date: May 12, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Max Financial Services Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial statements issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls With reference to financial statements (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial statements issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No. 098564)
(UDIN:23098564BGVUUX9327)
Place: Gurugram
Date: May 12, 2023

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

In terms of the information and explanation sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief we state that

(i) (a) The Company has maintained proper records showing full particulars, including quantitative detail and situation of property, plant and equipment and relevant details of right to use assets.

(b) The property, plant and equipment and right of use assets were physically verified during the year by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment and right of use assets at reasonable intervals and no material discrepancies were noticed on such verification.

(c) Based on our examination of the registered deeds provide to us, we report that, the title deeds of all immovable properties, other than the immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the company disclosed in the standalone financial statements included in property, plant and equipment are held in the name of the company as at the balance sheet date.

(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.

(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made there under.

(ii) The Company does not have any inventory and hence reporting under clause (ii)(a) and (b) of the Order is not applicable.

(iii) The Company has not made any investments in, provided any guarantee or security, and granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms Limited Liability Partnership, or any other parties during the year, and hence reporting under clause(iii) of the Order is not applicable.

(iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposits or deposits which are deemed to be deposits. Hence reporting under clause (v) is not applicable.

(vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

(vii) In respect of statutory dues :

(a) Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Income Tax, Cess and other material statutory dues applicable to the Company has been regularly deposited by the Company with the appropriate authorities, We have been informed the the provisions of Employees' State Insurance Act,1948 are not applicable to the Company and the operations during the year did not give rise to any liability of duty of Customs.

There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Services Tax, cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which has not been deposited as on 31 March 2023 on account of disputes are given below:

Name of Statute	Nature of Dues (Refer note 22 of the standalone financial statements)	Forum where Dispute is Pending	Amount unpaid (Rs. in Lakhs)	Period to which the Amount Relates
Customs Act, 1962	Customs Duty Demand on non-fulfilment of export obligation	Directorate General of Foreign Trade	604.52	FY 1994-95
Finance Act, 1994 (Service tax)	Service Tax Demand on consultancy services	Commissioner (Central Excise), Chandigarh	*201.00	FY 1997-98 To FY 2000-01
Finance Act, 1994 (Service tax)	Service Tax Demand on Banking and Financial Services	Joint/Additional Commissioner, Service Tax Commissionerate Delhi-II	139.58	FY 2011-12 To FY 2015-16

*Amount net of deposited under protest Rs. 12 Lakhs

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause (ix)(a) of the Order is not applicable to the Company.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

d) On an overall examination of the standalone financial statements of the Company, funds raised on short term basis have prima facie, not been used during the year for long term purposes by the Company.

e) We report that the Company has neither taken any funds from any entity or person during the year nor it had any unutilised funds as at the beginning of the year of the funds raised through issue of shares or borrowings in the previous year and hence, reporting under clause (ix)(e) of the Order is not applicable.

f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x) a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

(xi) a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2020 is not applicable.

(xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports issued to the Company during the year and covering the period upto December 2022 and the final internal audit reports were issued after the balance sheet date covering the period January 1, 2023 to March 31, 2023 for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) As per section 45-IA of the Reserve Bank of India Act, 1934 read with RBI / 2006-07 / 158 DNBS (PD) C.C. No. 81 / 03.05.002 / 2006-07 dated 19 October, 2006, a Company whose 50% of total assets and 50% of total income is from financial activity, as at the last audited balance sheet, is said to carry on financial activity as its principal business and hence is required to obtain registration as a Non-Banking Finance Company (NBFC).

As indicated in note 35 of standalone financial statements, the Company is of the view supported by legal opinion that the Company is an 'Unregistered Core Investment Company' ('Unregistered CIC') as laid down in the "Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016", as amended and hence registration under section 45-IA of the Reserve Bank of India Act, 1934 is not required. We report as such.

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors of the Company during the year.

(xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the

Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company was not having net worth of rupees five hundred crores or more, or turnover of rupees one thousand crores or more or a net profit of rupees five crores or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No. 098564)
(UDIN:23098564BGVUUX9327)

Place: Gurugram
Date: 12 May, 2023

STANDALONE BALANCE SHEET

AS AT 31 MARCH, 2023

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
A. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	3	39.99	38.44
(b) Bank balances other than (a) above	4	5,727.45	3,061.72
(c) Receivables - trade receivables	5	1,728.00	1,507.56
(d) Investments	6	669,514.00	672,317.13
(e) Other financial assets	7	116.83	78.39
Total financial assets		**677,126.27**	**677,003.24**
2. Non financial assets			
(a) Current tax assets (net)	8	255.08	195.22
(b) Deferred tax assets (net)	21	166.77	-
(c) Property, plant and equipment	9A	190.20	282.52
(d) Right-of-Use asset	9B	194.71	148.53
(e) Other non-financial assets	10	107.79	72.32
Total non-financial assets		**914.55**	**698.59**
Total assets		**678,040.82**	**677,701.83**
B. LIABILITIES AND EQUITY			
I LIABILITIES			
1. Financial liabilities			
(a) Trade payables	11		
(i) total outstanding dues of micro enterprises and small enterprises		34.75	16.29
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		328.09	804.56
(b) Lease liabilities	27	196.67	154.47
(c) Other financial liabilities	12	21.91	52.90
Total financial liabilities		**581.42**	**1,028.22**
2. Non financial liabilities			
(a) Provisions	13	1,064.19	1,204.92
(b) Deferred tax liabilities (net)	21	-	381.82
(c) Other non-financial liabilities	14	54.81	127.72
Total non-financial liabilities		**1,119.00**	**1,714.46**
Total liabilities		**1,700.42**	**2,742.68**
II EQUITY			
(a) Equity share capital	15	6,902.30	6,902.30
(b) Other equity	16	669,438.10	668,056.85
Total equity		**676,340.40**	**674,959.15**
Total liabilities and equity		**678,040.82**	**677,701.83**

See accompanying notes to the standalone financial statements 1 to 46

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No. 98564)

Place : Gurugram
Date : May 12, 2023

For and on behalf of the Board of Directors

Aman Mehta
(Director)
DIN No:00009364

Sahil Vachani
(Director)
DIN No:00761695

Amrit Singh
(Chief Financial Officer)

V Krishnan
(Company Secretary)
M.No. - FCS-6527

Place : Noida
Date : May 12, 2023

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH, 2023

(₹ in lakhs)

Particulars		Note No.	Year ended 31.03.2023	Year ended 31.03.2022
1.	**Revenue from operations**			
	(a) Interest income		189.03	1.45
	(b) Dividend income		-	14,446.12
	(c) Rental income		56.39	42.00
	(d) Net gain on fair value changes			
	- on investments in mutual funds		2,835.22	3,416.56
	(e) Sale of services		2,032.20	2,063.75
	(f) Gain on sale of investment property		669.29	-
2.	**Total revenue from operations**		**5,782.13**	**19,969.88**
3.	Other income	17	41.37	235.70
4.	**Total Income (2+3)**		**5,823.50**	**20,205.58**
5.	**Expenses**			
	(a) Finance costs	27	10.89	13.61
	(b) Employee benefits expense	18	922.92	2,161.91
	(c) Depreciation, amortisation and impairment	19	310.35	347.65
	(d) Legal and professional expenses		1,563.14	1,384.78
	(e) Other expenses	20	1,091.69	1,589.39
6.	**Total expenses**		**3,898.99**	**5,497.34**
7.	**Profit before tax (4-6)**		**1,924.51**	**14,708.24**
8.	**Tax expense**			
	(a) Current tax	21	1,084.23	3,191.75
	(b) Deferred tax charge/(credit)	21	(546.67)	1,254.21
9.	**Total tax expense**		**537.56**	**4,445.96**
10.	**Profit after tax (7-9)**		**1,386.95**	**10,262.28**
11.	**Other comprehensive income/(loss)**			
	Items that will not be reclassified to Profit and Loss			
	- Remeasurement of defined benefit obligations		(7.62)	47.18
	Income tax relating to items that will not be reclassified to profit or loss		1.92	(11.87)
12.	**Total other comprehensive income/(loss)**		**(5.70)**	**35.31**
13.	**Total comprehensive income for the year (10+12)**		**1,381.25**	**10,297.59**
14.	**Earnings per equity share (EPS)**	25		
	(Face value of ₹2 per share)			
	Basic (in ₹)		0.40	2.97
	Diluted (in ₹)		0.40	2.97

See accompanying notes to the standalone financial statements 1 to 46

In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No. 98564)

Place : Gurugram
Date : May 12, 2023

For and on behalf of the Board of Directors

Aman Mehta
(Director)
DIN No:00009364

Sahil Vachani
(Director)
DIN No:00761695

Amrit Singh
(Chief Financial Officer)

V Krishnan
(Company Secretary)
M.No. - FCS-6527

Place : Noida
Date : May 12, 2023

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH, 2023

(₹in lakhs)

Particulars		Year ended 31.03.2023	Year ended 31.03.2022
A. Cash flow from operating activities			
Profit before tax		1,924.51	14,708.24
Adjustments for :			
Depreciation, amortisation and impairment		310.35	347.65
Finance cost		10.89	13.61
Net loss/(profit) on sale/disposal of property, plant and equipment		0.05	(0.66)
Gain on sale of investment property		(669.29)	-
Net loss/(gain) on fair value changes on investments in mutual funds		(2,835.22)	(3,416.56)
Liabilities/provisions no longer required written back		(37.01)	(176.00)
Provision for rates and taxes		2.75	2.74
Expense on employee stock option scheme		-	17.99
Operating profit before working capital changes		**(1,292.97)**	**11,497.01**
Changes in working capital:			
Adjustments for (increase)/decrease in operating assets:			
Trade receivables		(220.44)	410.19
Other financial assets		(38.44)	(24.75)
Other non-financial assets		(18.49)	219.65
Adjustments for increase/(decrease) in operating liabilities:			
Trade payables		(437.97)	(203.81)
Other financial liabilities		(30.99)	(72.98)
Provisions		(151.10)	(66.17)
Other non-financial liabilities		(72.91)	(59.55)
Cash generated from operations		(2,263.31)	11,699.59
Net income tax (paid)/refunds		(1,144.09)	(3,108.53)
Net cash flow from/(used in) operating activities	**(A)**	**(3,407.40)**	**8,591.06**
B. Cash flow from investing activities			
Capital expenditure on property, plant and equipment including capital advances		(18.11)	(6.28)
Proceeds from sale of property, plant and equipment		4.30	16.80
Proceeds from sale of investment property		2,350.00	-
Bank balances not considered as Cash and cash equivalents (placed)/matured		(2,665.73)	(2,937.50)
Investments in mutual funds			

(₹in lakhs)

Particulars		Year ended 31.03.2023	Year ended 31.03.2022
- Purchased		(45,443.73)	(140,598.60)
- Proceeds from sale		133,624.66	79,577.23
Investments in equity shares of subsidiary company			
- Purchased		(84,266.09)	-
- Proceeds from sale		-	55,481.37
Net cash flow from/(used in) investing activities	**(B)**	**3,585.30**	**(8,466.98)**
C. Cash flow from financing activities			
Proceeds from ESOPs exercised (including share premium)		-	97.11
Payments of lease liabilities		(176.35)	(205.09)
Net cash (used in) financing activities	**(C)**	**(176.35)**	**(107.98)**
Net (decrease)/increase in cash and cash equivalents	**(A+B+C)**	1.55	16.10
Cash and cash equivalents as at the beginning of the year		38.44	22.34
Cash and cash equivalents as at the end of the year (See note 3)*		**39.99**	**38.44**
Note:			
Net cash flow from/(used in) operating activities include interest and dividend received			
Net cash flow from operating activities include interest and dividend received		189.03	14,447.57

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
* Comprises:		
a. Cash on hand	0.24	0.48
b. Balance with scheduled banks		
- in current accounts	39.75	37.96
	39.99	**38.44**

See accompanying notes to the standalone financial statements 1 to 46
In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No. 98564)

Place : Gurugram
Date : May 12, 2023

For and on behalf of the Board of Directors

Aman Mehta
(Director)
DIN No:00009364

Sahil Vachani
(Director)
DIN No:00761695

Amrit Singh
(Chief Financial Officer)

Place : Noida
Date : May 12, 2023

V Krishnan
(Company Secretary)
M.No. - FCS-6527

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2023

A. Equity share capital

(₹ in lakhs)

Particulars	Amount
Balance at April 1, 2021	**6,901.81**
Changes in equity share capital during the year	
Issue of equity shares (See note 15)	0.49
Balance at March 31, 2022	**6,902.30**
Changes in equity share capital during the year	
Issue of equity shares	-
Balance at March 31, 2023	**6,902.30**

B. Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus				Total
	Securities premium	General reserve	Equity-settled employee benefits reserve	Retained earnings	
Balance at April 1, 2021	**467,905.23**	**16,418.22**	**80.90**	**173,240.30**	**657,644.65**
Profit for the year	-	-	-	10,262.28	10,262.28
Other comprehensive income/ (loss) for the year (net of income tax)	-	-	-	35.31	35.31
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**10,297.59**	**10,297.59**
Premium on shares issued during the year (See note 16)	139.98	-	(43.36)	-	96.62
Redemption of share-based payments (See note 16)	-	-	17.99	-	17.99
ESOPs forfieted	-	-	(55.53)	55.53	-
Balance at March 31, 2022	**468,045.21**	**16,418.22**	**-**	**183,593.42**	**668,056.85**
Profit/(loss) for the year	-	-	-	1,386.95	1,386.95
Other comprehensive income/ (loss) for the year (net of income tax)	-	-	-	(5.70)	(5.70)
Total comprehensive income/ (loss) for the year	**-**	**-**	**-**	**1,381.25**	**1,381.25**
Balance at March 31, 2023	**468,045.21**	**16,418.22**	**-**	**184,974.67**	**669,438.10**

See accompanying notes to the standalone financial statements 1 to 46
In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No. 98564)

Place : Gurugram
Date : May 12, 2023

For and on behalf of the Board of Directors

Aman Mehta
(Director)
DIN No:00009364

Sahil Vachani
(Director)
DIN No:00761695

Amrit Singh
(Chief Financial Officer)

V Krishnan
(Company Secretary)
M.No. - FCS-6527

Place : Noida
Date : May 12, 2023

1. Corporate information

Max Financial Services Limited ("the Company") is a public limited company domiciled in India and incorporated on 24 February, 1988 under the provisions of the Companies Act, 1956. The shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company is primarily engaged in the business of growing and nurturing business investments and providing management advisory services to group companies in India. The registered address of the Company is Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144533

2A SIGNIFICANT ACCOUNTING POLICIES

2A.1 Basis of preparation

(i) Statement of Compliance

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

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy thereto in use.

(ii) Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability.

2A.2 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition) and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2A.3 Cash flow statement

Cash flows are reported using indirect method, whereby Profit/(loss) before tax reported under Statement of Profit and loss is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on available information.

2A.4 Property, plant and equipment

All the items of property, plant and equipment are stated at historical cost net of cenvat credit less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives, using the straight-line method. The estimated useful life is taken in accordance with Schedule II to the Companies Act, 2013. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2A.5 Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

2A.6 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2A.7 Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Income from services

Revenue from shared services contracts are recognised over the period of the contract as and when services are rendered.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividend

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

2A.8 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based transactions are set out in note 26. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2A.9 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Investment in subsidiary

A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Investments in subsidiary are carried at cost less impairment. Cost comprises price paid to acquire the investment and directly attributable cost.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for debt instruments through other comprehensive income.' When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

All other financial assets are subsequently measured at fair value.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income.' The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables and other contractual rights to receive cash or other financial assets and financial guarantees not designated as at FVTPL.

For trade receivables or any contractual right to receive cash or another financial assets that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.

2A.10 Financial liabilities and equity instruments (including derivative contracts)

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

a) Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss.

The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

b) Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

c) Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income.'

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

d) Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2A.11 Employee benefit costs

Employee benefits include provident fund, gratuity fund and compensated absences.

Retirement benefits costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions:

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

b. net interest expense or income; and

c. remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense.' Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2A.12 Segment information

The Company determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

2A.13 Leases

The Company's lease asset classes primarily consist of leases for buildings. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether :

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

2A.14 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for employee share options and bonus shares, if any, as appropriate.

2A.15 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax (refer note 21)

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

2A.16 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2A.17 Goods and services tax input credit

Input tax credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing/utilising the credits. The Company reviews the input tax credit at each balance sheet date to assess the recoverability of these balances.

2A.18 Critical accounting judgements and key sources of estimation uncertainty

Critical accounting judgements

The following are the critical judgements, apart from those involving estimations that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Contingent liabilities

Assessment of whether outflow embodying economic benefits is probable, possible or remote. (See note 22)

Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2A.19 Operating Cycle

Based on the nature of products/activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2B CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in Note 2. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate change in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, it material, their effects are disclosed in the notes to the financial statements.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period, that may have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are discussed below.

a. Income taxes

The recognition of a Deferred Tax Assets (DTA) is based on whether it is probable that sufficient and suitable taxable profits will be available in the future, against which the reversal of temporary differences can be utilised. The Company has recognised DTA on carried forward tax losses, unabsorbed depreciation in the current year to the extent of estimated future profits and timing against which tax deductions represented by the DTAs can be offset.

b. Employee Benefits

Defined employee benefit assets/liabilities determined based on the present value of future obligations using assumptions determined by the Company with advice from an independent qualified actuary.

c. Property Plant and Equipment and Intangible assets

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets are determined by the management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. D156

2C RECENT ACCOUNTING DEVELOPMENTS

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

Ind AS 1 - Presentation of Financial Statements - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - The amendments will help companies to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company has evaluated the amendment and there is no impact on its financial statement.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

3. Cash and cash equivalents

(₹ in lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
(i)	Cash in hand	0.24	0.48
(ii)	Balance with banks		
	- in current accounts	39.75	37.96
	Total	**39.99**	**38.44**

4. Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
(i)	Balances in earmarked accounts		
	- Unpaid dividend accounts (See note 12)	19.53	50.52
	- Balances held as margin money against guarantee	11.20	11.20
(ii)	Balances in fixed deposit accounts (maturity of more than three months)	5,696.72	3,000.00
	Total	**5,727.45**	**3,061.72**

5. Receivables

(₹ in lakhs)

	As at 31.03.2023	As at 31.03.2022
Unsecured, considered good		
- Trade receivables	1,728.00	1,507.56
	1,728.00	**1,507.56**

Note: Trade receivables pertains to amounts recoverable from group companies (refer note 28).

For balances from related parties, there are no indicators at the period end for default of payments. Accordingly the company does not take anticipate risk of recovery and expected credit loss in respect thereof.

Trade Receivables - Ageing as at 31.03.2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	756.00	972.00	-	-	-	1,728.00
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	756.00	**972.00**	**-**	**-**	**-**	**1,728.00**

Trade Receivables - Ageing as at 31.03.2022

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	1,507.56	-	-	-	-	1,507.56
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	1,507.56	**-**	**-**	**-**	**-**	**1,507.56**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

6. Investments

Particulars			Quantity (in number)	As at 31.03.2023 (₹ in lakhs)	Quantity (in number)	As at 31.03.2022 (₹ in lakhs)
A.	**Unquoted investments in equity shares (all fully paid) of subsidiary company (Carried at cost)**					
	Max Life Insurance Company Limited (face value of ₹10 per share)		1,669,366,686	668,767.03	1,570,230,113	584,500.94
	Total (A)			**668,767.03**		**584,500.94**
B.	**Investment in mutual funds (unquoted)**					
	Carried at FVTPL					
	(a)	Aditya Birla Sun Life Money Manager Fund - Growth - Direct Plan - Face value ₹100 per unit	-	-	5,022,077.92	15,011.52
	(b)	ICICI Prudential Money Market Fund Option - Direct Plan - Growth - Face value ₹100 per unit	-	-	5,553,207.61	17,042.48
	(c)	Kotak Money Market Scheme - (Growth) - Direct - Face value ₹1000 per unit	19,511.52	746.97	493,923.52	17,883.55
	(d)	SBI Liquid Fund - DIRECT PLAN -Growth - Face value ₹1000 per unit	-	-	50,788,635.29	18,061.15
	(e)	Tata Money Market Fund-Direct Plan- Growth Option-Face value ₹1,000 per unit	-	-	473,001.74	18,093.99
	Total (B)			**746.97**		**86,092.69**
	Total aggregate unquoted investments (A+B)			**669,514.00**		**670,593.63**
	Aggregate carrying value of unquoted investments			**669,514.00**		**670,593.63**
C.	**Other investment**					
	Investment property (net of accumulated depreciation and impairment)			-		1,723.50
	Total investments (A+B+C)			**669,514.00**		**672,317.13**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

7. Other financial assets

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(i) Security deposits	78.43	75.50
(ii) Interest accrued on deposits	6.63	2.89
(iii) Other receivables from related parties (Refer Note 28)	31.77	-
Total	**116.83**	**78.39**

8. Income tax assets (net)

(₹ in lakhs)

	As at 31.03.2023	As at 31.03.2022
Advance income tax (net of provision)	**255.08**	**195.22**

Note 9

9A Property, plant and equipment

(₹ in lakhs)

	As at 31.03.2023	As at 31.03.2022
Carrying amounts of :		
a) Buildings	24.27	25.07
b) Office equipment	29.95	24.38
c) Computers	9.09	11.83
d) Furniture and fixtures	31.53	61.21
e) Vehicles	49.67	82.14
f) Leasehold improvements	45.69	77.89
	190.20	**282.52**

	Buildings [See note (i)]	Office equipment	Computers	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Gross carrying value							
Balance at April 1, 2021	**2,640.81**	**112.56**	**26.95**	**165.54**	**201.78**	**118.03**	**3,265.67**
Additions	-	0.50	4.30	-	1.48	-	6.28
Disposals	-	19.99	3.05	0.44	10.91	-	34.39
Reclassified to Investment Property (note i)	2,611.74						2,611.74
Balance at March 31, 2022	**29.07**	**93.07**	**28.20**	**165.10**	**192.35**	**118.03**	**625.82**
Additions	-	14.87	2.22	-	1.03	-	18.12
Disposals	-	9.92	3.42	6.96	-	-	20.30
Balance at March 31, 2023	**29.07**	**98.02**	**27.00**	**158.14**	**193.38**	**118.03**	**623.64**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

	Buildings [See note (i)]	Office equipment	Computers	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Accumulated depreciation							
Balance at April 1, 2021	**848.19**	**66.94**	**15.50**	**76.43**	**78.50**	**7.94**	**1,093.50**
Depreciation expense	44.05	10.19	3.59	27.62	38.64	32.20	156.29
Elimination on disposals of assets	-	8.44	2.72	0.16	6.93	-	18.25
Reclassified to Investment Property (note i)	888.24	-	-	-	0.00	-	888.24
Balance at March 31, 2022	**4.00**	**68.69**	**16.37**	**103.89**	**110.21**	**40.14**	**343.30**
Depreciation expense	0.80	8.30	3.81	27.48	33.50	32.20	106.09
Elimination on disposals of assets	-	8.92	2.27	4.76	-	-	15.95
Balance at March 31, 2023	**4.80**	**68.07**	**17.91**	**126.61**	**143.71**	**72.34**	**433.44**
Carrying amount							
Balance at April 1, 2021	1,792.62	45.62	11.45	89.11	123.28	110.09	2,172.17
Additions	-	0.50	4.30	-	1.48	-	6.28
Reclassified to Investment Property (note i)	1,723.50	-	-	-	-	-	1,723.50
Disposals	-	11.55	0.33	0.28	3.98	-	16.14
Depreciation expense	44.05	10.19	3.59	27.62	38.64	32.20	156.29
Net carrying value as at March 31, 2022	**25.07**	**24.38**	**11.83**	**61.21**	**82.14**	**77.89**	**282.52**
Additions	-	14.87	2.22	-	1.03	-	18.12
Disposals	-	1.00	1.15	2.20	-	-	4.35
Depreciation expense	0.80	8.30	3.81	27.48	33.50	32.20	106.09
Net carrying value as at March 31, 2023	**24.27**	**29.95**	**9.09**	**31.53**	**49.67**	**45.69**	**190.20**

Note (i) The title deeds of all immovable properties, other than the immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the company disclosed in the standalone financial statements included in property, plant and equipment are held in the name of the company as at the balance sheet date.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

9B Right-of-use assets

(₹ in lakhs)

	As at 31.03.2023	As at 31.03.2022
Carrying amounts of :		
Right-of-use assets (See note 27)	194.71	148.53
	194.71	**148.53**

	Right-of-use assets	Total
Gross carrying value		
Balance at April 1, 2021	712.90	712.90
Additions	-	-
Disposals	-	-
Balance at March 31, 2022	**712.90**	**712.90**
Additions	207.66	207.66
Disposals	486.57	486.57
Balance at March 31, 2023	**433.99**	**433.99**
Accumulated depreciation		
Balance at April 1, 2021	**373.01**	**373.01**
Depreciation expense	191.36	**191.36**
Disposals	-	-
Balance at March 31, 2022	**564.37**	**564.37**
Depreciation expense	161.48	161.48
Disposals	486.57	486.57
Balance at March 31, 2023	**239.28**	**239.28**
Net carrying value as at March 31, 2022	**148.53**	**148.53**
Net carrying value as at March 31, 2023	**194.71**	**194.71**

10. Other non financial assets

Particulars		As at 31.03.2023	As at 31.03.2022
(i)	Prepaid expenses	40.28	56.89
(ii)	Deposits under protest (see note 22)	12.00	12.00
(iii)	Advances recoverable in cash or kind		
	- Unsecured, considered good	0.39	2.28
	- Unsecured, considered doubtful	303.00	303.00
		303.39	305.28
	Less: Loss allowance for doubtful advances	(303.00)	(303.00)
		0.39	2.28
(iv)	Balances with government authorities - input tax credit receivable		
	- Unsecured, considered good	55.12	1.15
	- Unsecured, considered doubtful	-	16.98
		55.12	18.13
	Less: Loss allowance for doubtful balances	-	(16.98)
		55.12	1.15
	Total	**107.79**	**72.32**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

11. Trade payables

Particulars		As at 31.03.2023	As at 31.03.2022
Trade payables - Other than acceptances			
-	total outstanding dues of micro enterprises and small enterprises (See note 37)	34.75	16.29
-	total outstanding dues of creditors other than micro enterprises and small enterprises	328.09	804.56
		362.84	**820.85**

Trade payables - Ageing as at 31.03.2023

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					Total
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises (MSME)	5.85	28.90	-	-	-	34.75
(ii) Total outstanding dues of creditors other than MSME	142.79	185.30	-	-	-	328.09
(iii) Disputed dues of MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	**148.64**	**214.20**	**-**	**-**	**-**	**362.84**

Trade payables - Ageing as at 31.03.2022

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises (MSME)	1.22	15.07	-	-	-	16.29
(ii) Total outstanding dues of creditors other than MSME	609.11	195.45	-	-	-	804.56
(iii) Disputed dues of MSME	-	-	-	-	-	-
(iv) Disputed dues – Others	-	-	-	-	-	-
Total	**610.33**	**210.52**	**-**	**-**	**-**	**820.85**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

12. Other financial liabilities

(₹ in lakhs)

		As at 31.03.2023	As at 31.03.2022
(i)	Security deposits received	2.30	2.30
(ii)	Unclaimed/unpaid dividends (See note 4)	19.53	50.52
(iii)	Retention money	0.08	0.08
	Total	**21.91**	**52.90**

13. Provisions

(₹ in lakhs)

		As at 31.03.2023	As at 31.03.2022
(i)	Provision for compensated absences	30.39	64.25
(ii)	Provision for gratuity (See note 24)	114.39	224.01
(iii)	Provisions for Contingencies (See note below)	919.41	916.66
	Total	**1,064.19**	**1,204.92**

Note:

(₹ in lakhs)

	As at 31.03.2023	As at 31.03.2022
Provision for contingencies (See note below)		
Opening balances	916.66	913.92
Add: Provisions made during the year	2.75	2.74
Closing balance	**919.41**	**916.66**

The Company had created provision for claims received in previous years with respect to interest and penalties under custom duty and related regulations, which is contested by the Company. The provision will be settled on conclusion of the matter.

14. Other non-financial liabilities

(₹ in lakhs)

	As at 31.03.2023	As at 31.03.2022
Statutory remittances (Contribution to PF, GST, TDS)	54.81	127.72
Total	**54.81**	**127.72**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

15. Equity share capital

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Equity share capital	6,902.30	6,902.30
	6,902.30	**6,902.30**
Authorised share capital:		
350,000,000 (As at March 31, 2022 : 350,000,000) equity shares of ₹2 each with voting rights	7,000.00	7,000.00
Issued and subscribed capital comprises:		
345,114,771 (As at 31 March, 2022, 345,114,771) equity shares of ₹2 each fully paid up with voting rights	6,902.30	6,902.30

Fully paid equity shares:	Number of shares	Share capital (₹ in lakhs)
Balance at April 1, 2021	345,090,302	6,901.81
Add: Issue of shares (refer note 26)	24,469	0.49
Balance at March 31, 2022	**345,114,771**	**6,902.30**
Add: Issue of shares	-	-
Balance at March 31, 2023	**345,114,771**	**6,902.30**

Refer notes (i) to (v) below

(i) The Company has only one class of equity shares having a par value of ₹2 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Fully paid equity shares with voting rights:				
- Mitsui Sumitomo Insurance Company Limited	75,458,088	21.86%	75,458,088	21.86%
- Max Ventures Investment Holdings Private Limited	34,595,923	10.02%	50,380,920	14.60%
- Mirae Asset Mutual Fund	18,887,002	5.47%	18,775,529	5.44%

(iii) Shareholding of Promoters

Promoter name	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	% of total shares	No. of Shares	% of total shares
- Max Ventures Investment Holdings Private Limited	34,595,923	10.02%	50,380,920	14.60%
- Analjit Singh	110,000	0.03%	110,000	0.03%
- Neelu Analjit Singh	100,000	0.03%	100,000	0.03%
- Piya Singh	110,333	0.03%	110,333	0.03%
- Tara Singh Vachani	100,000	0.03%	100,000	0.03%

(iv) Change in shares held by promoters during the current year and previous period

Promoter name	Increase/(decrease) in shareholding	
	Current Period	Previous Period
- Max Ventures Investment Holdings Private Limited *	(4.57%)	(2.27%)
- Neelu Analjit Singh	-	-
- Analjit Singh	-	-
- Piya Singh	-	-
- Tara Singh Vachani	-	-

*During the year Max ventures Investment Holdings Private Limited has sold 15,784,997 equity shares of the Company.

The Company has issued 1,272,656 shares (As at 31 March, 2022 : 2,386,634) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the ESOP plan wherein part consideration was received in the form of employee services.

16. Other equity

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
a. Securities premium	468,045.21	468,045.21
b. Share options outstanding account	-	-
c. General reserve	16,418.22	16,418.22
d. Surplus in Statement of Profit and Loss	184,974.67	183,593.42
Total	**669,438.10**	**668,056.85**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
a.	**Securities premium**		
i.	Opening balance	468,045.21	467,905.23
ii.	Add : Premium on shares issued during the year	-	139.98
iii.	Closing balance (A)	**468,045.21**	**468,045.21**
b.	**Share options outstanding account**		
i.	Employees stock option outstanding (ESOP)	-	80.90
ii.	Add : ESOP compensation expense	-	17.99
iii.	Less : ESOPs Forfieted	-	(55.53)
iv.	Less : Transferred to securities premium account on exercise	-	(43.36)
v.	Closing balance (B)	**-**	**-**
c.	**General reserve**		
i.	Opening balance	16,418.22	16,418.22
ii.	Add : Addition	-	-
iii.	Closing balance (C)	**16,418.22**	**16,418.22**
d.	**Surplus in Statement of Profit and Loss**		
i.	Opening balance	183,593.42	173,240.30
ii.	Add: Profit for the year	1,386.95	10,262.28
iii.	Add : ESOPs Forfieted	-	55.53
iv.	Other comprehensive income arising from remeasurement of defined benefit obligation (net of income tax)	(5.70)	35.31
v.	Closing balance (D)	**184,974.67**	**183,593.42**
	(A+B+C+D)	**669,438.10**	**668,056.85**

17. Other income

(₹ in lakhs)

Particulars		Year ended 31.03.2023	Year ended 31.03.2022
(a)	Interest on income tax refund	-	55.08
(b)	Interest on loan to employees	-	0.08
(c)	Interest on security deposit	2.56	2.08
(d)	Net profit on sale of property, plant and equipment	-	0.66
(e)	Rental income	1.80	1.80
(f)	Liabilities/provisions no longer required written back	37.01	176.00
	Total	**41.37**	**235.70**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

18. Employee benefits expense

(₹ in lakhs)

	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(a)	Salaries and wages *	859.24	2,055.91
(b)	Gratuity expense (See note 24)	20.81	35.49
(c)	Contribution to provident and other funds (See note 24)	30.98	40.89
(d)	Expense on employee stock option scheme (See note 26)	-	17.99
(e)	Staff welfare expenses	11.89	11.63
	Total	**922.92**	**2,161.91**
*	Includes one - time special incentive paid to senior leadership team of the Company for their valued contribution in consummation of Max Financial – Axis transaction.	-	775.00

19. Depreciation, amortisation and impairment

(₹ in lakhs)

	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(a)	Depreciation of investment property	42.78	-
(b)	Depreciation of property, plant and equipment (See note 9A)	106.09	156.29
(c)	Depreciation of right-of-use assets (See note 9B)	161.48	191.36
	Total	**310.35**	**347.65**

20. Other expenses

(₹ in lakhs)

	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(a)	Recruitment and training expenses	0.07	0.33
(b)	Rent including lease rentals (See note 27)	100.66	90.17
(c)	Insurance	27.65	45.34
(d)	Rates and taxes	10.70	232.74
(e)	Repairs and maintenance - others	219.54	196.61
(f)	Power and fuel	26.32	23.70
(g)	Printing and stationary	6.15	7.87
(h)	Travelling and conveyance	150.00	212.26
(i)	Communication	12.65	39.95
(j)	Director's sitting fees	78.00	68.98
(k)	Commission to directors (See note 28)	-	220.00
(l)	Director's remuneration (See note 28)	350.00	300.00
(m)	Business promotion	4.57	25.03
(n)	Advertisement expenses	8.86	4.00
(o)	Net loss on sale/disposal of property, plant and equipment	0.05	-

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars		Year ended 31.03.2023	Year ended 31.03.2022
(p)	Debit balances written off	-	2.58
(q)	Charity and donation	0.11	0.11
(r)	Provision for contingencies (See note 13)	2.75	2.74
(s)	Miscellaneous expenses	93.61	116.98
	Total	**1,091.69**	**1,589.39**

21. Income taxes

A Income tax recognised in Statement of Profit and Loss

(₹ in lakhs)

Particulars		Year ended 31.03.2023	Year ended 31.03.2022
(a)	**Current tax Expense**		
	In respect of current year	1,084.23	3,191.75
		1,084.23	**3,191.75**
(b)	**Deferred tax charge/(credit) [See note 21B]**		
	In respect of current year	**(546.67)**	**1,254.21**
	Total tax expense charged/(credited) in Statement of Profit and Loss	**537.56**	**4,445.96**
(c)	**The income tax expense for the year can be reconciled to the accounting profit as follows:**		
	Profit before tax	1,924.51	14,708.24
	Applicable tax rate	25.17%	25.17%
	Income tax expense calculated	484.36	3,701.77
	Effect of expenses that are not deductible in determining taxable profit	53.20	744.19
	Total tax expense charged/(credited) in Statement of Profit and Loss	**537.56**	**4,445.96**
(d)	**Income tax recognised in Other Comprehensive Income**		
	Deferred tax [See note 21B]		
	Arising on income and expenses recognised in other comprehensive income		
	- Remeasurement of defined benefit obligation	(1.92)	11.87
		(1.92)	**11.87**

B Movement in deferred tax asset/(liability)

(i) Movement of deferred tax asset/(liability) for the year ended March 31, 2023

(₹ in lakhs)

Particulars	Opening balance as on April 1, 2022	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as on March 31, 2023
Tax effect of items constituting deferred tax liabilities				
Fair value of Financial Instruments measured at FVTPL	(719.81)	703.44	-	(16.37)
	(719.81)	**703.44**		**(16.37)**
Tax effect of items constituting deferred tax assets				
Property, plant and equipment	83.43	(8.47)	-	74.96
Provision for employee benefit expenses	-	(1.92)	1.92	-
Carry forward business loss to be adjusted in future years	254.56	(146.38)	-	108.18
	337.99	**(156.77)**	**1.92**	**183.14**
Deferred tax asset/ (liability) (net)	**(381.82)**	**546.67**	**1.92**	**166.77**

(ii) Movement of deferred tax asset/(liability) for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Opening balance as on April 1, 2021	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as on March 31, 2022
Tax effect of items constituting deferred tax liabilities				
Fair value of Financial Instruments measured at FVTPL	(43.35)	(676.46)	-	(719.81)
	(43.35)	**(676.46)**	**-**	**(719.81)**
Tax effect of items constituting deferred tax assets				
Property, plant and equipment	146.68	(63.25)	-	83.43

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	Opening balance as on April 1, 2021	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as on March 31, 2022
Provision for employee benefit expenses	130.59	(118.72)	(11.87)	-
Accrued expenses deductible on deduction of TDS	123.49	(123.49)	-	-
MAT credit entitlement	444.27	(444.27)	-	-
Carry forward business loss to be adjusted in future years	82.58	171.98	-	254.56
	927.61	**(577.75)**	**(11.87)**	**337.99**
Deferred tax assets/ (liabilities) (net)	**884.26**	**(1,254.21)**	**(11.87)**	**(381.82)**

Note:

(i) The Company, after considering its current business plans, has elected to opt for lower income tax rate, permitted by the Taxation Laws (Amendment) Act, 2019 in the previous year ended March 31, 2022. Accordingly, the Company recognised provision of income tax and remeasured its deferred tax asset/liabilities basis the rate prescribed in the said section and taken the full effect to Statement of profit and loss in the previous year.

22. Commitments and contingent liabilities

(₹ in Lakhs)

	Particulars	As at 31.03.2023	As at 31.03.2022
A.	**Capital commitments**		
	Estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances)	-	-
B.	**Contingent liabilities**		
	Claims against the Company not acknowledged as debts*		
	(i) Demands raised by custom authorities	485.12	473.99
	(ii) Demands raised by service tax authorities *	352.58	352.58
	* Amount deposited under protest	12.00	12.00

* No provision considered necessary since the Company expects a favourable decisions.

23. Segment information

The Company is primarily engaged in the business of growing and nurturing business investments and providing management advisory services to group companies in India. The Board of Directors of the Company, which has been identified as being the Chief Operating Decision Maker (CODM), evaluates the Company's performance, allocates resources based on the analysis of the various performance indicators of the Company as a single unit. Therefore there is no reportable segment for the Company, in accordance with the requirements of Ind AS 108- 'Operating Segment Reporting,' notified under the Companies (Indian Accounting Standard) Rules, 2015, as amended.

24. Employee benefit plans

(i) Defined contribution plans

The Company makes National Pension Scheme contributions which is defined contribution plan for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Employers contribution to National Pension Scheme	3.83	4.77

(ii) Defined benefit plans

A Gratuity:

The Company makes annual contribution to the Max Financial Services Limited Employees Group Gratuity Fund of the Life Insurance Corporation of India, a funded defined benefit plan for eligible employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

The gratuity plan typically exposes the Company to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees

In respect of the plan in India, the most recent actuarial valuation of the present value of the defined benefit obligation was carried out as at March 31, 2023 by Manohar Lal Sodhi, Consulting Actuary, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

(a) The principal assumptions used for the purposes of the actuarial valuations were as follows:

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Discount rate(s)	7.20%	5.70%
Expected return on plan assets	7.35%	7.50%
Salary escalation	10.00%	8.00%
Retirement age	58-65 years	58-65 years
Mortality tables	IALM (2012 - 14)	IALM (2012 - 14)
Attrition (%) - All ages	8.29% p.a.	15% p.a.
Estimate of amount of contribution in the immediate next year (₹ in lakhs)	15.94	71.80

The following tables set out the funded status of the defined benefit scheme and amounts recognised in the Company's standalone financial statements as at March 31, 2023:

(b) Amounts recognised in Standalone Statement of Profit and Loss in respect of these defined benefit plans are as follows:

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Service cost		
- Current service cost	8.06	16.00
- Reduction due to difference identified in the plan assets at the beginning of the period	(0.02)	0.33
Interest cost (net)	12.77	19.16
Components of defined benefit costs recognised in profit or loss	**20.81**	**35.49**
Remeasurement on the net defined benefit liability		

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
- Return on plan assets (excluding amounts included in net interest expense)	(0.14)	(0.06)
- Actuarial (gains)/losses arising from changes in demographic assumptions	2.97	(4.86)
- Actuarial (gains)/losses arising from changes in financial assumptions	1.92	(6.74)
- Actuarial (gains)/losses arising from experience adjustments	2.86	(35.52)
Components of defined benefit costs recognised in other comprehensive income/(loss)	**7.61**	**(47.18)**
Total	**28.42**	**(11.69)**

The current service cost and the net interest expense for the year are included in the employee benefits expense line item in the Statement of Profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(c) The amount included in the Standalone Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows as computed by the Actuarial:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Present value of defined benefit obligation	(123.62)	(232.59)
Fair value of plan assets	9.23	8.58
Net liability arising from defined benefit obligation	**(114.39)**	**(224.01)**

(d) Movements in the present value of the defined benefit obligation are as follows:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Opening defined benefit obligation	232.59	307.44
Current service cost	8.06	16.00
Interest cost	13.26	19.67
Liability transferred to Max India Limited from the enterprise	(4.92)	-
Remeasurement (gains)/losses:		-
- Actuarial (gains)/losses arising from changes in demographic assumptions	2.97	(4.86)
- Actuarial (gains)/losses arising from changes in financial assumptions	1.92	(6.74)
- Actuarial (gains)/losses arising from experience adjustments	2.86	(35.52)
Benefit paid - Paid by the Enterprise	(133.12)	(63.40)
Closing defined benefit obligation	**123.62**	**232.59**

(e) Movements in the present value of the plan assets are as follows:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Plan assets at beginning of the year	8.58	8.34
Reduction due to difference identified in the plan assets at the beginning of the period	0.02	(0.33)
Interest Income	0.49	0.51
Return on plan assets (excluding amounts including in net interest expense)	0.14	0.06
Plan assets at the end of the year	**9.23**	**8.58**

(f) Disaggregation of plan assets into classes:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Assets Invested in Insurance Scheme with the insurer	100%	100%

(g) Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. Th e sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by ₹ 4.11 lakhs (increase by ₹ 4.49 lakhs) [as at March 31, 2022: decrease by ₹ 5.15 lakhs (increase by ₹ 5.43 lakhs)].

ii) If the expected salary growth increases (decreases) by 1.00%, the defined benefit obligation would increase by ₹ 4.33 lakhs (decrease by ₹ 4.04 lakhs) [as at March 31, 2022: increase by ₹ 5.26 lakhs (decrease by ₹ 5.09 lakhs)].

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(h) The average duration of the benefit obligation represents average duration for active members at March 31, 2023: 9.73 years (as at March 31, 2022: 8.42 years).

B Provident Fund:

The Company is contributing in a provident fund trust "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max Group companies. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan.

The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by employer. The actuary has accordingly provided a valuation for "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for the Group.

The details of fund and plan asset position as per the actuarial valuation of active members are as follows:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Plan assets at year end at fair value	674.53	1,617.59
Present value of defined benefit obligation at year end	670.99	1,606.53
Surplus as per actuarial certificate	3.54	11.06
Shortfall recognised in balance sheet	-	-
Active members as at year end (Nos)	9	10

Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Discount rate	7.20%	5.66%
Yield on existing funds	8.15%	8.10%
Expected guaranteed interest rate	8.15%	8.10%

Contribution to Defined benefit Plan, recognised as expense for the year is as under:

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Employer's Contribution towards Provident Fund (PF)	30.98	40.89
Total	**30.98**	**40.89**

C. Compensated absences

Liability for compensated absence for employees is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuation are:

Actuarial Assumptions:	31.03.2023	31.03.2022
Discount Rate (per annum)*	7.20%	5.70%
Rate of increase in compensation levels**	10.00%	8.00%

* The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

** Future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

25. Calculation of Earnings per share (EPS) - Basic and Diluted

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Basic EPS		
Profit attributable to shareholders (₹ in lakhs)	1,386.95	10,262.28
Weighted average number of equity shares outstanding during the year (Nos.)	345,114,771	345,111,540
Face value per equity share (₹)	2.00	2.00
Basic Earnings Per Share (₹)	**0.40**	**2.97**
Diluted EPS		
Equivalent weighted average number of employee stock options outstanding (Nos)	-	23,986
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	345,114,771	345,135,526
Diluted Earnings Per Share (₹)	**0.40**	**2.97**

26 Employee Stock Option Plan

26.1 Employee Stock Option Plan - 2003 ("the 2003 Plan"):

The Company had instituted the 2003 Plan, which was approved by the Board of Directors on August 25, 2003 and by the shareholders on September 30, 2003. The 2003 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees of the Company. The 2003 Plan is administered by the Nomination and Remuneration Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to five years and options can be exercised within two years from vesting date. As amended in the 2003 Plan and approved the shareholders in Annual General Meeting held on September 30, 2014, the Option Price will be determined by the Nomination and Remuneration Committee, from time to time, in accordance with the provisions of applicable law, provided that the Option Price shall not be below the face value of the equity shares of the Company.

Particulars	31.03.2023		31.03.2022	
	Number of options	Weighted Average exercise price (₹)	Number of options	Weighted Average exercise price (₹)
Option outstanding at the beginning of the year	-	-	65,865	393.12
Granted during the year	-	-	-	-
Forfeited during the year	-	-	(41,396)	393.12
Exercised during the year	-	-	(24,469)	393.12
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

For the current year, the weighted average share price at the exercise date was ₹ Nil (Previous year : ₹ 393.12).

The weighted average exercise price for stock options outstanding as at March 31, 2023 was ₹ Nil per share (March 31, 2022: ₹ 393.12 per share).

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

27. Leases

The Company's lease assets primarily consists of lease of Buildings.

Company as a Lessee

a. Following are the changes in the carrying value of right of use assets

(₹ in lakhs)

Particulars	Category of ROU assets
	Building
Balance as on 1 April, 2021	339.89
Additions	-
Depreciation	191.36
Balance as at March 31, 2022	**148.53**
Additions	207.66
Depreciation	161.48
Balance as at March 31, 2023	**194.71**

b. The following is the break-up of current and non-current lease liabilities:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Current liabilities	95.07	125.48
Non-current liabilities	101.60	28.99
Total	**196.67**	**154.47**

c. The following is the movement in lease liabilities during the year:

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Opening balance	154.47	345.95
Additions	207.66	-
Finance cost accrued	10.89	13.61
Repayment of lease liabilities	176.35	205.09
Closing balance	**196.67**	**154.47**

d. The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ in lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Less than one year	95.07	129.32
One to five years	104.74	28.99
More than five years	-	-
Total	**199.81**	**158.31**

Company as a Lessor

The Company has entered into agreements of leasing out the properties. These are in the nature of operating leases and lease arrangements contain provisions for renewal. The total lease income in respect of such lease recognised in Statement of Profit and Loss for the year ended March 31, 2023 is ₹ 58.19 lakhs (March 31, 2022: ₹ 43.80 lakhs).

28. Related party disclosures

A. List of related parties

Subsidiary company	- Max Life Insurance Company Limited
Step down subsidiary	- Max Life Pension Fund Management Limited (w.e.f. February 28, 2022)
Names of other related parties with whom transactions have taken place during the year	
Entity/person having significant influence/ control upon the Company	- Max Ventures Investment Holdings Private Limited
	- Mitsui Sumitomo Insurance Company Limited, Japan
	- Mr. Analjit Singh (Chairman)
Key Management Personnel (KMP)	- Mr. Analjit Singh (Chairman & Non-executive Director)
	- Mr. Mohit Talwar (Managing Director till January 14, 2023)
	- Mr. Aman Mehta (Director)
	- Mr. D.K. Mittal (Director)
	- Mrs. Naina Lal Kidwai (Director) (till May 31, 2022)
	- Mr. Sahil Vachani (Director)
	- Mr. Jai Arya (Director)
	- Mr. Charles Richard Vernon Stagg (Director)
	- Mr. Hideaki Nomura (Director)
	- Mr. Mitsuru Yasuda (Director)
	- Mr. K Narasimha Murthy (Director)
	- Mrs. Gauri Padmanabhan (Director) (w.e.f. August 25, 2022)
	- Mr. Jatin Khanna (Chief Financial Officer) (till September 30, 2021)
	- Mr. Mandeep Mehta (Chief Financial Officer)
	(w.e.f. October 01, 2021 till April 30, 2022)
	- Mr. Amrit Singh (Chief Financial Officer) (w.e.f. May 01, 2022)
	- Mr. V Krishnan (Company Secretary)

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

Enterprises owned or significantly influenced by key management personnel or their relatives (with whom transactions have taken place during the year)	- Max India Limited
	- Max Ventures and Industries Limited
	- Antara Purukul Senior Living Limited
	- Antara Senior Living Limited
	- Antara Assisted Care Services Limited
	- Max Assets Services Limited
	- Max UK Limited
	- Delhi Guest House Private Limited
	- New Delhi House Services Limited
	- Forum I Aviation Private Limited
	- SKA Diagnostic Private Limited
Employee benefit funds	- Max Financial Services Limited Employees' Provident Fund Trust
	- Max Financial Employees Welfare Trust (w.e.f. May 11, 2022)

Note : The related parties have been identified by the management.

B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

(₹ in lakhs)

Nature of transaction	Name of related party	Year ended 31.03.2023	Year ended 31.03.2022
Sale of services	Max Life Insurance Company Limited	1,600.00	1,600.00
	Max India Limited	432.20	438.75
	Max Ventures and Industries Limited	-	25.00
Rental income	Max India Limited	1.80	1.80
Reimbursement of expenses (received from)	Max Life Insurance Company Limited	-	4.56
	Max Ventures and Industries Limited	25.96	3.65
	Max India Limited	25.96	40.31
	Antara Senior Living Limited	-	1.82
	Antara Assisted Care Services Limited	-	1.82
Reimbursement of expenses (paid to)	Max India Limited	11.89	15.68
Repairs and maintenance - others	New Delhi House Services Limited	146.04	141.47
	Max Assets Services Limited	26.14	-
	Max India Limited	-	26.88
Miscellaneous expense	New Delhi House Services Limited	87.37	82.21
	Antara Purukul Senior Living Limited	-	0.27
	Max Financial Employees Welfare Trust	0.10	-
Contribution to provident fund	Max Financial Services Limited Employees' Provident Fund Trust	30.98	40.89
Insurance expense	Max Life Insurance Company Limited	5.86	8.99
Legal and professional expenses	Max India Limited	700.00	650.00
	Max UK Limited	96.00	80.00

(₹ in lakhs)

Nature of transaction	Name of related party	Year ended 31.03.2023	Year ended 31.03.2022
Lease rental/ electricity payments	Delhi Guest House Private Limited	114.06	112.58
	Max India Limited	87.48	87.48
	SKA Diagnostic Private Limited	76.78	93.75
Travelling and conveyance	Forum I Aviation Private Limited	19.16	59.81
Security deposit paid	Max India Limited	-	21.87
	Delhi Guest House Private Limited	4.92	-
	Max Assets Services Limited	5.03	-
Security deposit refunded	SKA Diagnostic Private Limited	6.25	-
Transfer (in) of fixed assets	Max India Limited	-	1.48
Transfer (out) of fixed assets	Max India Limited	0.62	-
	Max Ventures and Industries Limited	0.97	-
Purchase of investment in subsidiary	Mitsui Sumitomo Insurance Company Limited (See note 38)	84,266.09	-

C. Transactions with the key management personnel during the year:

(₹ in lakhs)

Name of key management personnel	Nature of transaction (Note 1)	Year ended 31.03.2023	Year ended 31.03.2022
Mr. Mohit Talwar	Remuneration	697.48	1,147.16
Mr. Jatin Khanna	Remuneration	-	394.90
Mr. V Krishnan	Remuneration	139.15	227.04
Mr. Amrit Pal Singh	Remuneration	16.50	-
Mr. Mandeep Mehta	Remuneration	1.50	9.00
Mr. Analjit Singh	Remuneration (See Note 2)	350.00	300.00

(₹ in lakhs)

Name of key management personnel	Nature of transaction (Note 1)	Year ended 31.03.2023	Year ended 31.03.2022
Mr. Analjit Singh	Director sitting fees	6.00	6.00
Mr. Aman Mehta	Director sitting fees	16.00	14.00
Mr. D.K. Mittal	Director sitting fees	15.00	15.00
Mrs. Naina Lal Kidwai	Director sitting fees	8.00	9.00
Mr. Sahil Vachani	Director sitting fees	7.00	5.00
Mr. Jai Arya	Director sitting fees	11.00	7.00
Mr. Charles Richard Vernon Stagg	Director sitting fees	4.00	5.00
Mrs. Gauri Padmanabhan	Director sitting fees	2.00	-
Mr. K Narasimha Murthy	Director sitting fees	9.00	6.00
Mr. Analjit Singh	Commission	100.00	-
Mr. Aman Mehta	Commission	20.00	-

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(₹ in lakhs)

Name of key management personnel	Nature of transaction (Note 1)	Year ended 31.03.2023	Year ended 31.03.2022
Mr. D.K. Mittal	Commission	20.00	-
Mrs. Naina Lal Kidwai	Commission	20.00	-
Mr. Jai Arya	Commission	20.00	-
Mr. Charles Richard Vernon Stagg	Commission	20.00	
Mr. K Narasimha Murthy	Commission	20.00	-

Notes:

1.) As the future liability for gratuity and leave encashment is provided on actuarial basis for the Company as a whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above. The figures do not include accrual recorded for Employee Share Based Payments.

2.) Payments made to Mr. Analjit Singh on his extensive involvement in the strategic developments at the Company are with the approval of shareholders

3.) The remuneration paid to aforesaid KMP's in FY 2022 includes one - time special incentive of ₹ 7.75 crores paid for their valued contribution in consummation of Max Financial – Axis transaction. This includes payment of ₹ 5 crores made to Mr. Mohit Talwar, MD of the company with the approval of shareholders.

D. The following table provides the year end balances with related parties for the relevant financial year :

(₹ in lakhs)

Particulars	Name of related party	As at March 31, 2023	As at March 31, 2022
Trade receivables	Max Life Insurance Company Limited	1,728.00	1,507.56
Other receivables	Max Ventures and Industries Limited	31.77	-
Security deposits	Delhi Guest House Private Limited	27.74	22.82
	SKA Diagnostic Private Limited	18.75	25.00
	Max India Limited	21.87	21.87
	Max Assets Services Limited	5.03	-
Trade payables	New Delhi House Services Limited	23.31	54.49
	Max UK Limited	96.00	80.00
	Max Assets Services Limited	2.90	-
	Delhi Guest House Private Limited	0.30	5.82
	Forum I Aviation Private Limited	18.84	-
Investment in subsidiary	Max Life Insurance Company Limited	668,767.03	584,500.94

E. Terms and conditions of transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

29. Disclosure of section 186 (4) of the Companies Act 2013

(₹ in lakhs)

Name of the Investee	As at 01.04.2022	Investment made during the year	Investment sold during the year	As at 31.03.2023	Purpose
Investment in equity shares of					
Max Life Insurance Company Limited	584,500.94	84,266.09	-	668,767.03	Strategic investment

(₹ in lakhs)

Name of the Investee	As at 01.04.2021	Investment made during the year	Investment sold during the year	As at 31.03.2022	Purpose
Investment in equity shares of					
Max Life Insurance Company Limited	648,798.36	-	64,297.42	584,500.94	Strategic investment

30. Financial Instruments

(a) Capital management

The capital management objectives of the Company are:

- to ensure that the Company complies with externally imposed capital requirements and maintains strong credit ability and healthy capital ratios
- to ensure the ability to continue as a going concern
- to provide an adequate return to shareholders

Management assesses the capital requirements of the Company in order to maintain an efficient overall financing structure. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

(b) Financial risk management objective and policies

Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

As at March 31, 2023

(₹ in lakhs)

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	39.99	-	-	39.99
Bank balances other than cash and cash equivalents	5,727.45	-	-	5,727.45
Trade receivables	1,728.00	-	-	1,728.00
Investments	-	-	746.97	746.97
Other financial assets	116.83	-	-	116.83
	7,612.27	**-**	**746.97**	**8,359.24**
Investment in equity shares of subsidiary carried at cost less impairment				668,767.03
Total financial assets				**677,126.27**

(₹ in lakhs)

Financial liabilities	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Trade payables	362.84	-	-	362.84
Lease liabilities	196.67	-	-	196.67
Other financial liabilities	21.91	-	-	21.91
	581.42	**-**	**-**	**581.42**

As at March 31, 2022

(₹ in lakhs)

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	38.44	-	-	38.44
Bank balances other than cash and cash equivalents	3,061.72	-	-	3,061.72
Trade receivables	1,507.56	-	-	1,507.56
Investments	-	-	86,092.69	86,092.69
Other financial assets	78.39	-	-	78.39
	4,686.11	**-**	**86,092.69**	**90,778.80**
Investment in equity shares of subsidiary carried at cost less impairment				586,224.44
Total financial assets				**677,003.24**

(₹ in lakhs)

Financial liabilities	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Trade payables	820.85	-	-	820.85
Lease liabilities	154.47	-	-	154.47
Other financial liabilities	52.90	-	-	52.90
	1,028.22	**-**	**-**	**1,028.22**

(c) Risk management framework

The Company is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The objective of the Company's risk management framework is to manage the above risks and aims to:

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks
- provide management with reliable information on the Company's risk exposure
- improve financial returns

(i) Market risk

Market risk is the risk that the fair value of financial instrument will fluctuate because of change in market price.

The Company's activities expose it primarily to interest rate risk, currency risk and other price risk such as equity price risk. The financial instruments affected by market risk includes : Fixed deposits, current investments, borrowings and other current financial liabilities.

(ii) Liquidity risk

The Company requires funds both for short-term operational needs as well as for long-term investment needs.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company (other than derivative financial liability and lease liabilities).

(₹ in lakhs)

	As at March 31, 2023				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Trade payables	362.84	-	-	-	362.84
Other financial liabilities	21.91	-	-	-	21.91
Total	**384.75**	**-**	**-**	**-**	**384.75**

(₹ in lakhs)

	As at March 31, 2022				
	<1 year	1-3 Years	3-5 Years	> 5 Years	Total
Trade payables	820.85	-	-	-	820.85
Other financial liabilities	52.90	-	-	-	52.90
Total	**873.75**	**-**	**-**	**-**	**873.75**

(iii) Foreign currency risk

Foreign exchange risk comprises of risk that may arise to the Company because of fluctuations in foreign currency exchange rates. Fluctuations in foreign currency exchange rates may have an impact on the Statement of Profit and Loss. As at the year end, the Company was exposed to foreign exchange risk arising from foreign currency payables.

(iv) Interest rate risk

The Company is exposed to interest rate risk on fixed deposits outstanding as at the year end. The Company invests in fixed deposits to achieve the Company's goal of maintaining liquidity, carrying manageable risk and achieving satisfactory returns.

(v) Other price risk

The Company is exposed to price risks arising from fair valuation of Company's investment in mutual funds. The investments in mutual fund are held for short term purposes.

(vi) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk primarily arises from trade receivables, balances with banks and security deposits. The credit risk on bank balances is limited because the counterparties are banks with good credit ratings. The Company's exposure and credit worthiness of its counterparties are continuously monitored.

31. Fair value measurement

i) Financial assets and financial liabilities that are not measured at fair value are as under:

(₹ in lakhs)

Particulars	As at 31.03.2023		As at 31.03.2022	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	39.99	39.99	38.44	38.44
Bank balances other than cash and cash equivalents	5,727.45	5,727.45	3,061.72	3,061.72
Trade receivables	1,728.00	1,728.00	1,507.56	1,507.56
Investment - Investment in equity shares of subsidiary company	668,767.03	668,767.03	584,500.94	584,500.94
Other financial assets	116.83	116.83	78.39	78.39
Financial liabilities				
Trade payables	362.84	362.84	820.85	820.85
Lease liabilities	196.67	196.67	154.47	154.47
Other financial liabilities	21.91	21.91	52.90	52.90

Note :

The carrying value of the above financial assets and financial liabilities carried at amortised cost approximate these fair value.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

ii) Financial assets and liabilities measured at fair value as at March 31, 2023 and March 31, 2022 is as follows:

(₹ in lakhs)

Particulars	As at 31.03.2023	Fair value measurement at end of the reporting period using			Valuation techniques
		Level 1	Level 2	Level 3	
Financial assets					
Investment in mutual funds	746.97	746.97	-	-	Based on the NAV report issued by the fund manager
Total	**746.97**	**746.97**	**-**	**-**	

(₹ in lakhs)

Particulars	As at 31.03.2022	Fair value measurement at end of the reporting period using			Valuation techniques
		Level 1	Level 2	Level 3	
Financial assets					
Investment in mutual funds	86,092.69	86,092.69	-	-	Based on the NAV report issued by the fund manager
Total	**86,092.69**	**86,092.69**	**-**	**-**	

32. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

(₹ in lakhs)

Particulars	As at 31.03.2023			As at 31.03.2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
A. ASSETS						
1. Financial Assets						
(a) Cash and cash equivalents	39.99	-	39.99	38.44	-	38.44
(b) Bank balance other than (a) above	5,716.25	11.20	5,727.45	3,050.52	11.20	3,061.72
(c) Receivables - Trade receivables	1,728.00	-	1,728.00	1,507.56	-	1,507.56
(d) Investments	746.97	668,767.03	669,514.00	87,816.19	584,500.94	672,317.13
(e) Other financial assets	38.40	78.43	116.83	2.89	75.50	78.39
Total financial assets	**8,269.61**	**668,856.66**	**677,126.27**	**92,415.60**	**584,587.64**	**677,003.24**
2. Non financial Assets						
(a) Current tax assets (Net)	-	255.08	255.08	-	195.22	195.22
(b) Deferred tax assets (net)	-	166.77	166.77	-	-	-
(c) Property, plant and equipment	-	190.20	190.20	-	282.52	282.52
(d) Right-of-Use asset	-	194.71	194.71	-	148.53	148.53

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	As at 31.03.2023			As at 31.03.2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
(e) Other non-financial assets	95.79	12.00	107.79	60.32	12.00	72.32
Total non-financial assets	**95.79**	**818.76**	**914.55**	**60.32**	**638.27**	**698.59**
TOTAL Assets	**8,365.40**	**669,675.42**	**678,040.82**	**92,475.92**	**585,225.91**	**677,701.83**
B. LIABILITIES AND EQUITY						
1. Financial liabilities						
(a) Trade payables						
(i) total outstanding dues of micro enterprises and small enterprises	34.75	-	34.75	16.29	-	16.29
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	328.09	-	328.09	804.56	-	804.56
(b) Lease liabilities	95.07	101.60	196.67	125.48	28.99	154.47
(c) Other financial liabilities	21.91	-	21.91	52.90	-	52.90
Total financial liabilities	**479.82**	**101.60**	**581.42**	**999.23**	**28.99**	**1,028.22**
2. Non-financial liabilities						
(a) Provisions	144.78	919.41	1,064.19	288.26	916.66	1,204.92
(b) Deferred tax liabilities (net)	-		-	381.82		381.82
(c) Other non-financial liabilities	54.81	-	54.81	127.72	-	127.72
Total non-financial liabilities	**199.59**	**919.41**	**1,119.00**	**797.80**	**916.66**	**1,714.46**
3. Equity						
(a) Equity share capital	-	6,902.30	6,902.30	-	6,902.30	6,902.30
(b) Other equity	-	669,438.10	669,438.10	-	668,056.85	668,056.85
Total equity	**-**	**676,340.40**	**676,340.40**	**-**	**674,959.15**	**674,959.15**
Total liabilities and equity	**679.41**	**677,361.41**	**678,040.82**	**1,797.03**	**675,904.80**	**677,701.83**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

33. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

34. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

35. The Company is primarily engaged in the business of growing and nurturing business investments in its subsidiary. The investments (financial assets) and dividend income (financial income) on the same has resulted in financial income to be in excess of 50% of its total income and its financial assets to be more than 50% of total assets. The management is of the view supported by legal opinion that the Company is an Unregistered Core Investment Company (Unregistered CIC) as laid down in the "Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016", as amended. Hence, registration under Section 45-IA of the Reserve Bank of India Act, 1934 is not required.

36. Payment to auditors (excluding Goods and Services Tax) (included in legal and professional)

(₹ in Lakhs)

Particulars	For the year ended 31.03.2023	For the year ended 31.03.2022
To statutory auditor:		
For audit (Including limited reviews)	31.00	28.00
Reimbursement of expenses	2.24	1.38
Total	**33.24**	**29.38**

37. Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

(₹ in Lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
(i)	Amounts payable to suppliers under MSME Development Act, 2006 (suppliers) as at year end		
	- Principal	34.75	16.29
	- Interest due thereon	-	-
(ii)	Payments made to suppliers beyond the appointed day during the year		
	- Principal	-	-
	- Interest paid thereon	-	-
(iii)	Amount of Interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSME Development Act, 2006	-	-
(iv)	Amount of interest accrued and remaining unpaid as on last day	-	-
(v)	Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

38. The Board of Directors of the Company in its meeting held on March 3, 2020, had approved entering into a Put/Call arrangement for acquisition of balance shares held by Mitsui Sumitomo Insurance Company Limited (MSI) in Max Life Insurance Company Limited ('MLIC') and matters incidental thereto at a price of ₹ 85 per share ("MSI Put/Call Option"). The shareholders of the Company approved the said MSI Put/Call Option on May 27, 2020. In this regard the Company had executed definite agreement, which was subject to receipt of requisite regulatory approvals.

The Company received approval from Insurance Regulatory and Development Authority of India ('IRDAI') vide its letter dated November 25, 2022. Pursuant to the approval, on December 8, 2022, the Company acquired residual 99,136,573 equity shares of face value of ₹ 10 each constituting 5.17% equity stake held by MSI in MLIC at a price of ₹ 85 per share. On acquisition of the aforesaid stake in MLIC, the shareholding held by the Company in MLIC increased to 87%.

39. The Board of Directors of the Company in its meeting held on April 27, 2020 approved entering into definitive agreements with Axis Bank for the sale of equity share capital of MLIC, a subsidiary of the Company, to Axis Bank, subject to receipt of shareholders' approval and other requisite regulatory approvals. The shareholders of the Company approved the transaction on June 16, 2020.

On October 30, 2020, the Company, MLIC, Axis Bank and its subsidiaries (together "Axis Entities"), i.e. Axis Capital Limited and Axis Securities Limited ("Axis Bank subsidiaries") entered into agreements for acquisition of upto 19.002% of the equity share capital of MLIC ("Agreements"). Pursuant to receipt of all approvals, Axis Bank had acquired 9.002% of the equity share capital of MLIC and Axis Bank subsidiaries acquired 3% of the share capital of MLIC as per Rule 11UA valuation of the Income-tax Rules, 1962 upto March 31, 2022.

On January 9, 2023 the Company has executed revised agreements with the parties in terms of which Axis Entities have the right to purchase the balance 7% equity stake of MLIC from the Company at Fair Market Value using Discounted Cash Flows instead of valuation as per Rule 11UA of the Income Tax Rules, 1962. This revision has been done consequent to the guidance received by MLIC from IRDAI.

The acquisition of 7% of equity share capital of MLIC by Axis Entities is subject to receipt of requisite regulatory approvals. Pending receipt of requisite approvals, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the financial year.

40. The Company does not have any transactions with struck off Companies under section 248 or section 560 of Companies Act, 2013.

41. Additional Regulatory Information

Ratio	Numerator	Denominator	As at 31.03.2023	As at 31.03.2022	Variance
Current Ratio (In times)	Current assets (Financial assets less Investment in subsidiary and investment property)	Current liabilities	14.38	89.96	-84%
Debt – Equity Ratio (In times)	Debt	Shareholder's Equity	NA	NA	NA
Debt Service Coverage Ratio (In times)	EBITDA	Debt	NA	NA	NA
Return on Equity (ROE) (In %)	Net Profit after taxes	Average Shareholder's Equity	0.21%	1.53%	-87%
Trade receivables turnover ratio (In times)	Shared service revenue	Average Trade Receivable	1.26	1.21	4%
Trade payables turnover ratio (In times)	Legal & Professional and Other expenses	Average Trade Payables	4.49	3.22	39%
Net capital turnover ratio (In times)	Revenue	Working Capital	0.75	0.22	239%
Net profit ratio (In %)	Net Profit	Revenue	23.72%	50.96%	-53%
Return on capital employed (ROCE) (In %)	Earning before interest and taxes	Capital employed	0.28%	2.18%	-87%
Return on Investment(ROI) (In %)	Income generated from invested funds	Average invested funds in treasury investments	6.53%	6.34%	3%

Reason for variance:

Current Ratio - lower due to decrease in current investments and decrease in trade payables

Return on Equity (ROE) - lower due to decrease in revenue

Trade payable turnover ratio - higher due to decrease in trade payables and decrease in legal and professional expenses

Net capital turnover ratio - lower due to decrease in net working capital and revenue

Net profit ratio - lower due to higher % decline in revenue

Return on capital employed (ROCE) - Lower due to decrease in earnings when compared with the previous year; as the company has not earned any dividend income during the current year.

42. Pursuant to sections 135(5) of Companies Act, 2013 and rule made thereunder, the Company need to ensure that at least 2% of average net profit of the preceding three financial years is spent on CSR activities.

The Company does not have turnover of rupees one thousand crore or more or a net profit of rupees five crore or more as computed under section 135 of the Act during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year.

43. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

45. The figures for the previous year have been regrouped/reclassified wherever necessary, to make them comparable.

46. The standalone financial statements were approved for issue by the Board of Directors on May 12, 2023.

For and on behalf of the Board of Directors

Aman Mehta
(Director)
DIN No:00009364

Sahil Vachani
(Director)
DIN No:00761695

Amrit Singh
(Chief Financial Officer)

V Krishnan
(Company Secretary)
M.No. - FCS-6527

Place : Noida
Date : May 12, 2023

MAX FINANCIAL SERVICES

Financial Review

Consolidated Financial Statement

INDEPENDENT AUDITOR'S REPORT

To The Members of Max Financial Services Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of **Max Financial Services Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on the separate financial statements of the subsidiaries referred to in Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below for subsidiary company, Max Life Insurance Company Limited, to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Information Technology and General Controls:** The Company is dependent on its Information Technology ("IT") systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environment. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data. On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a Key Audit Matter.	We have involved our IT specialists in our assessment of the IT systems and controls over financial reporting, which included carrying out the following key audit procedures: ▪ Understood General IT Controls (GITC) over key financial accounting and reporting systems (referred to as "in-scope systems") which covered access controls, program/system changes, program development and computer operations i.e. job processing, data/system backup and incident management; ▪ Understood the IT infrastructure i.e. operating systems and databases and related data security controls; ▪ Tested controls over IT infrastructure covering user access including privilege users and system changes; ▪ Evaluated design and operating effectiveness for in-scope systems and application controls which covered segregation of duties, system interfaces, completeness, and accuracy of data feeds; ▪ Evaluated policies adopted by the company relating to password, access management and change management; and Assessed whether controls have remained unchanged during the year or were changed after considering controls around change management process.
2.	**Valuation of Investments** Due to the regulatory prescriptions applicable to recognition, measurement and disclosure of Investments and the assumptions used in the valuation of Investments, (Schedule 8, 8A and 8B to the financial statements) we have considered this as a key audit matter. The valuation of all investments should be as per the investment policy framed by the Company which in turn should be in line with IRDAI Investment Regulations. The Company has inter alia a policy framework for Valuation and impairment of Investments The valuation of unquoted investments and thinly traded investments continues to be an area of inherent risk because of market volatility, unavailability of reliable prices and macroeconomic uncertainty. The Company performs an impairment review of its investments periodically and recognizes impairment charge when the investments meet the trigger/s for impairment provision as per the criteria set out in the investment policy. Further, the assessment of impairment involves significant management judgement.	To ensure that the valuation of investments and impairment provision considered in the financial statements is adequate, we have performed the following procedures: ▪ Assessed Valuation Methodologies with reference to investment regulations issued by IRDAI and the Company's board approved investment policy ▪ Evaluation of the Company's Internal controls viz a viz the implementation of Investment Risk management System and processes. ▪ Tested the management oversight and controls over valuation of investments. ▪ Independently test-checked valuation of quoted and unquoted investments. ▪ Performed audit procedures over the Fair Value Change Account for specific investments. ▪ Substantive testing of transactions relating to Investments, reviewed and assessed the adequacy with respect to management assessment of identification of non performing investments and impairment charge on such investments outstanding at the year end. Accordingly based on our audit procedures, we noted no reportable matters regarding investments and its valuation.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including annexures thereto, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information compare with the financial statements of subsidiaries audited by other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary companies, is traced from their financial statements audited by other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Management of the companies included in the Group are responsible for assessing the ability of the respective subsidiaries to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate their respective subsidiaries or cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of subsidiaries within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements, of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the joint/other auditors, such joint/other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements 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 consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

In respect of Max Life Insurance Company Limited ("MLIC"), a subsidiary company, determination of the following as at year ended March 31, 2023 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, 2023 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, 2023. 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; and

   d. Liability adequacy test as at the reporting dates.

   e. Disclosures as mentioned in note 40 of the consolidated financial statements.

   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.

iii. We did not audit the financial statements of two entities whose financial statements reflect total assets (before consolidation adjustment) of ₹186.99 crores as at March 31, 2023, total revenues (before consolidation adjustment) of ₹9.66 crores and net cash flows (net) of ₹10.48 crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far it relates to the amounts and disclosures included in respect of these entities and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid entities is based solely on the reports of the other auditors. In our opinion and according to the information and explanations given to us by the Board of Directors, financial information of these two entities are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit and on consideration of reports of other auditors on separate financial statement of the entities referred to in Other Matters section we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the auditors of the subsidiary company and entities forming part of the Group, except for keeping backup on daily basis of such books of accounts maintained in electronic mode, in a server physically located in India of the Parent Company

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record by the Board of Directors of the Parent and the report of the auditors of the subsidiary company, none of the directors of the Group companies is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies forming part of the Group. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us and based on the auditor' report of the subsidiary companies, the remuneration paid by the Parent and such subsidiaries to their respective directors during the year is in accordance with the provisions of section 197 of the Act.

h) The observation relating to the maintenance of accounts and other matters connected therewith, are as stated in paragraph (b) above.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 33 of consolidated financial statements.

   ii. The liability for insurance contracts, is determined by the MLIC's Appointed Actuary, and is covered by the Appointed Actuary's certificate, referred to in Other Matters paragraph above, on which the auditors of the subsidiary company have placed reliance. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts - Refer Note 51 of consolidated financial statements.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiary company Refer Note 54 of consolidated financial statements.

   iv. (a) The respective Managements of the Parent Company and its subsidiaries which are incorporated in India whose Financial Statements have been audited under the Act represented to us and the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief, as disclosed in the note 61 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent Company or any of such subsidiaries to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent Company and its subsidiaries, which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 61 to the consolidated financial statements, no funds have been received by the Parent Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule(11)(e) as provided under (a) and (b) above, contain any material misstatement.

v. No dividend proposed, declared or paid by any of the companies incorporated in India which are consolidated

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent Company and its subsidiaries which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Satpal Singh Arora
(Partner)
(Membership No. 98564)
(UDIN : 23098564BGVUUW6420)

Place: Gurugram
Date: May 12, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of **Max Financial Services Limited** (hereinafter referred to as "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

In respect of Max Life Insurance Company Limited ('MLIC"), a subsidiary company, the actuarial valuation of liabilities for life policies in force and policies where premium is discontinued is required to be certified by the Appointed Actuary as per the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations") and has been relied upon by the auditors of the subsidiary company, as mentioned in "Other Matters" paragraph of our audit report on the consolidated financial statements of the Group as at and for the year ended March 31, 2023. Accordingly, the auditors of the subsidiary company have not audited the internal financial controls with reference to consolidated financial statements in respect of the valuation and accuracy of the aforesaid actuarial valuation.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Parent and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the joint auditors or other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to consolidated financial statements of the Parent and its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial control with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors referred to in the Other Matters paragraph below ,the Parent and its subsidiaries which are companies incorporated in India have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

OTHER MATTERS

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No. 098564)
(UDIN : 23098564BGVUUW6420)

Place: Gurugram
Date: May 12, 2023

CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2023

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
A. ASSETS			
1. Financial assets			
(a) Cash and cash equivalents	3	98,698.21	56,893.67
(b) Bank balance other than (a) above	4	5,747.45	3,061.72
(c) Investments	5	543,087.66	602,093.04
(d) Other financial assets	6	339.50	20,552.41
(e) Financial assets of Life Insurance Policyholders' Fund	7	12,313,347.02	10,894,788.42
Total financial assets		**12,961,219.84**	**11,577,389.26**
2. Non-financial assets			
(a) Current tax assets (net)	8	1,577.66	1,076.08
(b) Deferred tax assets (net)	22	385.68	129.85
(c) Investment Property	9A	8,534.44	8,686.76
(d) Property, plant and equipment	9B	190.20	282.52
(e) Goodwill	9C	52,525.44	52,525.44
(f) Right of use assets	10A	194.71	148.53
(g) Other non-financial assets	11	5,842.29	4,799.90
(h) Non-financial assets of Life Insurance Policyholders' Fund	12	151,907.85	129,816.84
Total non-financial assets		**221,158.27**	**197,465.92**
Total Assets		**13,182,378.11**	**11,774,855.18**
B. LIABILITIES AND EQUITY			
I. LIABILITIES			
1. Financial liabilities			
(a) Trade Payables	13		
(i) Total outstanding dues of micro enterprises and small enterprises		39.07	16.29
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises		3,210.82	3,580.31
(b) Non-Convertible Subordinated Debentures (including interest accrued)	14	52,066.41	52,056.22
(c) Lease liabilities	38	196.67	154.47
(d) Other financial liabilities	15	5,393.92	5,289.70
(e) Financial liabilities of Life Insurance Policyholders' Fund	16	12,640,349.71	11,180,657.80
Total financial liabilities		**12,701,256.60**	**11,241,754.79**
2. Non-financial liabilities			
(a) Provisions	17	1,064.20	1,204.92
(b) Deferred tax liabilities (net)	22	1.41	381.82
(c) Other non-financial liabilities	18	181.64	221.88

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
(d) Non-financial liabilities of Life Insurance Policyholders' Fund	19	83,024.60	82,800.15
Total non-financial liabilities		**84,271.85**	**84,608.77**
Total liabilities		**12,785,528.45**	**11,326,363.56**
II. EQUITY			
(a) Equity share capital	20	6,872.21	6,902.30
(b) Other equity	21	344,951.65	386,558.98
Equity attributable to owners of the Company		**351,823.86**	**393,461.28**
Non Controlling Interest		45,025.80	55,030.35
Total equity		**396,849.66**	**448,491.63**
Total liabilities and equity		**13,182,378.11**	**11,774,855.18**

See accompanying notes to the consolidated financial statements 1 to 65
In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No. 98564)

Place : Gurugram
Date : May 12, 2023

For and on behalf of the Board of Directors

Aman Mehta
(Director)
DIN No:00009364

Sahil Vachani
(Director)
DIN No:00761695

Amrit Singh
(Chief Financial Officer)

Place : Noida
Date : May 12, 2023

V Krishnan
(Company Secretary)
M.No. - FCS-6527

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2023

(₹ in lakhs)

	Particulars	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
1.	**Revenue from operations**			
	(a) Interest Income	23	30,211.85	22,652.30
	(b) Dividend Income	24	310.39	269.39
	(c) Rental Income		645.88	224.83
	(d) Net gain on fair value changes	25	3,933.78	9,594.45
	(e) Policyholders' Income from Life Insurance operations	26	3,105,062.16	3,084,916.45
	(f) Sale of services		433.83	463.75
	(g) Gain on sale of investment property		669.29	-
2.	**Total revenue from operations**		**3,141,267.18**	**3,118,121.17**
3.	Other income	27	1,838.50	637.13
4.	**Total income (2+3)**		**3,143,105.68**	**3,118,758.30**
5.	**Expenses**			
	(a) Finance costs	28	3,745.67	2,473.56
	(b) Impairment on financial instruments		(58.51)	(173.48)
	(c) Employee benefits expenses	29	2,922.51	3,677.01
	(d) Depreciation, amortisation and impairment	30	462.67	499.97
	(e) Legal and professional expenses		1,578.06	1,384.78
	(f) Policyholders' Expenses from Life Insurance operations	31	3,078,875.07	3,068,754.78
	(g) Other expenses	32	2,859.50	3,275.79
6.	**Total expenses**		**3,090,384.97**	**3,079,892.41**
7.	**Profit before tax (4-6)**		**52,720.71**	**38,865.89**
8.	**Tax expense**			
	Relating to other than revenue account of Life Insurance policyholders			
	Current tax	22	8,030.82	6,221.29
	Deferred tax	22	(499.51)	804.12
	Adjustment of tax relating to earlier periods	22	-	-
	Relating to revenue account of Life Insurance policyholders			
	Current tax		-	-
	Total tax expense		**7,531.32**	**7,025.42**
9.	**Profit for the year from continuing operations(7-8)**		**45,189.39**	**31,840.47**
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			
	- Remeasurement of defined benefit obligations		(605.68)	137.81
	Less: Transferred to Policyholders' Fund in the Balance Sheet		605.68	(137.81)
	Subtotal (A)		**-**	**-**
	(ii) Items that will be reclassified to profit or loss in subsequent periods			
	- Changes in fair values of FVTOCI debt instruments		(150,599.67)	136,796.06
	- Cash flow hedge		11,457.29	(15,486.99)
	- Impairment loss (including reversals)		(26.38)	355.93

(₹ in lakhs)

Particulars	Note No.	Year ended 31.03.2023	Year ended 31.03.2022
Less: Transferred to Policyholders' Fund in the Balance Sheet		139,168.76	(121,665.00)
Subtotal (B)		**-**	**-**
Relating to Others			
(i) Items that will not be reclassified to profit or loss in subsequent periods			
- Remeasurement of defined benefit obligations		(7.62)	47.18
- Income tax relating to items that will not be reclassified to profit or loss		1.92	(11.87)
Subtotal (C)		**(5.70)**	**35.31**
(ii) Items that will be reclassified to profit or loss in subsequent periods			
- Changes in fair values of FVTOCI debt instruments		(930.23)	(1,435.96)
- Impairment loss (including reversals)		4.23	0.56
- Income tax relating to items that will be reclassified to profit or loss		134.83	208.99
Subtotal (D)		**(791.17)**	**(1,226.41)**
11. Other Comprehensive Income for the year (A+B+C+D)		**(796.87)**	**(1,191.10)**
12. Total Comprehensive Income (9+11)		**44,392.52**	**30,649.37**
Profit for the year attributable to			
Owners of the Company		37,848.59	25,337.00
Non-controlling interests		7,340.80	6,503.47
Other Comprehensive Income attributable to			
Owners of the Company		(635.39)	(970.89)
Non-controlling interests		(161.48)	(220.21)
Total Comprehensive Income attributable to			
Owners of the Company		37,213.20	24,366.11
Non-controlling interests		7,179.32	6,283.26
Earnings per share (EPS) (₹)	36		
(a) Basic EPS		10.97	7.34
(b) Diluted EPS		10.97	7.34

See accompanying notes to the consolidated financial statements 1 to 65
In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No. 98564)

Place : Gurugram
Date : May 12, 2023

For and on behalf of the Board of Directors

Aman Mehta
(Director)
DIN No:00009364

Sahil Vachani
(Director)
DIN No:00761695

Amrit Singh
(Chief Financial Officer)

Place : Noida
Date : May 12, 2023

V Krishnan
(Company Secretary)
M.No. - FCS-6527

CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 31 MARCH 2023

(₹ In lakhs)

	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	52,720.71	38,865.89
	Adjustments for:		
	Depreciation, amortisation and impairment	17,777.29	18,021.28
	Interest Expense	2,971.94	4,390.03
	Interest and Dividend income from investments	(644,154.92)	(541,504.05)
	Rent Income	(7,080.18)	(6,774.09)
	Net loss/(profit) on sale/disposal of property, plant and equipments	(30.52)	49.84
	Net (gain)/loss on fair value changes	(7,849.17)	(357,461.46)
	Gain on sale of investment property	(669.29)	-
	Provision for diminution in value of long term investment	(84.89)	(199.76)
	Liabilities/provisions no longer required written back	(37.01)	(176.00)
	Provision for doubtful debts and bad-debts written off	887.54	181.30
	Provision for rates and taxes	2.75	2.74
	Expense on employee stock option scheme	418.48	17.99
	Change in policyholder reserves (including funds for future appropriation)	1,502,998.91	1,699,756.95
	Operating Profit before working capital changes	**917,871.64**	**855,170.66**
	Changes in working capital:		
	Adjustments for (increase)/decrease in operating assets:		
	Trade receivables	(2,356.84)	(6,505.54)
	Other financial assets	18,296.35	(21,681.13)
	Other non financial assets	(3,234.22)	449.48
	Adjustments for increase/(decrease) in operating liabilities:		
	Trade payables	30,678.88	22,749.27
	Other financial liabilities	4,371.88	39,178.29
	Provisions	(82.26)	(488.89)
	Insurance contract liabilities	36,080.61	(30,278.96)
	Other non financial liabilities	114.07	(1,990.68)
	Cash generated from operations	**1,001,740.11**	**856,602.50**
	Net income tax (paid)/refunds	(9,511.68)	(7,016.75)
	Net cash flow from/(used in) operating activities (A)	**992,228.43**	**849,585.75**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Capital expenditure on property, plant and equipment including capital advances	(17,393.13)	(12,799.92)
	Proceeds from sale of property, plant and equipment	208.88	94.28
	Proceeds from sale of investment property	2,350.00	-
	Bank balances not considered as Cash and cash equivalents (placed)/matured	(2,685.73)	(2,938.30)
	Investments		
	- Purchased	(120,820,214.57)	(134,047,846.55)
	- Proceeds from sale	119,361,596.50	132,589,481.23
	Investments in equity shares of subsidiary company		
	- Purchased	(84,266.09)	-
	- Sale	-	55,481.37
	Proceeds from loan against policies	(13,685.59)	(13,384.90)

(₹ In lakhs)

	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Interest, Rent and Dividend Received	651,325.18	548,375.17
	Net cash from/(used in) investing activities (B)	**(922,764.55)**	**(883,537.62)**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from ESOPs exercised (including share premium)	-	97.11
	Dividend including distribution tax	-	(3,207.18)
	Lease payments	(7,369.60)	(7,501.01)
	Payment for purchase of treasury shares	(12,186.89)	-
	Proceeds from issue of NCD by subsidiary company	-	49,600.22
	Transaction cost for issue of NCD by subsidiary company	-	(191.78)
	Interest/dividends paid	(3,720.00)	-
	Net cash flow from/(used in) used in financing activities (C)	**(23,276.49)**	**38,797.36**
D	**Net increase/(decrease) in cash and cash equivalents (A+B+C)**	**46,187.39**	**4,845.49**
E	**Cash and cash equivalents as at the beginning of the year**	**76,402.82**	**71,557.33**
Cash and cash equivalents as at the end of the year *		**122,590.21**	**76,402.82**

(₹ In lakhs)

	Year ended 31.03.2023	Year ended 31.03.2022
* Components of Cash and Cash Equivalents:		
Cash on hand	12,954.89	6,751.89
Balances with scheduled banks		
- On current accounts	89,586.26	69,650.93
- Deposits with original maturity of upto 3 months	20,049.06	-
Total cash and cash equivalents (See note 3 and note 8A)	**122,590.21**	**76,402.82**

The above consolidated cash flow statement has been prepared under the “Indirect Method” as set out in Ind AS 7- Statement of Cash Flows.

See accompanying notes to the consolidated financial statements 1 to 65
In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No. 98564)

Place : Gurugram
Date : May 12, 2023

For and on behalf of the Board of Directors

Aman Mehta
(Director)
DIN No:00009364

Sahil Vachani
(Director)
DIN No:00761695

Amrit Singh
(Chief Financial Officer)

Place : Noida
Date : May 12, 2023

V Krishnan
(Company Secretary)
M.No. - FCS-6527

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH, 2023

a) Equity share capital

Particulars	(₹ in lakhs) Amount
Balance at 1 April, 2021	**6,901.81**
Changes in equity share capital during the year	
Issue of equity shares (See note 20)	0.49
Balance at 31 March, 2022	**6,902.30**
Changes in equity share capital during the year	
Less: Treasury shares held under ESOP trust (See note 20)	(30.09)
Balance at 31 March, 2023	**6,872.21**

b) Other equity

(₹ in lakhs)

Particulars	Reserves and Surplus							Items of OCI	Attributable to owners of the Company	Attributable to Non controlling interest	Total other equity
	Securities premium	Capital Redemption Reserve	Share option outstanding account	Surplus in the statement of profit and loss	General Reserve	Debenture Redemption Reserve	Treasury shares	FVTOCI Reserve			
Balance as at 01 April, 2021	467,905.23	2,587.84	80.90	(160,185.82)	15,358.07	-	-	1,648.16	327,394.38	26,207.74	353,602.12
Profit for the year	-	-	-	24,345.00	-	992.00	-	-	25,337.00	6,503.47	31,840.47
Other comprehensive income/ (loss)	-	-	-	35.30	-	-	-	(1,006.19)	(970.89)	(220.21)	(1,191.10)
Total comprehensive income	**-**	**-**	**-**	**24,380.30**	**-**	**992.00**	**-**	**(1,006.19)**	**24,366.11**	**6,283.26**	**30,649.37**
Premium on issue of shares under ESOP	139.98	-	(43.36)	-	-	-	-	-	96.62	-	96.62
Interim Dividends	-	-	-	-	-	-	-	-	-	(3,206.96)	(3,206.96)
Debenture issues expenses adjustment	-	-	-	(191.78)	-	-	-	-	(191.78)	-	(191.78)
Dividend Distribution Tax	-	-	-	5,140.58	-	-	-	-	5,140.58	-	5,140.58
Share-based payments to employees (See note 21)	-	-	17.99	-	-	-	-	-	17.99	-	17.99
Transfer to non-controlling interest	-	-	-	-	-	-	-	-	-	25,746.31	25,746.31
ESOPs Forfieted (See note 21)	-	-	(55.53)	55.53	-	-	-	-	-	-	-
Gain/(loss) on stake change in subsidiary without loss of control (See Note 58 and 59)	-	-	-	29,735.08	-	-	-	-	29,735.08	-	29,735.08
As at 31 March, 2022	**468,045.21**	**2,587.84**	**-**	**(101,066.11)**	**15,358.07**	**992.00**	**-**	**641.97**	**386,558.98**	**55,030.35**	**441,589.33**
Profit for the year	-	-	-	36,856.59	-	992.00	-	-	37,848.59	7,340.80	45,189.39
Other comprehensive income/ (loss)	-	-	-	(5.70)	-	-	-	(629.69)	(635.39)	(161.48)	(796.87)
Total comprehensive income	**-**	**-**	**-**	**36,850.89**	**-**	**992.00**	**-**	**(629.69)**	**37,213.20**	**7,179.32**	**44,392.52**
Share-based payments to employees (See note 23)	-	-	364.08	-	-	-	-	-	364.08	54.40	418.48
Impact of ESOP trust consolidation	-	-	-	-	-	-	(12,156.80)	-	(12,156.80)	-	(12,156.80)
Transfer to non-controlling interest	-	-	-	-	-	-	-	-	-	(17,238.27)	(17,238.27)
Gain/(loss) on stake change in subsidiary without loss of control (See Note 58 and 59)	-	-	-	(67,027.81)	-	-	-	-	(67,027.81)	-	(67,027.81)
As at 31 March, 2023	**468,045.21**	**2,587.84**	**364.08**	**(131,243.03)**	**15,358.07**	**1,984.00**	**(12,156.80)**	**12.28**	**344,951.65**	**45,025.80**	**389,977.45**

See accompanying notes to the consolidated financial statements 1 to 65
In terms of our report attached

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Satpal Singh Arora
Partner
(Membership No. 98564)

Place : Gurugram
Date : May 12, 2023

For and on behalf of the Board of Directors

Aman Mehta
(Director)
DIN No:00009364

Sahil Vachani
(Director)
DIN No:00761695

Amrit Singh
(Chief Financial Officer)

Place : Noida
Date : May 12, 2023

V Krishnan
(Company Secretary)
M.No. - FCS-6527

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate information

Max Financial Services Limited ('the Company'/'the Parent') is a public limited company domiciled in India and incorporated on February 24, 1988 under the provisions of the Companies Act, 1956. The shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company is primarily engaged in the business of growing and nurturing business investments and providing management advisory services to group companies in India. The registered address of the Company is Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144533

Max Life Insurance Company Limited ('the Subsidiary Company') was incorporated on July 11, 2000 as a public limited company under the Companies Act, 1956 to undertake and carry on the business of life insurance and annuity. The Subsidiary Company obtained a license from the Insurance Regulatory and Development Authority of India ('IRDAI') for carrying on life insurance business on November 15, 2000. The Subsidiary Company offers a range of participating, non-participating and linked products covering life insurance, pension and health benefits including riders for individual and group segments. These products are distributed by individual agents, corporate agents, banks, brokers and other channels.

Max Life Pension Fund Management Limited is a wholly owned subsidiary of Max Life Insurance Company Limited. The Company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The Company was incorporated on February 28, 2022 with Registration Number U66020HR2022PLC101655 with specific purpose of managing pension fund business. Pension Fund Regulatory and Development Authority ("PFRDA") has granted Certificate of Registration vide a letter dated April 20, 2022 (bearing registration No.: PFRDA/PF/2022/02) to Max Life Pension Fund Management Limited to act as pension fund under National Pension System (NPS)

2. Significant accounting policies

2.01 Basis of preparation

(i) Statement of compliance

The consolidated financial statements of the Company and the Subsidiary Company (collectively referred to as the 'Group') have been prepared in accordance with the Indian Accounting Standards ('Ind AS') notified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The Group presents its financial statements to comply with Division III of Schedule III to the Companies Act, 2013 which provides general instructions for the preparation of financial statements of a non-banking financial company (NBFC to comply with Ind AS) and the requirements of Ind AS.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy thereto in use.

(ii) Basis of preparation and presentation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the assets or liability. The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

As permitted by Ind AS 104 Insurance Contracts, the Subsidiary Company continues to apply the existing accounting policies that were applied prior to the adoption of Ind AS, with certain modifications allowed by the standard subsequent to adoption for its insurance contracts and investment contracts with a discretionary participation feature (DPF).

The financial statements are presented in INR and all values are rounded to the nearest lakhs, except when otherwise indicated.

As per the Insurance Act, 1938, (as amended by Insurance Laws (Amendment) Act, 2015) (the "Insurance Act"):

i. A life insurer is required to carry all receipts due in respect of such business, into a separate fund to be called the life insurance fund. The assets of the life insurance fund are required to be kept distinct and separate from all other assets of the insurer and the deposit made by the insurer in respect of life insurance business is deemed to be part of the assets of such fund. [Section 10(2)].

ii. The life insurance fund is absolutely the security of the life policyholders as though it belonged to an insurer carrying on no other business than life insurance business. The life insurance fund would not be liable for any contracts of the insurer for which it would not have been liable had the business of the insurer been only that of life insurance. Also, the life insurance fund is not to be applied directly or indirectly for any purposes other than those of the life insurance business of the insurer [Section 10(3)].

On account of the above regulatory restrictions on transfer of surplus/ funds from the life insurance fund to shareholders, no proportion of the surplus relating to life insurance fund (including in respect of contracts without discretionary participating features) arising out of the adjustments due to application of Ind AS principles can be attributed to shareholders. Under the Previous GAAP fair valuation changes relating to the life insurance fund assets is accumulated within the liability group "Policyholders' Funds" in a line item labelled "Credit/(Debit) Fair Value Change Account" separately from "Policy Liabilities", "Insurance Reserves" and "Provision for Linked Liabilities". Therefore the differences arising from the application of the Ind AS principles to the assets and liabilities of the life insurance fund be retained within the "Life Insurance Policyholders' Fund" liability group as "Fair Valuation Differences of Policyholders' Investments", "Measurement difference of Ind AS 104 Adjustments" and "Measurement difference – Other Adjustments".

Further all assets, liabilities, income and expenses pertaining to the life insurance fund have been grouped under "Assets of life insurance fund", "Liabilities of Life insurance fund", "Income from life insurance operations" and "Expense of the life insurance operations" respectively.

2.02 Principles of Consolidation

The Consolidated financial statements comprise the financial statements of the Company and its subsidiary as at March 31, 2023. The Company has two Subsidiaries Companies in India, Max Life Insurance Company Limited and Max Life Pension Fund Management Limited. Further, the Company has one special purpose entity Max Financial Employees Welfare Trust. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

a. Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)

b. Exposure, or rights, to variable returns from its involvement with the investee, and

c. The ability to use its power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the Company's separate financial statements. The accounting policies of the subsidiary are, in all material respects, in line with accounting policies of the Company.

The financial statements of the Subsidiary Companies for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e. year ended on March 31, 2023.

Consolidation procedures:

a. The financial statements of the Company and its subsidiary company are consolidated on line-by-line basis adding together the book value of assets, liabilities, equity, income, expenses and cash flows of the parent with its subsidiary. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements as at the acquisition date.

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

c. Eliminate in full, intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

a. Derecognises the assets (including goodwill) and liabilities of the subsidiary.

b. Derecognises the carrying amount of any non-controlling interests.

c. Derecognises the cumulative translation differences recorded in equity.

d. Recognises the fair value of the consideration received.

e. Recognises the fair value of any investment retained.

f. Recognises any surplus or deficit in profit or loss.

g. Reclassifies the parent's share of components previously recongised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

203 Product classification

Insurance contracts are those contracts when the Group has accepted significant insurance risk from the policyholders by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders. The Group determines whether the contract has significant insurance risk, by comparing benefits payable on death is higher by at least 5% of the fund value at any time during the term of the contract for unit linked products or higher by at least 5% of the premium at any time during the term of the contract for other than unit linked products. Investment contracts are those contracts that transfer significant financial risk and which do not carry significant insurance risk.

Financial risk is the risk of a possible future change in one or more of a specified interest rate, financial instrument price, index of price or rates, credit rating or credit index or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts are further classified as being either with or without discretionary participation features (DPF). DPF is a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that are:

- Likely to be a significant portion of the total contractual benefits,
- The amount or timing of which is contractually at the discretion of the issuer, and
- That are contractually based on the:
    - o performance of a specified pool of contracts or a specified type of contract,
    - o realised and/or unrealised investment returns on a specified pool of assets held by the issuer, or
    - o the profit or loss of the company, fund or other entity that issues the contract.

For financial options and guarantees which are not closely related to the host insurance contract and/or investment contract with DPF, bifurcation is required to measure these embedded financial derivatives separately at fair value through the income statement. However, bifurcation is not required if the embedded derivative is itself an insurance contract and/or investment contract with DPF, or if the host insurance contract and/or investment contract itself is measured at fair value through the income statement. The Group has considered the probable embedded derivatives in the products offered and have calculated the value for embedded derivative separately for reporting under Ind AS 104 as at March 31, 2023.

2.04 Premium Income

The premium income for insurance contract and investment contract with discretionary participation feature (DPF) is recognised as revenue when due from policyholders. For linked business, premium income is recognised when the associated units are created. Premium on lapsed policies is recognised as income when such policies are reinstated. Top-up premiums are recognised as single premium.

For investment contract without DPF, deposit accounting in accordance with Ind AS 104 and Ind AS 109 is followed. Consequently only to the extent of charges and fees collected from such investment contract is accounted as income in statement of profit and loss.

2.05 Income From Linked Policies

Income on linked policies including fund management charges, policy administration charges, surrender penalty charges, mortality charges, and other charges, wherever applicable, are recovered from the linked fund and recognised when due in accordance with the terms and conditions mentioned in the policies.

2.06 Reinsurance Premium Ceded

Reinsurance premium ceded is accounted for at the time of recognition of premium income in accordance with the treaty or in-principle arrangement with the reinsurer.

2.07 Income from services

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

Revenue from contracts with customers is recognised when the Company satisfies a performance obligation by transferring promised services to a its customer in accordance with terms of relevant contracts. Revenue is measured based on the consideration specified in a contract with a customer.

For allocating the transaction price, the Company has measured the revenue in respect of each performance obligation of a contract at its relative standalone selling price. The Company has assessed that it is primarily responsible for fulfilling the performance obligation and has no agency relationships. Accordingly the revenue has been recognized at the gross amount.

2.08 Acquisition Costs

Acquisition costs include expenses which are incurred to solicit and underwrite insurance contracts such as commission, medical fee, policy printing expenses, etc. These costs are expensed in the year in which they are incurred for insurance contract and investment contract with DPF. In case of investment contact without DPF, the acquisition costs are deferred as per policy mentioned in Note 2.13. Claw back of the commission paid, if any, is accounted for in the year in which it becomes recoverable.

2.09 Benefits and Claims

Gross benefits and claims for life insurance contracts and for investment contracts with DPF include the cost of all claims arising during the period including settlement of claims and policyholder bonuses declared. Death claims and surrenders are recorded on the basis of intimation received. Maturities and annuity payments are recorded when due.

2.10 Reinsurance Claims

Reinsurance claims is accounted for in the same period as the related claim and also in accordance with the treaty or in- principle arrangement with the reinsurer.

2.11 Life Insurance Contract Liability (including investment contract liabilities with DPF)

The actuarial liability for policies in-force as at the valuation date is determined using appropriate methods and assumptions that conform to the regulations issued by the IRDAI and the Actuarial Practice Standards (APS) issued by the Institute of Actuaries of India (IAI). Specifically, the key principles considered for the valuation relate to the IRDA (Assets, Liabilities and Solvency Margin of Life Insurance Business) Regulations, 2016 and the APS 1, APS 2 and APS 7 issued by the IAI.

The liability, valued on a policy by policy basis, is so calculated that together with future premium payments and investment income, the Group is able to meet all future claims (including bonus entitlements to policyholders, if applicable) and expenses, on the basis of actuarial estimates.

A brief description of the methodology used for valuing key categories of products is provided below:

1. The liability for individual non-linked business is valued using gross premium reserving methodology. For participating business, a reference is also made to the asset share of the policies as at the valuation date in order to appropriately allow for policyholders' reasonable expectations. The liability is floored to zero or the surrender value payable under the policies, if any.

2. The liability for individual (and group) unit linked business comprises of two parts a unit reserve and a non-unit reserve. Unit reserve represents the value of units using the net asset value at the valuation date. Non-unit reserve is calculated using a discounted cash-flow method and is similar to gross premium reserves.

3. The liability for group one year renewable term business is calculated using an unearned premium approach where the premium representing the unexpired policy term is held as a liability. For longer term group business, gross premium reserving methodology is used.

4. The liability for riders attached to a policy is calculated as higher of gross premium reserves and unearned premium reserves.

The liabilities above also allow (either explicitly or implicitly) for any cost of guarantees/options inherent in the products.

The regulations also require the insurers to hold certain additional reserves. The key additional reserves cover the following sources of liability:

1. Additional source of liability for policies which are lapsed as at the valuation date but represent a potential source of future liability if they revive within their revival period (generally termed as lapse revival reserves). The reserves are calculated using an assumption of revival probability, based on Group experience.

2. Additional source of liability for policies which may exercise their option of cancelling the policy within the free look period offered (generally termed as free look cancellation reserves). The reserves are calculated using an assumption of free look cancellation, based on Group experience.

3. Liability against policies for which the insured event has already occurred but the claim has not been reported to the Group (generally termed as Incurred but Not Reported reserves).

2.12 Valuation of Investment Contract Liabilities without DPF:

Unitised investment contract fair values are determined by reference to the values of the assets backing the liabilities, which are based on the value of the unit-linked fund.

2.13 Deferred Acquisition Cost (DAC)/Deferment Origination Fees (DOF)

Certain incremental acquisition costs that are directly attributable to securing an investment contract without DPF are deferred and recorded in deferred expenses. These deferred costs are amortised over the period in which the service is provided. The DAC has following components:

I. Initial (1st, 2nd and 3rd year) commission is higher than the remaining year's commission for these products. The differences between these commissions are spread over the whole term of the policy and the commission for unexpired term of the policy as on Balance sheet date is considered.

II. First year distribution allowance is spread over the whole term of the policy and the allowance for the unexpired term of the policy as on Balance sheet date is considered.

DAC are derecognised when the related contracts are either settled or disposed off.

Similar to above calculation the Group has also calculated Deferment Origination Fees (DOF) to be taken as liability.

The DOF for the same products has following component:

I. Initial (1st, 2nd and 3rd year) allocation charges are higher than the remaining year's allocation charges for these products. The difference between these charges are spread over the whole term of the policy and the charges for the unexpired term of the policy as on Balance sheet date is considered.

DOF are derecognised when the related contracts are either settled or disposed off.

2.14 Reinsurance Asset

The reinsurance credit taken, i.e. difference between gross reserves and net reserves, while calculating statutory reserves is held as reinsurance asset.

The Group cedes insurance risk in the normal course of business for all of its businesses.

2.15 Liability Adequacy Test (LAT)

For liability reporting as at 31 March 2023 under Ind AS 104, the gross liability would be same as gross liability used for statutory reporting. These liabilities as calculated on Gross Premium Valuation basis using Margin for Adverse Deviation (MAD) on best estimate assumptions which are equal to or on higher side than prescribed by the regulations/professional guidance hence there is no need to perform Liability Adequacy Test separately as at 31 March 2023.

The Group applies MAD for the following key assumptions in actuarial valuation of liabilities:

I. Mortality/Morbidity/Longevity
II. Lapse/Surrender/Reduced/Paid-up/Partial-Withdrawal
III. Interest rate
IV. Expenses

2.16 Income from investments

Interest income on investments is recognized on accrual basis. Amortization of discount/premium relating to the debt securities and money market securities is recognized over the remaining maturity period on an Effective Interest Rate (EIR) method. Dividend income is recognized on ex-date and when right to receive payment is established.

The realised profit/loss on debt/money market securities for amortised security is the difference between the net sale consideration and the amortised cost of securities.

Profit or loss on sale/redemption of securities classified as Fair value through other comprehensive income is recognized on trade date basis and includes effects of accumulated fair value changes, previously recognized and credited to other comprehensive income, for investments sold/redeemed during the period.

Profit or loss on sale/redemption of securities classified as Fair value through profit or loss is recognized on trade date basis and includes effects of accumulated fair value changes for investments sold/redeemed during the period.

2.17 Income earned on loans

Interest income on loans is recognised on an accrual basis are per Effective Interest Rate (EIR). Fees and charges also include policy reinstatement fees and loan processing fees which are recognised on receipt basis.

Interest income on policy reinstatement

Income on policy reinstatement is accounted for on receipt basis.

2.18 Income on Investment Property

Lease rentals on investment property is recognised on accrual basis and include only the realisable rent. Costs related to operating and maintenance of investment property are recognised as expense in the Profit and Loss

2.19 Financial Instrument - Investments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in three categories:

i.**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a. The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b. Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. Expected Credit losses (ECL) are recognised in the statement of profit or loss when the investments are impaired.

ii.**Debt instruments at fair value through other comprehensive income (FVTOCI)**

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:

a. The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b. The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals in the profit or loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified to profit or loss. Interest earned on FVTOCI debt instrument is reported as interest income using the EIR method.

iii.**Financial instruments at fair value through profit or loss (FVTPL)**

Items at fair value through profit or loss comprise:

a. items held for trading;

b. debt instruments with contractual terms that do not represent solely payments of principal and interest.

Financial instruments held at fair value through profit or loss is initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise.

De-recognition of Financial Assets

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity/"Non financial liabilities of the life insurance fund" is recognised in profit and loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial assets.

2.20 Impairment of financial assets:

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a. Financial assets that are debt instruments, and are measured at amortised cost except for government security as no credit exposure is considered for such securities.

b. Financial assets that are debt instruments and are measured as at FVTOCI except for government security as no credit exposure is considered for such securities.

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'Impairment on financial instruments' in the Statement of Profit and Loss.

2.21 Financial liabilities

a. **Gross obligation over written put options issued to the non-controlling interests:**

The Parent Company has issued written put option to non-controlling interests in it's subsidiary in accordance with the terms of underlying shareholders agreement. Should the option be exercised, the Parent Company has to settle such liability by payment of cash.

Initial recognition:

The amount that may become payable under the option on exercise is recognised as a financial liability at its present value with a corresponding charge directly to the shareholders' equity.

Subsequent measurement:

In the absence of any mandatorily applicable accounting guidance, the Group has elected an accounting policy to recognise changes on subsequent measurement of the liability in shareholders' equity.

b. **Other financial liabilities**

Initial recognition and measurement

The Group's financial liabilities include investment contracts without DPF and trade and other payables. Financial liabilities are classified at initial recognition, as financial liabilities at FVTPL or payables. All financial liabilities are recognised initially at fair value.

Subsequent measurement - Financial liabilities at FVTPL

Financial liabilities at FVTPL includes financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Subsequent measurement - Trade and other payables

After initial recognition, trade and other payables are subsequently measured at amortised cost. Gains and losses are recognised in profit or loss when the liabilities are derecognized.

De-recognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

2.22 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets, liabilities and equity items for which fair value is measured in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole.

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are measured at fair value in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.24 Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement includes cash in hand, bank balances, deposits with banks, other short-term highly liquid investments with original maturities of upto three months and which are subject to insignificant risk of change in value.

Receipts and Payments account is prepared and reported using the Indirect method in accordance with Indian Accounting Standard (Ind AS) 7, "Statements of Cash Flow".

2.25 Cash flow statement

Cash flows are reported using indirect method, whereby Profit/(loss) before tax reported under Statement of Profit and loss is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on available information.

2.26 Segment information

The Group determines reportable segment based on information reported to the Chief Operating Decision Maker (CODM) for the purposes of resource allocation and assessment of segmental performance. The CODM evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments.

The Group allocates geographical revenue on the basis of location of the customers and non-current assets on the basis of the location of the assets.

2.27 Earnings per share

Basic earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit/(loss) after tax (including the post tax effect of exceptional items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for employee share options and bonus shares, if any, as appropriate.

2.28 Leases

Group as a lessee

'The Group has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The Group has applied Ind AS 116 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. As a result, the comparative information has not been restated.

The Group's lease asset classes primarily consist of leases for buildings. The Group, at the inception of a contract, assesses whether the contract is a lease or not lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises Right-of-Use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Group changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

Group as a lessor

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group general policy on borrowing costs.

2.29 Property, plant and equipment and Intangible assets:

Capital work in progress, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Assets individually costing upto rupees five thousand and not as part of a composite contract are fully depreciated in the month of acquisition. Fixed assets at third party locations and not under direct physical control of the Group are fully depreciated over twelve months from the month of purchase.

Gains or losses arising from de-recognition of fixed assets and intangibles are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the profit or loss when the asset is derecognized.

Depreciation on Property, plant and equipment has been provided on the straight line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 in respect of the following categories of assets.

Assets	Estimated useful life
Furniture and Fixtures	10 years
Office Equipment	5 years

Depreciation on Property, plant and equipment, in respect of the following categories of assets, has been provided on the straight-line method as per the useful life of the assets which has been assessed taking into account the nature of the asset, the estimated usage of the assets the operating conditions of the asset, past history of replacement, etc.:

The management believes that the useful lives as mentioned below best represent the useful life of these respective assets, however these are different from those prescribed under part C of schedule II of the Companies Act, 2013:

Assets	Estimated useful life
Vehicles	5 years
Handheld devices	1 year
IT equipment including servers and networks	5 years
Laptops	3 - 4 years
Desktops	3 - 5 years

Leasehold land is amortised over the renewable period of respective leases subject to a maximum of 10 years.

Intangible assets are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in statement of profit or loss in the year in which the expenditure is incurred.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Assets	Estimated useful life
Software (excluding Policy Administration System and Satellite systems)	4 years
Policy Administration System and Satellite systems	6 years

The residual values, useful lives and methods of depreciation of property, plant and equipment and intangibles are reviewed at each financial year end and adjusted prospectively, if appropriate.

Impairment of Assets

The management assesses as at balance sheet date, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost. Such reversal is reflected in the statement of profit and loss.

2.30 Retirement and other employee benefits:

a. Short Term Employee Benefits

All employees' benefits payable within twelve months including salaries & bonuses, short term compensated absences and other benefits like insurance for employees are accounted on undiscounted basis during the accounting period in which the related services are rendered.

b. Post-Employment Benefits

Defined contribution plans

Employee's State Insurance:

The Group makes contribution to Employee's State Insurance, National Pension Scheme (Company contribution) and Labour Welfare Fund, being defined contribution plans, is charged to the Statement of Profit and Loss in the year the contribution is made. The Group does not have any further obligation beyond the contributions made to the funds.

Defined benefit plans

Provident Fund:

The Group contributes to the employee provident trust "Max Financial Services Limited Employees' Provident Fund Trust" which is managed by the holding company and as per guidance on Ind AS–19, Employee Benefits, provident funds set up by employers, which requires interest shortfall to be met by the employer, which is a defined benefit plan. Both the employees and the Group make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Contributions and shortfall, if any, is charged to the Statement of Profit and Loss.

Gratuity:

The Group's liability towards Gratuity, Long Term Incentive Plan and Compensated Absences being defined benefit plans, is accounted for on the basis of independent actuarial valuations carried out as per 'Projected Unit Credit Method' at the balance sheet date. The discount rate used for actuarial valuation is based on the yield of Government Securities. The Company contributes the net ascertained liabilities under the plan to the Max Life Insurance Company Limited Employees Group Gratuity Plan.

The Group recognises the net defined benefit obligation of the gratuity plan, taking into consideration the defined benefit obligation using actuarial valuation and the fair value of plan assets at the Balance Sheet date, in accordance with Indian Accounting Standard (Ind AS) 19, "Employee Benefits". Actuarial gains or losses, if any, due to experience adjustments and the effects of changes in actuarial assumptions are recognized in the other comprehensive income (OCI).

c. Other Long Term Employee Benefits

Other long term employee benefits includes accumulated long term compensated absences and long term incentive plans. Accumulated long term compensated absences are entitled to be carried forward for future encashment or availment, at the option of the employee subject to Group's policies. Accumulated long term compensated absences are accounted for based on actuarial valuation determined using the projected unit credit method. Long term incentive plans are subject to fulfillment of criteria prescribed by the Group and is accounted for on the basis of independent actuarial valuations at the balance sheet date.

2.31 Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share based transactions are set out in note 37. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

2.32 Treasury Shares

The group has created an Employee Welfare Trust (EWT). The group uses EWT as a vehicle for distributing shares to employees under the employee stock option schemes. The Trust buys shares of the Company from the market, for giving shares to employees. The group treats EWT as its extension and shares held by EWT are treated as treasury shares.

2.33 Own equity instruments that are held by the trust are recognised at cost and deducted from equity. No gain or loss is recognised in consolidated statement of profit and loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in other equity

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Group does not recognize a contingent liability but discloses its existence in the financial statements. Contingent liability is disclosed in the case of:

a. It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation

b. A present obligation arising from past events, when no reliable estimate is possible

c. A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Contingent liabilities are reviewed at each balance sheet date.

Contingent assets are not recognised. A contingent asset is disclosed, as required by Ind AS 37, where an inflow of economic benefits is probable.

2.34 Real Estate-Investment Property

The investment property is measured at historical cost. The Group assess at each balance sheet date whether any impairment of the investment property has occurred. Any impairment loss is recognised in the Statement of Profit and Loss.

Investment property is amortised over their estimated useful life on straight line method as follows:

Assets	Estimated useful life
Buildings	60 years

2.35Valuation of Derivative Instrument

'Interest rate swaps are contractual agreements between two parties to exchange fixed rate and floating rate interest by means of periodic payments, calculated on a specified notional amount and defined interest rates. Interest payments are netted against each other, with the difference between the fixed and floating rate payments paid by one party.

Forward Rate Agreements (FRA) is an agreement between two parties to pay or receive the difference (called settlement money) between an agreed fixed rate (FRA rate) and the interest rate prevailing on stipulated future date (the fixing date) based on a notional amount for an agreed period (the contract period).

For cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect Profit or loss.

At the inception of the transaction, the Group documents the relationship between the hedging instrument and the hedged item, as well as the risk management objective and the strategy for undertaking the hedge transaction. The Group also documents its assessment of whether the hedge is expected to be, and has been, highly effective in offsetting the risk in the hedged item, both at inception and on an ongoing basis.

'Hedge effectiveness is the degree to which changes in cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The portion of fair value gain/loss on the Interest Rate Derivative that is determined to be an effective hedge is recognised in Other Comprehensive Income and the ineffective portion of the change in fair value of such instruments is recognised in the Statement of Profit and Loss in the period in which they arise. If the hedging relationship ceases to be effective or it becomes probable that the expected forecast transaction will no longer occur, hedge accounting is discontinued and accumulated gains or losses that were recognised directly in the Hedge Fluctuation Reserve are reclassified into Statement of Profit and Loss.

All derivatives are initially recognised in the Balance sheet at their fair value, which usually represents their cost. They are subsequently re-measured at their fair value, with the method of recognising movements in this value depending on whether they are designated as hedging instruments and, if so, the nature of the item being hedged. Fair values are computed using quoted market yields. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative.

2.36 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Direct Taxes

Income Tax expense comprises of current tax and deferred tax charge or credit, as applicable. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the provisions of Section 44 of the Income Tax Act, 1961 read with Rules contained in the First Schedule and other relevant provisions of the Income Tax Act, 1961 as applicable to a subsidiary company carrying on life insurance business.

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to the fair value re-measurement of financial assets classified as FVOCI and the net movement on cash flow hedges, which are charged or credited to OCI. These exceptions are subsequently reclassified from OCI to the income statement together with the respective deferred loss or gain. The Group only off-sets its deferred tax assets against liabilities when there is both a legal enforceable right to offset and it is the Group's intention to settle on a net basis.

Indirect Taxes

The Group claims credit of Goods and Service Tax (GST) on input goods and services, which is set off against tax on output services/goods. As a matter of prudence, unutilized credits towards Goods and Service Tax/Service Tax on input services/goods are carried forward under Advances & Other Assets wherever there is reasonable certainty of utilization.

2.37 Loans

Loans against policies are valued at amortised cost i.e. aggregate of book values (net of repayments) plus capitalized interest, subject to provision for impairment, if any.

2.38 Foreign exchange transactions

At the time of Initial recognition, foreign currency transactions are recorded in Indian Rupees at the rate of exchange prevailing on the date of the transaction. Exchange gain & losses are recognised in the period in which they arise in the Profit & Loss Account.

2.39 Significant Accounting Judgment and Estimates

The preparation of the financial statements is in conformity with the Ind AS that requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the year. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances upto and as of the date of the financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

In the process of applying the accounting policies, management has made the following judgements, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

a. Business model assessment

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

b. Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility

c. Effective Interest Rate (EIR) method

The Group's EIR methodology recognises interest income/expense using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of loans given/taken and recognises the effect of potentially different interest rates at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behavior and life-cycle of the instruments.

d. Provisions and other contingent liabilities

The Group operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings in the ordinary course of the Group's business.

When the Group can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Group records a provision against the case. Where the outflow of resources embodying economic benefits is not probable and the amount of obligation cannot be measured with sufficient reliability a contingent liability is disclosed. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

e. Subsequent measurement of gross obligations over written put options issued to the non-controlling interests

The Parent Company has issued written put options to the non-controlling interests of it's subsidiary in accordance with the terms of underlying shareholders agreement. In respect of accounting for subsequent measurement of gross obligation on such written put options issued by the Parent Company, the Group has elected an accounting policy choice to recognize changes on subsequent measurement of the liability in shareholders' equity, in the absence of any mandatorily applicable accounting guidance under Ind AS.

f. Lease Accounting

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

2.40 Recent Accounting Developments

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below.

Ind AS 1 - Presentation of Financial Statements - The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - The amendments will help companies to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its financial statement.

3. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Cash on hand	0.24	0.48
Balances with banks		
- Current accounts	88,654.87	56,893.19
- Deposits with original maturity of less than three months	10,043.10	-
Total	**98,698.21**	**56,893.67**

*Above does not include cash and cash equivalents pertaining to life insurance fund and disclosed in 7A.

4. Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Balances in earmarked accounts		
- Unpaid dividend accounts (see note 15)	19.53	50.52
- Balances held as margin money against guarantee*	31.20	11.20
Balances in fixed deposit accounts (maturity of more than three months)	5,696.72	3,000.00
Total	**5,747.45**	**3,061.72**

* Balances with banks include deposits with remaining maturity of more than 12 months from the balance sheet date

5. Investments

Particulars	As at 31.03.2023				As at 31.03.2022			
	Amortised cost	At Fair Value		Total	Amortised cost	At Fair Value		Total
		Through Other Compre-hensive Income	Through profit or loss			Through Other Compre-hensive Income	Through profit or loss	
Debt Securities:								
Government securities	133,746.65	34,766.82	-	168,513.47	101,293.22	29,137.48	-	130,430.70
Debt securities	200,909.86	106,478.21	-	307,388.07	190,605.39	91,784.65	-	282,390.04
Fixed Deposits	-	5,092.00	-	5,092.00	-	5,133.55	-	5,133.55
Reverse Repo	-	908.83	-	908.83	-	59,304.08	-	59,304.08
Investment in Subsidiaries	-	-	-	-	-	-	-	-
Shares								
Equity instruments	-	-	24,026.58	24,026.58	-	-	19,739.50	19,739.50
Mutual Funds	-	-	37,819.30	37,819.30	-	-	104,095.00	104,095.00
Others	-	-	-	-	-	-	1,723.50	1,723.50
Total	**334,656.51**	**147,245.86**	**61,845.88**	**543,748.25**	**291,898.61**	**185,359.76**	**125,558.00**	**602,816.37**
Less: Allowance for impairment	(660.59)	-	-	(660.59)	(723.33)	-	-	(723.33)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2023				As at 31.03.2022			
	Amortised cost	At Fair Value		Total	Amortised cost	At Fair Value		Total
		Through Other Compre-hensive Income	Through profit or loss			Through Other Compre-hensive Income	Through profit or loss	
Total	**333,995.92**	**147,245.86**	**61,845.88**	**543,087.66**	**291,175.28**	**185,359.76**	**125,558.00**	**602,093.04**
Overseas Investments	-	-	-	-	-	-	-	-
Investments in India	334,656.50	147,245.85	61,845.88	543,748.25	291,898.61	185,359.76	125,558.00	602,816.37
Sub total	**334,656.50**	**147,245.85**	**61,845.88**	**543,748.25**	**291,898.61**	**185,359.76**	**125,558.00**	**602,816.37**
Less: Allowance for impairment	(660.59)	-	-	(660.59)	(723.33)	-	-	(723.33)
Total	**333,995.91**	**147,245.85**	**61,845.88**	**543,087.66**	**291,175.28**	**185,359.76**	**125,558.00**	**602,093.04**

Above does not include investments pertaining to life insurance fund and disclosed in Note 7E.

6. Other financial assets

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Security deposits	79.93	75.50
Interest accrued on deposits	93.89	2.89
Derivative margin money investment	26.78	20,470.02
Application money for investments	31.77	4.00
Other financial assets	107.13	-
Total	**339.50**	**20,552.41**

*Above does not include other financial assets pertaining to life insurance fund and disclosed in 7F.

7. Financial assets of Life Insurance Policyholders' Fund

(₹ in lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
Cash and cash equivalents	**Note 7A**	23,892.00	19,509.15
Derivative financial instruments	**Note 7B**	7,617.26	2,916.96
Trade receivables	**Note 7C**	68,123.82	67,715.93
Loans	**Note 7D**	80,292.59	66,607.16
Investments	**Note 7E**	11,792,458.39	10,377,322.54
Other financial assets	**Note 7F**	340,962.96	360,716.68
Total		**12,313,347.02**	**10,894,788.42**

7A. Cash and cash equivalents (Policyholders)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Cash and cash equivalents		
Cash on hand	12,954.65	6,751.41
Balances with banks - Current accounts	931.39	12,757.74
Deposits with original maturity of less than three months	10,005.96	-
Total	**23,892.00**	**19,509.15**

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Cash and cash equivalents		
Balances with banks:		
– In current accounts	931.39	12,757.74
– In Deposits with original maturity of less than three months	10,005.96	-
Cash on hand	12,954.65	6,751.41
Total	**23,892.00**	**19,509.15**

7B. Derivative financial instruments - Assets (Policyholders)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Carried at fair value through profit or loss		
Forward rate agreements (See note 42)	7,617.26	2,916.96
	7,617.26	**2,916.96**

* Included in above are derivatives held for hedging and risk management purposes as follows:

- Cash flow hedging	7,617.26	2,916.96

7C. Trade Receivables (Policyholders)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Trade receivables		
Unsecured, considered good	68,123.82	67,715.93
Total	**68,123.82**	**67,715.93**

*For aging schedule kindly refer note 49

7D. Loans (carried at amortised cost) (policyholders)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Loans against policies	80,292.59	66,607.16
Total	**80,292.59**	**66,607.16**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

7E. Investments (Policyholders)

Particulars	As at 31.03.2023				As at 31.03.2022			
	Amortised cost	At Fair Value		Total	Amortised cost	At Fair Value		Total
		Through Other Comprehensive Income	Through profit or loss			Through Other Comprehensive Income	Through profit or loss	
Investments of unit linked insurance contracts - Policyholders'								
Debt Securities:								
Government Securities	-	-	852,132.89	852,132.89	-	-	768,739.21	768,739.21
Debt Securities	-	-	567,853.89	567,853.89	-	-	398,824.50	398,824.50
Reverse Repo	-	-	90,140.46	90,140.46	-	-	336,571.69	336,571.69
Shares:								
Equity Instruments	-	-	1,962,127.96	1,962,127.96	-	-	1,639,349.39	1,639,349.39
Mutual funds	-	-	72,246.03	72,246.03	-	-	160,823.20	160,823.20
Total (A)	**-**	**-**	**3,544,501.23**	**3,544,501.23**	**-**	**-**	**3,304,307.99**	**3,304,307.99**
Investments of other insurance contracts - Policyholders'								
Debt Securities:								
Government Securities	-	5,468,571.89	-	5,468,571.89	-	4,633,421.10	-	4,633,421.10
Debt Securities	-	1,409,342.12	-	1,409,342.12	-	1,418,631.30	-	1,418,631.30
Reverse Repo	-	264,200.48	-	264,200.48	-	190,106.87	-	190,106.87
Shares:								
Equity Instruments	-	-	1,056,793.44	1,056,793.44	-	-	744,041.81	744,041.81
Mutual funds	-	-	10,006.93	10,006.93	-	-	54,006.09	54,006.09
Alternate Investment Fund	-	-	23,090.05	23,090.05	-	-	11,631.26	11,631.26
Infrastructure Investment Trusts	-	-	15,952.25	15,952.25	-	-	21,176.12	21,176.12
Total (B)	**-**	**7,142,114.49**	**1,105,842.67**	**8,247,957.16**	**-**	**6,242,159.27**	**830,855.28**	**7,073,014.55**
Total (C=A+B)	**-**	**7,142,114.49**	**4,650,343.90**	**11,792,458.39**	**-**	**6,242,159.27**	**4,135,163.27**	**10,377,322.54**
Less: Allowance for Impairment loss (D)	-	-	-	-	-	-	-	-
Total E = (C) - (D)	**-**	**7,142,114.49**	**4,650,343.90**	**11,792,458.39**	**-**	**6,242,159.27**	**4,135,163.27**	**10,377,322.54**
Overseas Investments	-	-	-	-	-	-	-	-
Investments in India	-	7,142,114.49	4,650,343.90	11,792,458.39	-	6,242,159.27	4,135,163.27	10,377,322.54
Total (E)	**-**	**7,142,114.49**	**4,650,343.90**	**11,792,458.39**	**-**	**6,242,159.27**	**4,135,163.27**	**10,377,322.54**
Less: Allowance for Impairment loss	-	-	-	-	-	-	-	-
Total	**-**	**7,142,114.49**	**4,650,343.90**	**11,792,458.39**	**-**	**6,242,159.27**	**4,135,163.27**	**10,377,322.54**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

7F. Other financial assets (Policyholders)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Dividend receivables	86.88	166.51
Lease rent receivables	144.49	165.12
Due from reinsurers	18,529.45	37,215.73
Less: Provision for due from reinsurers	(853.81)	(250.00)
Interest accrued	0.50	-
Security deposit	3,942.02	4,105.58
Outstanding trades - Investment	3,565.77	18,307.52
Derivative margin money investment	13,706.74	-
Reinsurance assets	249,975.00	176,728.68
Others	51,240.41	123,881.83
Total (a)	**340,337.45**	**360,320.97**
Due from Insurance agents, Insurance Intermediaries	670.24	633.40
Less: Allowance for impairment	(352.91)	(433.81)
Employee advances	679.79	480.80
Less: Allowance for impairment	(371.61)	(284.68)
Total (b)	**625.51**	**395.71**
Total (a+b)	**340,962.96**	**360,716.68**

8. Current tax assets (net)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Advance income tax (net of provision)	**1,577.66**	**1,076.08**

9A Investment Property

(₹ in lakhs)

	Investment Property	Total
Gross carrying value		
As at 01 April, 2021	9,139.13	9,139.13
Additions	-	-
As at 31 March, 2022	9,139.13	9,139.13
Additions	-	-
As at 31 March, 2023	**9,139.13**	**9,139.13**
Accumulated Depreciation		
As at 01 April, 2021	300.05	300.05
Depreciation expense	152.32	152.32
As at 31 March, 2022	452.37	452.37
Depreciation expense	152.32	152.32
Disposals	-	-
As at 31 March, 2023	**604.69**	**604.69**
Net block		
As at 31 March, 2022	**8,686.76**	**8,686.76**
As at 31 March, 2023	**8,534.44**	**8,534.44**

*Above does not include Investment property pertaining to life insurance fund and disclosed in Note 12A.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

9B Property, plant and equipment

(₹ in lakhs)

		As at 31.03.2023	As at 31.03.2022
Carrying amounts of :			
a)	Buildings	24.27	25.07
b)	Office equipment	29.95	24.38
c)	Computers	9.09	11.83
d)	Furniture and fixtures	31.53	61.21
e)	Vehicles	49.67	82.14
f)	Leasehold improvements	45.69	77.89
		190.20	**282.52**

	Buildings	Office equipment	Computers	Furniture and fixtures	Vehicles	Leasehold improvements	Total
Gross carrying value							
As at 01 April, 2021	**2,640.81**	**112.56**	**26.95**	**165.54**	**201.78**	**118.03**	**3,147.64**
Additions	-	0.50	4.30	-	1.48	-	6.28
Disposals	-	19.99	3.05	0.44	10.91	-	34.39
Reclassification (See note 5)	2,611.74	-	-	-	-	-	2,611.74
As at 31 March, 2022	**29.07**	**93.07**	**28.20**	**165.10**	**192.35**	**118.03**	**507.79**
Additions	-	14.87	2.22	-	1.03	-	18.12
Disposals	-	9.92	3.42	6.96	-	-	20.30
As at 31 March, 2023	**29.07**	**98.02**	**27.00**	**158.14**	**193.38**	**118.03**	**505.61**
Accumulated depreciation							
As at 01 April, 2021	**848.19**	**66.94**	**15.50**	**76.43**	**78.50**	**7.94**	**1,085.56**
Depreciation expense	44.05	10.19	3.59	27.62	38.64	32.20	124.09
Elimination on disposals of assets	-	8.44	2.72	0.16	6.93	-	18.25
Reclassification (See note 6 (c))	888.24	-	-	-	-	-	888.24
As at 31 March, 2022	**4.00**	**68.69**	**16.37**	**103.89**	**110.21**	**40.14**	**303.16**
Depreciation expense	0.80	8.30	3.81	27.48	33.50	32.20	73.89
Elimination on disposals of assets	-	8.92	2.27	4.76	-	-	15.95
As at 31 March, 2023	**4.80**	**68.07**	**17.91**	**126.61**	**143.71**	**72.34**	**361.10**
As at 31 March, 2022	**25.07**	**24.38**	**11.83**	**61.21**	**82.14**	**77.89**	**204.63**
As at 31 March, 2023	**24.27**	**29.95**	**9.09**	**31.53**	**49.67**	**45.69**	**144.51**

*Above does not include property, plant and equipment pertaining to life insurance fund and disclosed in Note 12B.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

9C Goodwil

(₹ in lakhs)

Particulars	Amount	Total
As at 01 April, 2021	52,525.44	52,525.44
Impairment of Goodwill	-	-
As at 31 March, 2022	**52,525.44**	**52,525.44**
Impairment of Goodwill	-	-
As at 31 March, 2023	**52,525.44**	**52,525.44**

Goodwill represents excess of consideration paid over the net assets acquired of Max Life Insurance Company Limited (MLIC) as on date of acquisition which is tested annually for impairment. The recoverable amount of cash generating unit was based on its value in use/estimated recoverable value. The carrying value of Goodwill as on 31 March 2023 is ₹ 52,525.44 Lakhs (31 March 2022 is ₹ 52,525.44 Lakhs). Taking into account of current business valuation of the subsidiary Company which significantly exceeds the carrying value of goodwill recorded upon acquisition, there is no impairment.

10A Right of use assets

(₹ in lakhs)

Particulars	Right of use assets	Total
Gross carrying value		
As at April 1, 2021	**712.90**	**712.90**
Additions	-	-
Disposals	-	-
As at March 31, 2022	**712.90**	**712.90**
Additions	207.66	207.66
Disposals	486.57	486.57
As at 31 March, 2023	**433.99**	**433.99**
Accumulated depreciation		
As at April 1, 2021	**373.01**	**373.01**
Depreciation expense	191.36	191.36
Disposals	-	-
As at March 31, 2022	**564.37**	**564.37**
Depreciation expense	161.48	161.48
Disposals	486.57	486.57
As at 31 March, 2023	**239.28**	**239.28**
Carrying amount		
As at March 31, 2022	**148.53**	**148.53**
As at 31 March, 2023	**194.71**	**194.71**

*Above does not Right of use assets pertaining to life insurance fund and disclosed in Note 12D.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

11. Other non-financial assets

(₹ in lakhs)

	As at 31.03.2023	As at 31.03.2022
Prepaid expenses	40.28	56.89
Deposits under protest	12.00	12.00
Advances recoverable in cash or kind		
- Unsecured, considered good	0.39	2.28
- Unsecured, considered Doubtful	303.00	303.00
	303.39	305.28
Less: Loss allowance for doubtful advances	(303.00)	(303.00)
	0.39	2.28
Balances with government authorities - input tax credit receivable		
- Unsecured, considered good	83.62	1.15
- Unsecured, considered Doubtful	-	16.98
	83.62	18.13
Less: Loss allowance for doubtful advances	-	(16.98)
	83.62	1.15
Advance tax paid and taxes deducted at source (Net of provision for taxation)	5,706.00	4,727.58
Total	**5,842.29**	**4,799.90**

*Above does not include other non financial assets pertaining to life insurance fund and disclosed in 12E.

12. Non-financial assets of Life Insurance Policyholders' Fund

(₹ in lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
Investment property	**Note 12A**	69,157.64	70,466.08
Property, plant and equipment	**Note 12B**	10,765.64	8,501.70
Capital work in progress	**Note 12B**	81.10	159.24
Intangible assets	**Note 12C**	19,808.46	14,406.06
Intangible assets under development	**Note 12C**	3,862.59	2,972.60
Right of use asset	**Note 12D**	27,340.10	20,628.84
Other non- financial assets	**Note 12E**	20,892.32	12,682.32
Total		**151,907.85**	**129,816.84**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

12A. Investment property (Policyholders - See note 44)

(₹ in lakhs)

	Investment Property	Total
Gross carrying value		
As at 01 April, 2021	**73,612.34**	**73,612.34**
Additions	-	-
As at 31 March, 2022	**73,612.34**	**73,612.34**
Additions	-	-
As at 31 March, 2023	**73,612.34**	**73,612.34**
Accumulated Depreciation		
As at 01 April, 2021	**1,837.73**	**1,837.73**
Depreciation expense	1,308.53	1,308.53
As at 31 March, 2022	**3,146.26**	**3,146.26**
Depreciation expense	1,308.44	1,308.44
As at 31 March, 2023	**4,454.70**	**4,454.70**
Net block		
As at 31 March, 2022	**70,466.08**	**70,466.08**
As at 31 March, 2023	**69,157.64**	**69,157.64**

12B. Property, plant & equipment (Policyholders)

(₹ in lakhs)

Particulars	Computers	Office equipments	Furniture & Fixtures	Vehicles	Electrical fittings	Leasehold Improvements	Total
Gross carrying value							
As at 01 April, 2021	**6,841.15**	**2,958.13**	**2,052.77**	**227.77**	**-**	**6,029.74**	**18,139.15**
Additions	2,123.89	334.00	46.38	110.00	-	478.19	3,222.11
Disposals	3.22	18.85	55.01	-	-	50.90	127.98
As at 31 March, 2022	**8,961.82**	**3,273.28**	**2,044.14**	**337.77**	**-**	**6,457.03**	**21,233.28**
Additions	3,753.17	764.57	242.02	215.30	-	996.93	5,971.99
Disposals	21.44	26.96	68.24	19.09	-	40.26	254.13
As at 31 March, 2023	**12,693.55**	**4,010.89**	**2,217.92**	**533.98**	**-**	**7,413.70**	**26,951.14**
Accumulated Depreciation							
As at 01 April, 2021	**4,716.74**	**1,810.52**	**1,025.43**	**160.62**	**-**	**2,327.43**	**10,040.74**
Depreciation expense	1,106.31	386.51	185.17	27.33	-	826.28	2,531.60
As at 31 March, 2022	**5,823.05**	**2,197.03**	**1,210.60**	**187.95**	**-**	**3,153.71**	**12,572.34**
Depreciation expense	1,545.74	574.14	281.18	60.58	-	1,070.42	3,532.06
As at 31 March, 2023	**7,368.79**	**2,771.17**	**1,491.78**	**248.53**	**-**	**4,224.13**	**16,104.40**
Net block							
As at 31 March, 2022	**3,138.77**	**1,076.25**	**833.54**	**149.82**	**-**	**3,303.32**	**8,660.94**
As at 31 March, 2023	**5,324.76**	**1,239.72**	**726.14**	**285.45**	**-**	**3,189.57**	**10,846.74**

For Capital work in progress aging schedule kindly refer note 51

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

12C: Intangible assets (Policyholders)

(Rs. in lakhs)

	Software	Intangible assets under development	Total
Gross carrying value			
As at 01 April, 2021	**31,796.83**	**2,227.78**	**34,024.61**
Additions	10,460.52	744.82	11,205.34
As at 31 March, 2022	**42,257.35**	**2,972.60**	**45,229.95**
Additions	11,359.91	889.99	12,249.90
As at 31 March, 2023	**53,617.26**	**3,862.59**	**57,479.85**
Accumulated Amortisation			
As at 01 April, 2021	**19,991.04**	**-**	**19,991.04**
Amortisation expense	7,860.25	-	7,860.25
As at 31 March, 2022	**27,851.29**	**-**	**27,851.29**
Amortisation expense	5,957.51	-	5,957.51
As at 31 March, 2023	**33,808.80**	**-**	**33,808.80**
Net block			
As at 31 March, 2022	**14,406.06**	**2,972.60**	**17,378.66**
As at 31 March, 2023	**19,808.46**	**3,862.59**	**23,671.05**

For Intangible assets under development aging schedule kindly refer note 52

12D:Right of Use Assets (Policyholders)

(Rs. in lakhs)

	Right of Use Assets	Total
Gross carrying value		
As at 01 April, 2021	36,308.35	36,308.35
Additions	2,473.48	2,473.48
As at 31 March, 2022	**38,781.83**	**38,781.83**
Additions	13,227.87	13,227.87
As at 31 March, 2023	**52,009.70**	**52,009.70**
Accumulated Depreciation		
As at 01 April, 2021	12,330.97	12,330.97
Depreciation expense	5,822.03	5,822.03
As at 31 March, 2022	**18,153.00**	**18,153.00**
Depreciation expense	6,516.60	6,516.60
As at 31 March, 2023	**24,669.60**	**24,669.60**
Net block		
As at 31 March, 2022	**20,628.84**	**20,628.84**
As at 31 March, 2023	**27,340.10**	**27,340.10**

MAX | FINANCIAL SERVICES

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

12E. Other non-financial assets (Policyholders)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Prepaid expenses	1,421.02	2,228.67
Stamps in hand	439.23	508.21
Deferred Lease expenses	842.33	886.55
Deferred acquisition cost	36.33	48.57
Service Tax Deposits	111.19	467.99
Receivable from Unit linked Fund	10,043.68	5,022.01
Total (a)	**12,893.78**	**9,162.00**
Advance to vendors		
Unsecured, considered good	7,998.54	3,520.32
Unsecured, considered doubtful	1,118.94	508.93
Less: Loss allowance for doubtful balances	(1,118.94)	(508.93)
Total (b)	**7,998.54**	**3,520.32**
Total (a) + (b)	**20,892.32**	**12,682.32**

13. Trade payables

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Trade payables - Other than acceptances		
- Total outstanding dues of Micro Enterprises and Small Enterprises (See note 45)	39.07	16.29
- Total outstanding dues of creditors other than micro enterprises and small enterprises	3,210.82	3,580.31
Total	**3,249.89**	**3,596.60**

*Above does not include trade payables pertaining to life insurance fund and disclosed in 16B and for aging schedule kindly refer note 50

14. Non-Convertible Subordinated Debentures

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Non-Convertible Subordinated Debentures	52,066.41	52,056.22
Total	**52,066.41**	**52,056.22**
Subordinated Liabilities in India	52,066.41	52,056.22
Subordinated Liabilities outside India	-	-
Total	**52,066.41**	**52,056.22**

During the year ended March 31, 2022, the subsidary company has issued unsecured, subordinated, fully-paid, rated, listed, redeemable non-convertible debentures (NCDs) in the nature of 'Subordinated Debt' as per the IRDAI (Other Forms of Capital) Regulations, 2015. The said NCDs were allotted on August 02, 2021 and are redeemable at the end of 10 years from the date of allotment with a call option to the Company to redeem the NCDs post the completion of 5 years from the date of allotment and annually thereafter.

MAX | FINANCIAL SERVICES

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

a) Terms of Borrowings:

Security name	7.50% Max Life Insurance 2031
Type and Nature	Unsecured, subordinated, fully paid-up, rated, listed, redeemable NCDs
Face Value (per security)	₹ 10 Lakhs
Issue Size	₹ 49600 Lakhs
Date of Allotment	August 2, 2021
Redemption Date/Maturity Date	August 2, 2031
Call option Date 1, 2, 3, 4, 5	August 2, 2026, August 2, 2027, August 2, 2028, August 2, 2029 and August 2, 2030 respectively
Listing	Listed on Wholesale Debt Market (WDM) segment of NSE
Credit Rating	"CRISIL AA+/Stable" by CRISIL and "[ICRA] AA+(Stable)" by ICRA
Coupon Rate	7.50% per annum
Frequency of the Interest Payment	Annual

Interest of ₹ 3730.00 Lakhs (March 31, 2022: ₹ 2456.22 Lakhs) on the said NCDs has been charged to the statement of Profit and Loss Account.

b) Maturity pattern from the date of issuance:

Maturity Buckets	Amount
1 to 5 years	-
Above 5 years	₹ 49600 Lakhs

c) The Group has written off the debenture raising expenses of ₹ Nil (March 31, 2022 – ₹ 191.78 Lakhs) against the retained earnings.

15. Other financial liabilities

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Security deposit received	187.32	135.17
Payables on purchase of investments	4,986.74	5,103.93
Liability for Investments	200.25	-
Retention money	0.08	0.08
Unclaimed/unpaid dividends (see note 4)	19.53	50.52
Total	**5,393.92**	**5,289.70**

*Above does not include other financial liabilities pertaining to life insurance fund and disclosed in 16C.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

16. Financial liabilities of the Life Insurance Policyholders' Fund

(₹ in lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
Contract liabilities for insurance contracts			
Insurance Contract		11,493,994.38	9,986,905.85
Investment Contract		84,570.77	85,631.69
		11,578,565.15	**10,072,537.54**
Ind AS 104 Adjustments (impacting contract liabilities of life insurance)			
Measurement adjustments		(94,966.20)	(47,799.55)
Grossing up reinsurance assets		249,975.00	176,728.68
		155,008.80	**128,929.13**
Fund for future appropriation		358,027.76	323,692.43
Restricted life insurance surplus retained in Policyholders' Fund			
Measurement difference of Ind AS 104 Adjustments		94,954.75	47,784.31
Fair value through profit or loss (FVTPL)		72,170.42	69,098.21
Fair value through other comprehensive income (FVOCI)		1,996.35	141,138.73
Measurement difference - Other Ind AS Adjustments		(7,882.94)	(6,594.95)
Realised Hedge Fluctuation Reserves (Policyholders)		4,174.60	13,204.94
Derivative financial instruments	**Note 16A**	20,234.98	24,902.74
Trade Payables	**Note 16B**	167,700.50	137,872.28
Lease Liability (See note 38)		29,855.09	24,590.00
Other financial liabilities	**Note 16C**	165,544.25	203,502.44
Total		**12,640,349.71**	**11,180,657.80**

16A. Derivative financial instruments - Liability (Policyholders)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Carried at fair value through profit or loss		
Forward rate agreements (See note 42)	20,234.98	24,902.74
Total	**20,234.98**	**24,902.74**

16B. Trade payables

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Total outstanding dues of micro enterprises and small enterprises (See note 45)	148.21	44.70
Total outstanding dues of creditors other than micro enterprises and small enterprises	167,552.29	137,827.58
Total	**167,700.50**	**137,872.28**

For aging schedule see note 52

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

16C. Other financial liabilities

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Security deposit received	2,274.32	2,117.74
Derivative margin money	2,709.78	-
Payables on purchase of investments	61,496.04	110,113.23
Claims outstanding	80,135.14	80,750.68
Unclaimed amount of policyholders	10,306.39	5,495.95
Other payables	8,622.58	5,024.84
Total	**165,544.25**	**203,502.44**

17. Provisions

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for compensated absences	30.39	64.25
Provision for gratuity (See note 35)	114.40	224.01
Provisions for contingencies (See note below)	919.41	916.66
Total	**1,064.20**	**1,204.92**

*Above does not include provisions pertaining to life insurance fund and disclosed in 19A.

Note:
Provision for contingencies (See note below)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Opening balances	916.66	913.92
Add: Provisions made during the year	2.75	2.74
Closing balance	**919.41**	**916.66**

Note: The Company has created a provision for claims received in current and previous years with respect to interest and penalties under custom duty and related regulations. The Company in the process of obtaining additional information into these matters and the provision will be settled on closure of same.

18. Other non-financial liabilities

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory remittances (Contributions to PF, GST, Withholding Taxes, etc.)	66.08	127.72
Other payables	115.56	94.16
Total	**181.64**	**221.88**

*Above does not include other non financial liabilities pertaining to life insurance fund and disclosed in 19B.

19. Non-financial liabilities of Life Insurance Policyholders' Fund

(₹ in lakhs)

Particulars		As at 31.03.2023	As at 31.03.2022
Provisions	**Note 19A**	3,771.84	3,702.88
Other non-financial liabilities	**Note 19B**	79,252.76	79,097.27
Total		**83,024.60**	**82,800.15**

19A. Provisions (Policyholders)

(Rs. in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Provision for employee benefits		
Provision for compensated absences	3,199.11	3,058.03
Provision for gratuity (See note 35)	572.73	644.85
Total	**3,771.84**	**3,702.88**

19B. Other non-financial liabilities (Policyholders)

(Rs. in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Statutory Dues Payable	13,758.64	13,545.39
Unallocated premium	30,697.12	35,237.47
Accrued Legal Claims	2,544.11	2,464.45
Proposal/ Policyholder deposits	28,531.45	24,218.50
Unearned Revenue-Premium received in advance	2,835.77	2,556.77
Deferred operating fee	47.78	64.01
Deferred lease liability	837.28	1,010.68
Other liabilities	0.61	-
Total	**79,252.76**	**79,097.27**

20. Equity share capital

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Equity share capital	6,902.30	6,902.30
	6,902.30	**6,902.30**
Authorised share capital:		
350,000,000 (As at March 31, 2022 : 350,000,000) equity shares of ₹ 2 each with voting rights	7,000.00	7,000.00
Issued and subscribed capital comprises:		
345,114,771 (As at 31 March, 2022, 345,090,302) equity shares of ₹ 2 each fully paid up with voting rights	6,902.30	6,902.30

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Fully paid equity shares:

(₹ in lakhs)

	Number of shares	Share capital
Balance as at 1 April, 2021	345,090,302	6,901.81
Add: Issue of shares	24,469	0.49
Balance as at 31 March, 2022	**345,114,771**	**6,902.30**
Less: Treasury shares held under ESOP trust (refer note vi)	(1,504,620)	(30.09)
Balance as at 31 March, 2023	**343,610,151**	**6,872.21**

Refer notes (i) to (v) below

(i) The Company has only one class of equity shares having a par value of ₹ 2 each. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shares held by each shareholder holding more than 5% shares:

Name of Shareholder	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Fully paid equity shares with voting rights:				
- Mitsui Sumitomo Insurance Company Limited	75,458,088	21.86%	75,458,088	21.86%
- Max Ventures Investment Holdings Private Limited	34,595,923	10.02%	50,380,920	14.60%
- Mirae Asset Mutual Fund	18,887,002	5.47%	18,775,529	5.44%

(iii) Shareholding of Promoters

Promoter name	31.03.2023		31.03.2022	
	No. of Shares	% of total shares	No. of Shares	% of total shares
- Max Ventures Investment Holdings Private Limited	34,595,923	10.02%	50,380,920	14.60%
- Analjit Singh	110,000	0.03%	110,000	0.03%
- Neelu Analjit Singh	100,000	0.03%	100,000	0.03%
- Piya Singh	110,333	0.03%	110,333	0.03%
- Tara Singh Vachani	100,000	0.03%	100,000	0.03%

(iv) Change in shares held by promoters during the current year

Promoter name	Increase/(decrease) in shareholding	
	Current Period	Previous Period
- Max Ventures Investment Holdings Private Limited *	(4.57%)	(2.27%)
- Neelu Analjit Singh	-	-
- Analjit Singh	-	-
- Piya Singh	-	-
- Tara Singh Vachani	-	-

* During the year Max ventures Investment Holdings Private Limited has sold 15,784,997 shares of the Company.

The Company has issued 1,272,656 shares (As at 31 March, 2022 : 2,386,634) equity shares during the period of five years immediately preceding the reporting date on exercise of options granted under the ESOP plan wherein part consideration was received in the form of employee services.

(v) Treasury shares

The Company has incorporated "Max Financial Employees Welfare Trust (EWT)" on May 11, 2022. In terms of Max Financial Employees Stock Option Plan - 2022 ("ESOP Plan - 2022"), EWT is permitted to acquire equity shares of the Company from the secondary market which shall be transferred to option-holders of the Company and its subsidiary companies on exercise of options.

Movement in Treasury shares

Name of Shareholder	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	Share capital (₹ in lakhs)	No. of Shares	% Holding
Equity Shares of ₹ 2 each fully paid-up held under EWT Trust				
Opening Balance	-	-	-	-
Changes during the year	1,504,620	30.09	-	-
Closing Balance	**1,504,620**	**30.09**	**-**	**-**

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21. Other equity

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Capital redemption reserve	2,587.84	2,587.84
Securities premium	468,045.21	468,045.21
Share options outstanding account	364.08	-
General Reserve	15,358.07	15,358.07
Surplus in the statement of profit and loss	(131,243.03)	(101,066.11)
FVTOCI Reserve	12.28	641.97
Debenture Redemption Reserve (DRR)	1,984.00	992.00
Treasury shares	(12,156.80)	-
Total	**344,951.65**	**386,558.98**
Capital redemption reserve		
Opening balance	2,587.84	2,587.84
Add: addition during the year	-	-
Closing Balance	**2,587.84**	**2,587.84**
Securities premium		
Opening balance	468,045.21	467,905.23
Premium on shares issued during the year (other than above)	-	139.98
Closing Balance	**468,045.21**	**468,045.21**
Share options outstanding account		
Opening balance	-	80.90
Recognition of share based payments	364.08	17.99
Less : ESOPs Forfieted	-	(55.53)
Less : Transferred to securities premium account on exercise	-	(43.36)
Closing Balance	**364.08**	**-**
General Reserve		
Opening balance	15,358.07	15,358.07
Increase/(decrease) during the year	-	-
Closing Balance	**15,358.07**	**15,358.07**
Surplus in the statement of profit and loss		
Opening balance	(101,066.11)	(160,185.82)
Add: Profit for the year	36,856.59	24,345.00
Add : ESOPs Forfieted	-	55.53
Add : Other comprehensive income/(loss)	(5.70)	35.30
Less : Debenture issues expenses adjustment	-	(191.78)
Deferred tax on undistributed earnings	-	5,140.58
Gain/(loss) on stake change in subsidiary without loss of control (See note 59, 60 and 61)	(67,027.81)	29,735.08

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Closing Balance	**(131,243.03)**	**(101,066.11)**
FVTOCI Reserve		
Opening balance	641.97	1,648.16
Other comprehensive income	(629.69)	(1,006.19)
Closing Balance	**12.28**	**641.97**
Debenture Redemption Reserve (DRR)		
Opening balance	992.00	-
Add: Reserve created during the year	992.00	992.00
Closing Balance	**1,984.00**	**992.00**
Treasury shares		
Opening balance	-	-
Add: Shares held during the year	-	-
Impact of ESOP trust consolidation	(12,156.80)	-
Closing Balance	**(12,156.80)**	**-**
Total	**344,951.65**	**386,558.98**

22 Income taxes

(₹ in lakhs)

	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
A	**Income tax recognised in Statement of Profit and Loss**		
(a)	**Current tax**		
	In respect of current year	8,030.82	6,221.29
		8,030.82	6,221.29
(b)	**Deferred tax**		
	In respect of current year	(499.51)	804.12
		(499.51)	804.12
	Total tax expense charged in Statement of Profit and Loss	**7,531.32**	**7,025.42**
(c)	**The income tax expense for the year can be reconciled to the accounting profit as follows:**		
	Profit before tax	52,720.71	38,865.89
	Applicable tax rate to the Company	25.17%	25.17%
	Income tax expense calculated	13,268.75	9,781.77
	Income taxed at different rates	(5,334.18)	(4,095.07)
	Effect of income that is exempt from taxation:		
	Dividend Income on Equity Shares	(68.71)	(2,570.29)
	Pension profits [u/s 10(23AAB)]	(179.76)	(238.71)

(₹ in lakhs)

	Particulars	Year ended 31.03.2023	Year ended 31.03.2022
	Deduction u/s 80JJAA	(144.04)	(240.06)
	Tax free Security	(34.97)	-
	Effect of expenses that are not deductible in determining taxable profit	(0.06)	744.19
	Disallowance of CSR	72.29	-
	Adjustments on account of reversal of Dividend income received from Subsidiary	-	3,635.80
	Adjustments recognised for current tax of prior periods of subsidiary company (See note below)	(48.00)	7.79
	Total tax expense charged in Statement of Profit and Loss	**7,531.32**	**7,025.42**
B	**Income tax recognised in other comprehensive income**		
	Deferred tax (See note 22b)		
	Arising on income and expenses recognised in other comprehensive income		
	Remeasurement of defined benefit obligation	-	(11.87)
	Fair value of Financial Instruments measured at FVOCI	74.00	208.98
	ECL on Investments measured at FVOCI	-	0.01
		74.00	**197.12**

C Movement in deferred tax

(i) Movement of deferred tax for the year ended 31 March, 2023

Particulars	Year ended 31.03.2023				
	Opening balance as on 1 April, 2022	Recognised in profit or loss	Recognised in OCI	Recognised in Other equity	Closing balance as on 31 March, 2023
Tax effect of items constituting deferred tax liabilities					
Fair value of Financial Instruments measured at FVTPL	(740.85)	609.92	-	-	(130.93)
Fair value of Financial Instruments measured at FVOCI	(74.00)	-	74.00	-	-
Reversal of Standard impairment of ESOP Loan	-	(6.68)	-	-	(6.68)
	(814.85)	**603.24**	**74.00**	**-**	**(137.61)**

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Particulars	Year ended 31.03.2023				
	Opening balance as on 1 April, 2022	Rec-ognised in profit or loss	Rec-ognised in OCI	Rec-ognised in Other equity	Closing balance as on 31 March, 2023
Tax effect of items constituting deferred tax assets					
Property, plant and equipment and other intangible assets	83.43	(8.47)	-	-	74.96
Fair value change related to employee Phantom Stock Plan expenses	53.49	29.08	-	-	82.58
Provision for employee benefit expenses	0.00	(1.92)	1.92	-	0.00
MAT credit entitlement	-	2.20	-	-	2.20
ECL on Investments measured at amortised cost	105.50	(9.12)	-	-	96.38
Investment property	65.86	22.04	-	-	87.91
Fair value of Financial Instruments measured at FVOCI	-	-	60.83	-	60.83
Other items	254.60	(137.58)	-	-	117.02
	562.88	**(103.76)**	**62.75**	**-**	**521.88**
Deferred tax assets/ (liabilities)	**(251.97)**	**499.48**	**136.75**	**-**	**384.27**
Disclosed as:					
Deferred tax assets	129.85				385.68
Deferred tax liabilities	381.82				1.41
Deferred tax assets / (liabilities) (net)	**(251.97)**				**384.27**

(ii) Movement of deferred tax for the year ended 31 March, 2022

(₹ in lakhs)

Particulars	Year ended 31.03.2022				
	Opening balance as on 1 April, 2021	Recognised in profit or loss	Recognised in OCI	Recognised in Other equity	Closing balance as on 31 March, 2022
Tax effect of items constituting deferred tax liabilities					
Fair value of Financial Instruments measured at FVTPL	(485.95)	(254.90)	-	-	(740.85)
Fair value of Financial Instruments measured at FVOCI	(282.98)	-	208.98	-	(74.00)
ECL on Investments measured at FVOCI	(0.01)	-	0.01	-	-
Deferred tax on undistributed earnings	(5,140.58)	-	-	5,140.58	-
	(5,909.52)	**(254.90)**	**208.99**	**5,140.58**	**(814.85)**
Tax effect of items constituting deferred tax assets					
Property, plant and equipment and other intangible assets	146.68	(63.25)	-	-	83.43
Fair value change related to employee Phantom Stock Plan expenses	39.31	14.18	-	-	53.49
Provision for employee benefit expenses	130.59	(118.72)	(11.87)	-	0.00
Accrued expenses deductible on deduction of TDS	123.49	(123.49)	-	-	-
MAT credit entitlement	444.27	(444.27)	-	-	-
ECL on Investments measured at amortised cost	113.42	(7.92)	-	-	105.50
Investment property	43.69	22.17	-	-	65.86
Other items	82.60	171.99	-	-	254.60
	1,124.05	**(549.31)**	**(11.87)**	**-**	**562.88**
Deferred tax assets/ (liabilities)	**(4,785.47)**	**(804.21)**	**197.12**	**5,140.58**	**(251.97)**
Disclosed as:					
Deferred tax assets	884.26				129.85
Deferred tax liabilities	5,669.73				381.82
Deferred tax assets/ (liabilities) (net)	**(4,785.47)**				**(251.97)**

23. Interest income

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Interest income from investments		
On financial assets measured at fair value through OCI	7,617.85	5,135.86
On financial assets measured at Amortised cost	22,594.00	17,516.44
Total	**30,211.85**	**22,652.30**

*Above does not include interest income pertaining to life insurance fund and disclosed in Note 26B.

24. Dividend income

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Dividend income on financial assets measured at fair value through profit or loss	310.39	269.39
Total	**310.39**	**269.39**

25. Net gain on fair value changes

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(A) Net gain on financial instruments at fair value through profit or loss		
(i) On trading portfolio	1,098.56	3,877.09
(ii) On mutual funds	2,835.22	3,416.56
(B) Realised gain on debt instruments classified at fair value through OCI	-	1,401.45
(C) Realised gain on debt instruments classified at amortised cost	-	899.35
Total Net gain on fair value changes (C)	**3,933.78**	**9,594.45**
Fair Value changes:		
Realised	3,358.88	12,436.33
Unrealised	574.90	(2,841.88)
Total Net gain on fair value changes (D) to tally with (C)	**3,933.78**	**9,594.45**

*Above does not include Net gain/(loss) on fair value changes pertaining to life insurance fund and disclosed in Note 26C.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

26. Policyholders' Income from Life Insurance operations

(₹ in lakhs)

Particulars		Year ended 31.03.2023	Year ended 31.03.2022
Premium Income (net)	**Note 26A**	2,481,538.44	2,193,975.41
Interest Income	**Note 26B**	577,246.58	496,218.55
Dividend Income		36,519.41	22,365.25
Rental Income		6,490.69	6,591.26
Net gain/(loss) on fair value changes – Policyholders' Investments	**Note 26C**	3,691.93	347,867.02
Other income	**Note 26D**	2,862.94	2,472.20
Sub-Total		**3,108,349.99**	**3,069,489.69**
Less/(Add): Restricted life insurance surplus/ (deficit) retained in Policyholders' Fund		3,287.83	(15,426.76)
Total		**3,105,062.16**	**3,084,916.45**

26A. Premium Income (Policyholders)

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Life Insurance Premium:		
First year premium	585,690.27	529,815.23
Renewal premium	1,635,862.39	1,448,144.27
Single premium	305,994.22	258,735.31
Gross Premium	**2,527,546.88**	**2,236,694.81**
Less: Reinsurance ceded	46,008.44	42,719.40
Premium Income (net)	**2,481,538.44**	**2,193,975.41**

26B. Interest Income (Policyholders)

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Interest income on:		
Financial assets measured at fair value through OCI	474,677.51	404,301.59
Securities classified at FVTPL	97,204.35	87,478.97
Interest income on loans against policies	5,364.72	4,437.99
Total	**577,246.58**	**496,218.55**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

26C. Net gain/(loss) on fair value changes (Policyholders)

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
(i) On trading portfolio		
(i) On trading portfolio - Investments	(2,059.74)	349,748.28
(ii) Realised gain/(loss) on debt instruments classified at FVTOCI	6,710.01	5,396.98
(B) Net gain/(loss) on derivative instruments at FVTPL	(958.33)	(7,278.24)
Total Net gain/(loss) on fair value changes	**3,691.94**	**347,867.02**
Fair Value changes:		
Realised	2,208.00	453,749.53
Unrealised	1,483.94	(105,882.51)
Total Net gain/(loss) on fair value changes	**3,691.94**	**347,867.02**

26D. Other income

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Net profit/(loss) on sale/disposal of property, plant and equipment	30.57	(50.50)
Policy reinstatement charges	530.63	474.18
Fee Income from Asset Management	266.33	278.71
Contribution from Shareholders' account towards excess Expenses of Management	1,042.60	1,557.48
Others	992.81	212.33
Total	**2,862.94**	**2,472.20**

27. Other income

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Interest on:		
Security deposits	2.56	2.08
Loan to employees	-	0.08
Fixed Deposits	45.44	-
Non Convertible Debentures	9.34	-
State Development Loans	0.95	-
Liabilities/provisions no longer required written back	37.01	176.00
Net profit on sale/disposal of fixed assets	-	0.66
Interest on income tax refund	-	55.08
Profit on sale of current investments	176.21	-
Fair value gain/(loss) on mutual funds	47.75	-
Rental income	1.80	1.80
Scrap Sale	3.61	1.53
Miscellaneous income	1,513.83	399.90
Total	**1,838.50**	**637.13**

*Above does not include other income pertaining to life insurance fund and disclosed in Note 26D.

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28. Finance Costs

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Interest on lease liability (See note 38)	10.89	13.61
Interest on NCDs and Bank charges (See note 14)	3,734.78	2,459.95
Total	**3,745.67**	**2,473.56**

*Above does not include finance costs pertaining to life insurance fund and disclosed in Note 31F.

29. Employee benefit expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Salaries, wages and bonus	2,858.82	3,571.01
Contribution to provident and other funds (See note 35)	51.80	76.38
Expense on employee stock option scheme (See note 37)	-	17.99
Staff welfare expenses	11.89	11.63
Total	**2,922.51**	**3,677.01**

*Above does not include employee benefit expenses pertaining to life insurance fund and disclosed in Note 31B.

Note: Salaries and wages for the year ended March 31, 2022 includes includes one - time special incentive of ₹ 1225.00 Lakhs paid to senior leadership team of the Group for their valued contribution in consummation of Axis transaction and severance pay aggregating ₹ 274.92 Lakhs respectively.

30. Depreciation, amortisation and impairment

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Depreciation of investment property (See note 9A)	195.10	152.32
Depreciation of property, plant and equipment (See note 9B)	106.09	156.29
Depreciation of right-of-use assets (See note 10A)	161.48	191.36
Total	**462.67**	**499.97**

*Above does not include depreciation, amortisation and impairment expense pertaining to life insurance fund.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

31. Policyholders' Expense from Life Insurance operations

(₹ in lakhs)

Particulars		Year ended 31.03.2023	Year ended 31.03.2022
Commission to selling agents	**Note 31A**	161,411.98	140,297.18
Employee benefits expenses	**Note 31B**	204,238.66	165,702.99
Operating expenses	**Note 31C**	161,015.32	147,174.71
Benefits payout (net)	**Note 31D**	982,750.67	909,930.02
Net change in insurance contract liabilities	**Note 31E**	1,494,502.62	1,688,568.84
Net change in investment contract liabilities		8,496.30	11,188.12
Finance cost	**Note 31F**	1,977.91	4,226.59
Impairment loss (including reversals)	**Note 31G**	(26.38)	(27.28)
Depreciation and amortisation expense		17,314.61	17,522.31
Bad debts written off		271.50	184.22
Allowance for doubtful debts		616.04	(2.92)
Sub-Total		**3,032,569.23**	**3,084,764.78**
Less: Restricted life insurance surplus/(deficit) retained in Policyholders' Fund		(46,305.84)	16,010.00
Total		**3,078,875.07**	**3,068,754.78**

31A. Commission to selling agents (Policyholders)

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Commission on Life Insurance		
First year premium	110,019.04	95,922.60
Renewal premium	40,887.21	36,342.90
Single premium	4,986.15	4,567.54
Rewards	5,519.58	3,464.14
Total	**161,411.98**	**140,297.18**

31B. Employee benefits expenses (Policyholders)

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Salary, wages and bonus	193,782.50	157,551.48
Contribution to provident and other funds (See note 35)	6,307.00	5,630.66
Expense on employee stock option scheme (See note 37)	966.77	415.79
Staff welfare expenses	3,182.39	2,105.06
Total	**204,238.66**	**165,702.99**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

31C. Other operating expenses (Policyholders)

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Travel and conveyance	9,414.04	3,510.06
Training expenses (including Agent advisors)	9,718.50	6,751.17
Rent	1,091.22	394.86
Repairs and maintenance	4,233.71	3,626.77
Printing and stationery	930.95	668.65
Communication expenses	5,884.81	6,226.23
Legal and professional charges	5,064.67	1,855.51
Medical expenses	5,743.06	5,647.90
Auditor's fees for:		
Audit of the financial statements	97.52	97.53
Taxation matters	3.00	3.00
Other services	64.60	62.10
Reimbursement of expenses	12.44	16.05
Advertisement and publicity	51,872.68	58,834.12
Rates & taxes (excluding taxes on income)	1,418.62	1,634.20
GST/Service tax on linked charges	21,599.06	19,708.01
Information technology maintenance expenses	10,227.41	7,907.64
Board Meeting expenses	95.74	108.00
Recruitment (including Agent advisors)	5,700.00	3,281.87
Energy cost	2,119.63	1,473.19
Insurance	1,718.67	1,182.92
Policy issuance and servicing costs	16,359.94	10,855.42
Net foreign exchange loss	13.48	(1.41)
Acquisition cost for financial instruments classified/designated at FVTPL	6,997.24	13,032.70
Other miscellaneous expenses	634.33	298.22
Total	**161,015.32**	**147,174.71**

31D. Benefits payout (Policyholders)

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Life insurance contracts benefits		
Death	147,191.62	316,257.37
Maturity	102,513.90	93,188.49
Annuities/Pensions	7,729.51	3,091.51
Other benefits		
Surrenders	592,488.43	463,748.84
Health	1,474.64	6,284.03
Survival Benefit	31,713.05	24,733.15
Bonus to Policyholders	126,530.21	118,129.15
Other benefits	6,161.05	5,414.66
Interim Bonus paid	271.35	377.96
Total benefits paid	**1,016,073.76**	**1,031,225.16**
Less: Reinsurance Recovery	33,323.08	121,295.14
Total	**982,750.68**	**909,930.02**

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

31E. Net change in insurance contract liabilities (Policyholders)

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Net change in insurance contract liabilities	1,459,124.70	1,661,508.67
Transfer to/from Fund for future appropriations-participating policies	35,377.92	27,060.17
Total	**1,494,502.62**	**1,688,568.84**

31F. Finance cost (Policyholders)

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Bank charges	2,590.69	2,183.33
Interest on Lease Liability (See note 38)	(769.36)	1,920.02
Others	156.57	123.24
Total	**1,977.90**	**4,226.59**

31G. Impairment loss (including reversals) (Policyholders)

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Impairment on financial assets	(26.38)	(27.28)
Total	**(26.38)**	**(27.28)**

32. Other expenses

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Recruitment and training expenses	0.07	0.33
Rent including lease rentals (See note 38)	109.08	90.17
Insurance	27.65	45.34
Rates and taxes	11.88	232.74
Provision for contingencies (See note 17)	2.75	2.74
Repairs and maintenance - others	248.55	196.61
Power and fuel	26.32	23.70
Printing and stationery	6.15	7.87
Travelling and conveyance	150.00	212.26
Communication	12.65	39.95
Director's sitting fees	90.96	68.98
Commission to directors	-	220.00
Directors Remuneration	350.00	300.00
Business promotion	4.57	25.03
Advertisement and publicity	35.69	4.00
Net loss on sale/disposal of property, plant and equipment	0.05	-
Debit balances written off	-	2.58
Charity and donation	0.11	0.11
Consultancy charges	25.57	30.85
Expenditure on corporate social responsibility (See note 48)	1,000.00	840.38
Miscellaneous expenses	757.45	932.15
Total	**2,859.50**	**3,275.79**

*Above does not include other expenses pertaining to life insurance fund as disclosed in Note 31C.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

33. Commitments, contingent liabilities and contingent assets

A. Capital commitments

(₹ in lakhs)

	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Estimated amount of contracts remaining to be executed on property, plant and equipments not provided for (net of advances)	533.25	2,424.70
(ii)	Commitments made and outstanding for investments and loans	24,279.00	7,915.24

B. Contingent liabilities

Claims against the Company not acknowledged as debts (See note a)

(₹ in lakhs)

	Particulars	As at 31.03.2023	As at 31.03.2022
(i)	Disputed demands raised by custom authorities	485.12	473.99
(ii)	Disputed demand raised by tax authorities (See note b)*	352.58	352.58
(iii)	Partly paid-up bonds	37,005.75	10,000.00
(iv)	Claims, other than against policies, not acknowledged as debts	2,746.08	2,817.03
(v)	Others (See note c)	13,403.98	8,926.05

C. Other commitments

(i) Axis Entities have a right to acquire upto 7% of the equity share capital of Max Life held by the Company, in one or more tranches (See note 59).

D. Contingent assets

Certain insurance claims are in the final stage of recovery for which amounts are not quantifiable and hence not reported.

Notes :

a. Based on the discussions with the solicitor/expert opinions taken/status of the case, the management believes that the Group has strong chances of success in above mentioned cases and hence no provision there against is considered necessary at this point in time as the likelihood of liability devolving on the Group is less than probable.

b. The Company has not made any provision for the demands in service tax cases as the Company believes that they have a good case based on existing judicial pronouncements. Advance paid against the same is ₹ 12.00 lakhs (As at 31 March, 2022 : ₹ 12.00 lakhs).

*Amount inclusive of interest of Nil as at March 31, 2023 (Nil as at March 31, 2022). Pursuant to the AO appeal effect order, the subsidary company reduced the contingent liability to Nil pertaining to donation deduction u/s 80G in current financial year.

c. Represents potential liability in respect of repudiated Policyholders' claims ₹ 13,378.98 lakhs (March 31, 2022 ₹ 8,901.05 lakhs) and bank guarantee placed with bank for UIDAI of ₹ 25.00 lakhs (March 31, 2022 ₹ 25.00 lakhs).

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

34. Segment information

34.1 a) Identification of Segments:

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

b) Operating Segments:

(i) Business Investments and others*– This segment is represented by treasury investments.

(ii) Life Insurance – This segment relates to the life insurance business carried out pan India, by the Company's subsidiary.

* Others include Max Life Pension Fund Management Limited and Max Financial Employees Welfare Trust

c) Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocated".

d) Segment assets and segment liabilities represent assets and liabilities in respective segments.

34.2. Information about business segments

(₹ in lakhs)

	Particulars	Business Investments and others		Life Insurance		Total	
		Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
a.	**Segment Revenue**						
	Revenue from external customers	4,183.76	3,923.76	3,137,083.42	3,114,197.41	**3,141,267.18**	**3,118,121.17**
	Inter segment revenue	2,284.59	16,046.12	7.43	7.35	**2,292.02**	**16,053.47**
	Total Segment Revenue	**6,468.35**	**19,969.88**	**3,137,090.85**	**3,114,204.76**	**3,143,559.20**	**3,134,174.64**
	Less: Inter segment elimination (net)	2,284.59	16,046.12	7.43	7.35	**2,292.02**	**16,053.47**
	Revenue from operations	**4,183.76**	**3,923.76**	**3,137,083.42**	**3,114,197.41**	**3,141,267.18**	**3,118,121.17**
b.	**Segments Results before taxes**	**1,627.21**	**14,486.15**	**53,000.60**	**40,655.52**	**54,627.81**	**55,141.67**
	Less: Inter segment elimination (net)					(0.10)	14,446.15
	Sub-total					**54,627.91**	**40,695.52**
	Unallocated Expenses (Net of unallocated income)					(1,907.20)	(1,829.63)
	Profit before tax					**52,720.71**	**38,865.89**
	Provision for taxation (includes provision for Deferred Tax)					7,531.32	7,025.42

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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ in lakhs)

Particulars	Business Investments and others		Life Insurance		Total	
	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
Profit after tax					**45,189.39**	**31,840.47**
Less: Profit transferred to non-controlling interest					7,340.80	6,503.47
Profit after tax (after adjusting non-controlling interest)					**37,848.59**	**25,337.00**

(₹ in lakhs)

	Particulars	As at 31.03.2023	As at 31.03.2022
c.	**Segment Assets**		
	Business Investments and others	696,740.18	677,701.82
	Life Insurance business	13,134,168.98	11,630,636.44
	Total	**13,830,909.16**	**12,308,338.26**
	Inter segment elimination (net)	(648,531.05)	(533,483.08)
	Total Assets	**13,182,378.11**	**11,774,855.18**
d.	**Segment Liabilities**		
	Business Investments and others	14,890.44	2,742.68
	Life Insurance business	12,785,240.41	11,325,128.15
	Total	**12,800,130.85**	**11,327,870.83**
	Inter segment elimination (net)	(14,602.40)	(1,507.27)
	Total Liabilities	**12,785,528.45**	**11,326,363.56**

(₹ in lakhs)

	Other segment information	Depreciation and amortisation		Additions to Property, Plant & Equipment, Intangible assets, Right of use assets and Investment property		Impairment loss on property, plant and equipment	
e.		Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
	Business Investments and others	310.35	347.65	225.78	6.28	-	-
	Life Insurance business	17,466.93	17,674.63	31,449.76	16,900.93	-	-
	Total	**17,777.28**	**18,022.28**	**31,675.54**	**16,907.21**	**-**	**-**

34.3 Geographical information

(₹ in Lakhs)

Location	Revenue from external customers		Non-current assets*	
	Year ended 31.03.2023	Year ended 31.03.2022	Year ended 31.03.2023	Year ended 31.03.2022
India	3,141,267.18	3,118,121.17	199,776.08	185,206.92
Outside India	-	-	-	-
Total	**3,141,267.18**	**3,118,121.17**	**199,776.08**	**185,206.92**

* Non-current assets exclude financial assets.

35. Employee benefit plans

(i) Defined contribution plans

The Group makes employees state insurance scheme, national pension scheme and Labour Welfare Fund contributions which is defined contribution plan for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits.

MFSL

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Employers contribution to Employee State Insurance	488.75	466.97
Employers contribution to National Pension Scheme	104.27	110.53
Employers contribution to Labour Welfare Fund	32.87	5.62

(ii) Defined benefit plans

A. Gratuity:

The Company and its subsidiary makes annual contribution to their Employees Gratuity Fund maintained with Life Insurance Corporation of India and Max Life Insurance Company Limited respectively, a funded defined benefit plan for eligible employees. The scheme provides for lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of service.

Defined benefit obligation is accounted for on the basis of independent actuarial valuations carried out as per 'Projected Unit Credit Method' at the balance sheet date. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

The gratuity plan typically exposes the Group to actuarial risks such as: interest rate risk, longevity risk and salary risk.

Interest risk

A decrease in the bond interest rate will increase the plan liability.

Longevity risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

No other post-retirement benefits are provided to these employees

(a) The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Discount rate(s)	7.20%-7.40%	5.70%-6.90%
Expected return on plan assets*	6.75%-11.00%	6.75%-11.00%
Salary escalation**	7.50%-10.00%	7.50%-8.00%
Retirement age	58-65 years	58-65 years
Mortality tables	IALM (2012 - 14)	IALM (2012 - 14)
Attrition (%) - All ages	8%-52%	15%-52%
Estimate of amount of contribution in the immediate next year (₹ in lakhs)	970.94	908.73

* Expected rate of return on plan assets is on the basis of average long term rate of return expected on investments of the fund during the estimated term of obligation.

** Future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(b) Amounts recognised in Statement of Profit and Loss in respect of these defined benefit plans are as follows:

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Service cost		
- Current service cost	729.64	921.83
- Reduction due to difference identified in the plan assets at the beginning of the period	(0.02)	0.33
Interest cost	414.74	425.03
Expected return on plan assets	(386.35)	(354.22)
Components of defined benefit costs recognised in profit or loss	**758.01**	**992.97**
Remeasurement on the net defined benefit liability		
- Return on plan assets (excluding amounts included in net interest expense)	157.27	44.59
- Actuarial (gains)/losses arising from changes in demographic assumptions	2.97	(365.40)
- Actuarial (gains)/losses arising from changes in financial assumptions	(183.74)	95.55
- Actuarial (gains)/losses arising from experience adjustments	636.80	40.27
Components of defined benefit costs recognised in other comprehensive income/(loss)	**613.30**	**(184.99)**
Total	**1,371.31**	**807.98**

The current service cost and the net interest expense for the year are included in the employee benefits expense line item in the Statement of Profit and loss.

The remeasurement of the net defined benefit liability is included in other comprehensive income.

(c) The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plans is as follows as computed by the Actuarial:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Present value of funded defined benefit obligation	(6,948.15)	(6,476.12)
Fair value of plan assets	6,261.02	5,607.26
Net liability arising from defined benefit obligation	**(687.13)**	**(868.86)**

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(d) Movements in the present value of the defined benefit obligation are as follows:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Opening defined benefit obligation	6,476.12	6,081.41
Current service cost	729.64	921.83
Interest cost	414.74	425.03
Liability transferred	(4.92)	-
Remeasurement (gains)/losses:		
- Actuarial gains and losses arising from changes in demographic assumptions	2.97	(365.40)
- Actuarial gains and losses arising from changes in financial assumptions	(183.74)	95.55
- Actuarial gains and losses arising from experience adjustments	636.80	40.27
Benefit paid - Paid by the Enterprise	(133.12)	(63.40)
Benefit paid - Payment made out of the Fund	(990.34)	(659.17)
Closing defined benefit obligation	**6,948.15**	**6,476.12**

(e) Movements in the present value of the plan assets as computed by Actuarial are as follows:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Plan assets at beginning of the year	5,607.26	4,928.15
Reduction due to difference identified in the plan assets at the beginning of the period	0.02	(0.33)
Expected return on plan assets	386.35	354.22
Actual group contributions	1,415.00	1,028.98
Actuarial gain/(loss) on plan assets	(157.27)	(44.59)
Benefits paid	(990.34)	(659.17)
Plan assets at the end of the year	**6,261.02**	**5,607.26**

(f) Disaggregation of plan assets into classes:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
The plan assets are invested in insurer managed funds	100.00%	100.00%
Asset allocation:		
Government securities	47.00%	42.00%
Corporate Debt	33.00%	20.00%
Equity shares	16.00%	19.00%
Net Current Assets including Money Market Items	0.00%	3.00%
Reverse/Repo	4.00%	16.00%
Total	**100.00%**	**100.00%**

(g) The following are expected defined benefit payments in future years:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Within the next 12 months (next annual reporting period)	967.84	852.62
Between 2 and 5 years	4,492.57	4,147.55
Beyond 5 years	6,111.01	5,516.47
Total expected payments	**11,571.42**	**10,516.64**

The weighted average duration of the defined benefit plan as at 31 March 2023 is 6.07 years. (31 March 2022: 6.11 years)

(h) Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

i) If the discount rate is 100 basis points higher (lower), the defined benefit obligation would decrease by ₹ 13,298.00 lakhs (increase by ₹ 14,022.00 lakhs) [as at 31 March, 2022: decrease by ₹ 12,155.73 lakhs (increase by ₹ 12,849.03 lakhs)].

ii) If the expected salary growth increases (decreases) by 100 basis points, the defined benefit obligation would increase by ₹ 13,988.00 lakhs (decrease by ₹ 13,328.00 lakhs) [as at 31 March, 2022: increase by ₹ 12,815.38 lakhs (decrease by ₹ 12,184.33 lakhs)].

iii) If the expected withdrawal rate increases (decreases) by 100 basis points, the defined benefit obligation would increase by ₹ 6,810.00 lakhs (decrease by ₹ 6,841.00 lakhs) [as at 31 March, 2022: increase by ₹ 6,220.15 lakhs (decrease by ₹ 6,269.05 lakhs)].

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

(i) The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

B. Provident Fund:

The Group is contributing in a provident fund trust "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for Max Group companies. The provident fund trust requires that interest shortfall shall be met by the employer, accordingly it has been considered as a defined benefit plan.

The interest rate payable to the members of the Trust shall not be lower than the statutory rate of interest declared by the Central Government under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, and shortfall, if any, shall be made good by employer. The actuary has accordingly provided a valuation for "Max Financial Services Limited Employees Provident Trust Fund" which is a common fund for the Group.

The details of fund and plan asset position as at March 31, 2023 as per the actuarial valuation of active members are as follows:

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Plan assets at year end at fair value	59,982.53	53,390.69
Present value of defined benefit obligation at year end	59,666.99	53,025.66
Surplus as per actuarial certificate	315.54	365.03
Shortfall recognised in balance sheet	**-**	**-**

Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.20%	5.66%
Yield on existing funds	8.15%	8.10%
Expected guaranteed interest rate	8.15%	8.10%

Contribution to Defined benefit Plan, recognised as expense for the year is as under:

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
Employer's Contribution towards Provident Fund (PF)	5,370.40	4,649.82
	5,370.40	**4,649.82**

C. Compensated absences

Liability for compensated absence for employees is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuation are:

Actuarial Assumptions:	March 31, 2023	March 31, 2022
Discount Rate (per annum)*	7.20 - 7.40%	5.70 - 6.90%
Rate of increase in compensation levels**	7.50 - 10.00%	7.50 - 8.00%

* The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

** Future salary increases considered in actuarial valuation take into account inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

D. Long term incentive plans

Liability for the scheme is determined based on actuarial valuation which has been carried out using the projected accrued benefit method which is same as the projected unit credit method in respect of past service. The assumptions used for valuation are:

Actuarial Assumptions:	March 31, 2023	March 31, 2022
Discount Rate (per annum)	7.40%	6.90%

36. Calculation of Earnings per share (EPS) - Basic and Diluted

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Basic EPS		
Profit attributable to shareholders of the Company (₹ in lakhs)	37,848.59	25,337.00
Weighted average number of equity shares outstanding during the year (Numbers)	345,114,771	345,111,540
Face value per equity share (₹)	2.00	2.00
Basic Earnings Per Share (₹)	**10.97**	**7.34**
Diluted EPS		
Equivalent weighted average number of employee stock options outstanding (Numbers)	-	23,986
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Numbers)	345,114,771	345,135,526
Diluted Earnings Per Share (₹)	**10.97**	**7.34**
Note: Treasury shares are not considered for calculation of EPS since they are anti-dilutive in nature		

37. Employee Stock Option Plan

37.1 Employee Stock Option Plan – 2003 ("the 2003 Plan"):

The Company had instituted the 2003 Plan, which was approved by the Board of Directors on 25 August, 2003 and by the shareholders on 30 September, 2003. The 2003 Plan provides for grant of stock options aggregating not more than 5% of number of issued equity shares of the Company to eligible employees of the Company. The 2003 Plan is administered by the Nomination and Remuneration Committee appointed by the Board of Directors. Under the plan, the employees receive shares of the Company upon completion of vesting conditions such as rendering of services across vesting period. Vesting period ranges from one to five years and options can be exercised within two years from vesting date. As amended in the 2003 Plan and approved the shareholders in Annual General Meeting held on 30 September, 2014, the Option Price will be determined by the Nomination and Remuneration Committee, from time to time, in accordance with the provisions of applicable law, provided that the Option Price shall not be below the face value of the equity shares of the Company.

The following table illustrates the number and movements in, share options during the year:

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Particulars	31.03.2023		31.03.2022	
	Number of options	Weighted Average exercise price (₹)	Number of options	Weighted Average exercise price (₹)
Option outstanding at the beginning of the year	-	-	65,865	393.12
Forfeited during the year	-	-	(41,396)	393.12
Exercised during the year	-	-	(24,469)	393.12
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-	-	-	-

For the current year, the weighted average share price at the exercise date was ₹ Nil (Previous year : ₹ 393.12).

The weighted average exercise price for stock options outstanding as at March 31, 2023 was ₹ Nil per share (March 31, 2022: ₹ 393.12 per share).

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

37.2 Max Life Insurance Company Limited

(a) **Employee Phantom Stock Plan (Cash settled):**

During the year ended March 31, 2016, the Company issued Employee Phantom Stock Plan ("EPSP") w.e.f. March 01, 2016. Further, during the year ended March 31, 2019, the Company issued EPSP w.e.f. May 24, 2018. Further during the year ended March 31, 2020, the Company issued EPSP w.e.f. May 22, 2019. Further during the year ended March 31, 2021, the Company issued EPSP w.e.f May 20, 2020. Further during the year ended March 31, 2022, the Company issued EPSP w.e.f May 07, 2021 and November 09, 2021. Accordingly, ₹ (1227.00) Lakhs (March 31, 2022: ₹ 513 Lakhs) has been accrued as expense in the Statement of Profit and Loss due to fair value change. The details of the scheme are as under:

Type of arrangement	EPSP 2018	EPSP 2018	EPSP 2018	EPSP 2018	EPSP 2018
Date of Grant	24-May-18	22-May-19	20-May-20	7-May-21	9-Nov-21
No. of options outstanding	830,000	3,401,000	6,850,000	4,402,000	147,000
Exercise Price (₹)	96.4	83.9	82.4	168.33	192.85
Graded Vesting Period					
1st Year	25%	25%	25%	25%	25%
2nd Year	25%	25%	25%	25%	25%
3rd Year	25%	25%	25%	25%	25%
4th Year	25%	25%	25%	25%	25%
Mode of Settlement	Cash	Cash	Cash	Cash	Cash

Options were priced at fair value on the date of grant by using Black Scholes model, by an approved valuer engaged by the Company. The key assumptions used to estimate fair value of options are as follows:

Particulars	31.03.2023	31.03.2022
Risk- free interest rate	7.30%-7.32%	5.22%-6.2%
Expected volatility (standard dev - annual)	3.0-4.0 Years	2.1-5.0 Years
Expected life (years)	43.33%-34.80%	49.6%-42.79%
Expected dividend yield	1.34%	1.16%

The following table illustrates the number and movements in, share options during the year:

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of options	Weighted Average exercise price (₹)	Number of options	Weighted Average exercise price (₹)
Outstanding at the beginning of the year	24,125,000	98.62	23,839,000	79.02
Granted during the Year	-	-	5,255,900	169.02
Forfeited during the year	(1,697,000)	98.62	(485,450)	79.02
Exercised during the year	(6,843,000)	98.62	(4,484,450)	79.02
Outstanding at the end of the year	15,585,000	98.62	24,125,000	98.62
Exercisable at the end of the year	-	-	-	-

The range of exercise prices for options outstanding at the end of the year was ₹ 82.40 to ₹ 192.85 (31 March 2021: ₹ 82.40 to ₹ 96.40)

(b) **Employee Stock Option Plan (Equity settled):**

During the year ended March 31, 2023, the Company issued Employee Stock Option Plan ("ESOP") w.e.f. June 22, 2022. The stock based compensation expense determined under fair value based method and charged to the statement of profit and loss is ₹ 2,390 Lakhs.

The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The details of the scheme are as under:

Type of arrangement	ESOP 2022
Date of Grant	22-Jun-22
No. of options outstanding	1,442,000
Exercise Price (₹)	808.97
Graded Vesting Period	
1st Year	25%
2nd Year	25%
3rd Year	25%
4th Year	25%
Mode of Settlement	Equity Settled

The key assumptions used to estimate fair value of options are as follows:

Particulars	31.03.2023	31.03.2022
Risk- free interest rate	7.30%-7.32%	-
Expected volatility (standard dev - annual)	3-4 Years	-
Expected life (years)	43.33%-34.80%	-
Expected dividend yield	1.34%	-

A summary of status of Company's Employee Stock Option Plan 2022 is given below:

Particulars	As at 31.03.2023		As at 31.03.2022	
	Number of options	Weighted Average exercise price (₹)	Number of options	Weighted Average exercise price (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the Year	1,505,000	-	-	-
Forfeited during the year	(63,000)	-	-	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	1,442,000	-	-	-
Exercisable at the end of the year	-	-	-	-

38. Leases

38.1 Group as a Lessee:

The Group has entered into short term lease arrangements for certian facilities and office premises. Rent expense of ₹ 637.66 lakhs (March 31, 2022: ₹ 625.17 lakhs) in respect of obligation under cancellable operating leases has been charged to the Statement of Profit and Loss for these short term lease arrangements.

a. Following are the changes in the carrying value of right of use assets for the year ended ended March 31, 2023:

(₹ in lakhs)

Particulars	Building	
	Year ended 31.03.2023	Year ended 31.03.2022
Opening balance (at the beginning of the year)	20,777.37	24,317.27
Addition	13,435.53	2,473.49
Depreciation expense	(6,678.08)	(6,013.39)
Closing balance at year end	**27,534.81**	**20,777.37**

b. The following is the break-up of current and non-current lease liabilities as of March 31, 2023:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Current Liabilities	5,399.89	5,206.45
Non-Current Liabilities	24,651.87	19,538.02
Total	**30,051.76**	**24,744.47**

c. The following is the movement in lease liabilities during the year ended March 31, 2023:

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Opening balance (at the beginning of the year)	24,744.47	27,839.22
Addition	13,433.53	2,472.48
Finance cost accrued during the period	(758.47)	1,933.63
Payment of Lease liabilities	(7,367.76)	(7,500.86)
Closing balance at year end	**30,051.76**	**24,744.47**

d. The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2023 on an undiscounted basis:

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Less than one year	7,301.76	6,904.70
One to five years	20,620.08	18,242.51
More than five years	9,354.82	4,903.43
Total	**37,276.67**	**30,050.64**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

38.2Group as a lessor

The Group has entered into an agreement of leasing out the investment property and property, plant and equipment. This is in the nature of operating lease and lease arrangement contains provisions for renewal. The total lease income in respect of such lease recognised in Statement of Profit and Loss for the year ended March 31, 2023 is ₹ 7,124.19 lakhs (March 31, 2022, ₹ 6,810.80 lakhs).

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

39. Related party disclosures

A. List of related parties

Names of related parties with whom transactions have taken place during the year

Entity/person having significant influence/ control upon the Company	- Max Ventures Investment Holdings Private Limited
	- Mitsui Sumitomo Insurance Company Limited, Japan
	- Mr. Analjit Singh
Key Management Personnel (KMP)	- Mr. Analjit Singh (Chairman & Non-executive Director)
	- Mr. Mohit Talwar (Managing Director till January 14, 2023)
	- Mr. Aman Mehta (Director)
	- Mr. D.K. Mittal (Director)
	- Mrs. Naina Lal Kidwai (Director) (till May 31, 2022)
	- Mr. Sahil Vachani (Director)
	- Mr. Jai Arya (Director)
	- Mr. Charles Richard Vernon Stagg (Director)
	- Mr. Hideaki Nomura (Director)
	- Mr. Mitsuru Yasuda (Director)
	- Mr. K Narasimha Murthy (Director)
	- Mrs. Gauri Padmanabhan (Director) (w.e.f. August 25, 2022)
	- Mr. Jatin Khanna (Chief Financial Officer) (till September 30, 2021)
	- Mr. Mandeep Mehta (Chief Financial Officer) (w.e.f. October 01, 2021 till April 30, 2022)
	- Mr. Amrit Singh (Chief Financial Officer) (w.e.f. May 01, 2022)
	- Mr. V Krishnan (Company Secretary)
Enterprises owned or significantly influenced by key management personnel or their relatives	- Max India Foundation
	- Max India Limited
	- Max Ventures & Industries Limited
	- Antara Purukul Senior Living Limited
	- Max Skill First Limited
	- Antara Senior Living Limited
	- Antara Assisted Care Services Limited
	- Max Asset Services Limited
	- Max UK Limited
	- Delhi Guest House Private Limited
	- New Delhi House Services Limited
	- Forum I Aviation Private Limited
	- SKA Diagnostic Private Limited
	- Max Towers Private Limited (Formerly known as Wise Zone Builders Pvt. Ltd.)
	- Toppan Speciality Films Private Limited [Erstwhile Max Speciality Films Limited]
	- Max Ventures Private Limited
	- Max Estates Limited
Employee benefit funds	- Max Financial Services Limited Employees' Provident Fund Trust

Note : The related parties have been identified by the management.

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B. The following table provides the total amount of transactions that have been entered into with related parties for the relevant period.

(₹ In lakhs)

Related party transactions	Parties	Year ended 31.03.2023	Year ended 31.03.2022
Sale of services	Max India Limited	432.20	438.75
	Max Ventures and Industries Limited	-	25.00
Rental Income	Max Skill First Limited	-	12.82
	Max Ventures and Industries Limited	447.79	335.77
	Max Towers Private Limited	-	256.10
	Max India Limited	1.80	1.80
Premium Income	Max Skill First Limited	-	1.00
	Max Ventures and Industries Limited	2.77	1.12
	Max Ventures Private Limited	3.33	3.78
	Max India Limited	6.02	6.62
	Antara Senior Living Limited	4.63	7.14
	Antara Purukul Senior Living Limited	3.21	3.01
	Antara Assisted Care Services Limited	4.56	6.88
	Max Estates Limited	6.99	2.04
	New Delhi House Services Limited	4.40	5.83
	Toppan Speciality Films Private Limited	29.05	32.64
Retiral benefits received (on transfer of employees)	Max Skill First Limited	-	266.58
Training expense	Max Skill First Limited	-	271.00
Repairs and maintenance - others	New Delhi House Services Limited	146.04	141.47
	Max Asset Services Limited	32.76	81.37
	Max India Limited	-	26.88
Miscellaneous expenses	New Delhi House Services Limited	115.17	126.23
	Antara Purukul Senior Living Limited	-	0.27
	Max Towers Private Limited	-	5.92
Employer contribution to provident fund	Max Financial Services Limited Employees' Provident Fund Trust	5,370.38	4,649.85
Legal and professional expenses	Max India Limited	700.00	650.00
	Max UK Limited	96.00	80.00
Rent including lease rentals	Delhi Guest House Private Limited	114.06	112.58
	Max India Limited	87.48	87.48
	SKA Diagnostic Private Limited	76.78	93.75
CSR and voluntary donations	Max India Foundation	800.00	640.38
Travelling and conveyance	Forum I Aviation Private Limited	35.40	112.29

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lakhs)

Related party transactions	Parties	Year ended 31.03.2023	Year ended 31.03.2022
Reimbursement of expenses (Received from)	Max Ventures and Industries Limited	25.96	3.65
	Max India Limited	25.96	40.31
	Antara Senior Living Limited	-	1.82
	Antara Assisted Care Services Limited	-	1.82
Reimbursement of expenses (paid to)	Max India Limited	11.89	15.68
Transfer (in) of Property, Plant and Equipment	Max India Limited	-	1.48
Transfer (out) of Property,Plant and Equipment	Max India Limited	0.62	-
	Max Ventures and Industries Limited	0.97	-
Security Deposit paid	Max India Limited	-	21.87
	Delhi Guest House Private Limited	4.92	-
	Max Assets Services Limited	5.03	-
Security deposit refunded	SKA Diagnostic Private Limited	6.25	-
Security Deposit received	Max Ventures and Industries Limited	76.41	-
Interim dividend paid by subsidary company to	Mitsui Sumitomo Insurance Company Limited	-	912.06
Purchase of investment in subsidiary from	Mitsui Sumitomo Insurance Company Limited	84,266.09	-

C. **Transactions with the key management personnel of the Company during the year:**

(₹ In lakhs)

Name of key management personnel	Nature of transaction	Year ended 31.03.2023	Year ended 31.03.2022
Mr. Analjit Singh	Remuneration (Note 1)	350.00	300.00
Mr. Mohit Talwar (Note 2)	Remuneration	697.48	1,147.16
Mr. Jatin Khanna (Note 2 and 3)	Remuneration	-	394.90
Mr. V Krishnan (Note 2)	Remuneration	139.15	227.04
Mr. Amrit Pal Singh (Note 3)	Remuneration	16.50	-
Mr. Mandeep Mehta (Note 3)	Remuneration	1.50	9.00
Mr. Analjit Singh	Director sitting fee	6.00	6.00
Mr. K Narasimha Murthy	Director sitting fee	9.00	6.00
Mr. Aman Mehta	Director sitting fee	16.00	14.00
Mr. D.K. Mittal	Director sitting fee	15.00	15.00
Mrs. Naina lal Kidwai	Director sitting fee	8.00	9.00
Mr. Sahil Vachani	Director sitting fee	7.00	5.00
Mr. Jai Arya	Director sitting fee	11.00	7.00
Mrs. Gauri Padmanabhan	Director sitting fee	2.00	-
Mr. Charles Richard Vernon Stagg	Director sitting fee	4.00	5.00
Mr. Analjit Singh (Note 1)	Commission	100.00	-
Mr. Aman Mehta	Commission	20.00	-
Mr. D.K. Mittal	Commission	20.00	-
Mrs. Naina Lal Kidwai	Commission	20.00	-
Mr. Jai Arya	Commission	20.00	-
Mr. K Narasimha Murthy	Commission	20.00	-
Mr. Charles Richad Vernon Stagg	Commission	20.00	-

Notes:

1.) Payments made to Mr. Analjit Singh pursuant to shareholders approval towards remuneration as non executive chairman.

2.) The remuneration paid to aforesaid KMP's in during the year ended 31 March,2022 includes one - time special incentive of ₹ 7.75 crores paid for their valued contribution in consummation of Max Financial – Axis transaction. This includes payment of ₹ 5 crores made to Mr. Mohit Talwar, MD of the company with the approval of shareholders.

3.) Mr. Jatin Khanna, CFO of the company resigned from the services of the company effective close of business hours on September 30, 2021, the remuneration paid to him includes F&F payment.

Mr. Mandeep Mehta, was appointed as the CFO in place of Mr. Jatin Khanna w.e.f. October 1, 2022. Mr. Mandeep Mehta, CFO of the company resigned from the services of the company effective close of business hours on April 30, 2022.

Mr. Amrit Pal Singh was appointed as the CFO in place of Mr. Mandeep Mehta w.e.f. May 1, 2022.

D The following table provides the year end balances with related parties for the relevant year:

(₹ In lakhs)

Nature of transaction	Name of related party	As at 31.03.2023	As at 31.03.2022
Trade Receivables	Max Ventures and Industries Limited	31.77	-
Other Receivables	Max Ventures and Industries Limited	64.35	-
	Max Towers Private Limited	-	88.57
Security Deposit Receivable	Delhi Guest House Private Limited	27.74	22.82
	SKA Diagnostic Private Limited	18.75	25.00
	Max Assets Services Limited	5.03	-
	Max India Limited	21.87	21.87
Advances paid	Max Skill First Limited	-	1.00
	Max India Foundation	203.00	205.98
Security Deposit Payable	Max Ventures and Industries Limited	244.30	168.25
Trade Payables	New Delhi House Services Limited	24.22	54.49
	Max India Limited	26.03	21.03
	Max UK Limited	96.00	80.00
	Max Asset Services Limited	7.01	-
	Delhi Guest House Private Limited	-	5.82
	Max Ventures and Industries Limited	1.48	0.68
	Max Estates Limited	0.84	-
	Toppan Speciality Films Private Limited	-	3.94
	Forum I Aviation Private Limited	18.84	-
	Antara Assisted Care Services Limited	0.43	1.00
	Antara Senior Living Limited	1.29	-
	Antara Purukul Senior Living Limited	0.11	0.57
	Max Ventures Private Limited	0.83	0.36

E. Terms and conditions of transactions with related parties

Transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The Company has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

40. Financial Instruments

(a) Capital Management

Group has established the following capital management objectives, policies and approach to managing the risks that affect its capital position:

- To maintain the required level of stability of the Group thereby providing a degree of security to policyholders
- To allocate capital efficiently and support the development of business by ensuring that returns on capital employed meet the requirements of its capital providers and shareholders
- To retain financial flexibility by maintaining strong liquidity and access to a range of capital markets
- To maintain financial strength to support new business growth and to satisfy the requirements of the policyholders, regulators and stakeholders
- To maintain strong credit ratings and healthy capital ratios in order to support its business objectives and maximise shareholders value.

Management assesses the capital requirements of the Group in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

Group have met all of these requirements throughout the financial year. In reporting, financial strength, capital and solvency are measured using the rules prescribed by the Insurance Regulatory Authority of India (IRDAI). These regulatory capital tests are based upon required levels of solvency, capital and a series of prudent assumptions in respect of the type of business written.

The Group has a Board approved Risk Appetite Statement which defines the minimum level of capital that the Group needs to maintain in over and above the regulatory requirement in order to ensure that the core objective of being able to honor the contractual obligations made to its policyholders is met even in adverse scenario. Further, the Group's Dividend Policy restricts the pay-out of any dividend to the shareholders in case there is an expected breach of the defined risk appetite level due to the dividend distribution.

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Insurance Business is satisfactorily managing affairs for their benefits. At the same time, regulators are also interested in ensuring that the Group maintains an appropriate solvency position to meet unforeseeable liabilities arising from economic shocks or natural disasters. The operations of the Group are subject to regulatory requirements within the jurisdictions in which it operates.

(b) Risk management framework

The Group is exposed to market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The objective of the Group's risk management framework is to manage the above risks and aims to :

- improve financial risk awareness and risk transparency
- identify, control and monitor key risks

- provide management with reliable information on the Group's risk exposure
- improve financial returns

The Group's overall approach to managing risk is based on the 'three lines of defence' model with a clear segregation of roles and responsibilities for all the lines. Business Managers are part of the first line of defence and have the responsibility to evaluate their risk environment and put in place appropriate controls to mitigate such risks or avoid them. The Risk Management Function, along with the Compliance Function, form the second line of defence. The Internal Audit Function guided by the Audit Committee is the third line of defence and provides an independent assurance to the Board. The Statutory Auditors and regulatory oversight aided by the Appointed Actuary in his/her fiduciary capacity is also construed to provide an additional third line of defence. The Group has in place a robust and comprehensive internal control mechanism across all the major processes as a part of the internal financial controls (IFC Framework) adequacy of which is tested periodically by the internal audit function and an opinion on its efficacy is provided by the statutory auditors.

Risk management activities are supervised on behalf of the Board by the Risk, Ethics and Asset Liability Management Committee, whose responsibilities includes those in conformity with those prescribed by the IRDAI for insurance businesses. The Group for its life insurance business has Management Risk Committee chaired by the Managing Director & Chief Executive Officer and supported by the Operational Risk Group, and Asset Liability Management Group, Information Security & Business Continuity Management Committee and the Outsourcing Committee, assist the Board Committee in overseeing the risk management activities across the life insurance business.

The Group in respect of its life insurance arm, Max Life Insurance has an independent Risk Management Function in place, headed by a Chief Risk Officer. The function is responsible for the supervision of all risk management activities, including developing the risk appetite, maintaining an aggregated risk view, monitoring the residual risks to ensure that they remain within tolerance levels. It also reviews the appropriateness and adequacy of the risk management strategy and develops recommendations to the REALM Committee as necessary. The Risk Management function also ensures that, through various management submissions, the Board is adequately informed on key emerging risk related issues and if necessary, provides supplementary advice to the Board through REALM Committee.

The Group has in place a Risk Management Policy which lays down the broad contours of management system in place which is used to identify, assess, monitor, review, control, report risks and controls within the Group. The Group has a risk management system It also requires the Group that enables it to identify risks, set tolerance levels, develop and implement strategies, policies, procedures and controls to manage different types of risks within the overall risk appetite., A Risk Appetite Statement is in place which identifies and addresses each material risk to which the Group is exposed and establishes the degree of risk that the Group is willing to accept in pursuit of its strategic objectives, business plans giving consideration to the interests of its stakeholders and the interest of the policyholders. These material risks have been categorised in the areas of Strategic, Insurance, Investment and Operational Risks. The Risk Management Strategy has been developed which defines the Group's approach to manage the identified material risks through acceptance, avoidance, transfer and/or mitigation. The degree and intensity of the management action is guided by comparing the risk appetite with the potential impact of the risk, likelihood of its occurrence and the costs of implementing the controls. This is supplemented by various policies and procedures in respective operating areas which help to identify, mitigate and monitor risks. A risk dashboard is also in place which rates each material risk on the basis of identified key risk indicators and respective tolerance levels. This is also monitored both at the management level as well as the Board Committee level. The framework and its effectiveness are subject to both internal and external assurance reviews

As an insurer, the Group is in the business of accepting certain kinds of risks. It is Group's policy that risks should be managed systematically with the process of risk management being well defined and with its various elements properly integrated. The risk management framework also ensures that the level of risk accepted is within the Group's risk capacity and the level of capital adequacy is in excess of the level prescribed in the regulations. The degree and intensity of the management action is guided by comparing the risk appetite with the potential impact of the risk, likelihood of its occurrence and the costs of implementing the controls.

The entire implementation is monitored both at the management level as well as the Board Committee levels and the overall risk management framework and its effectiveness are subject to both internal and external assurance reviews.

The key risk exposures are summarised below along with a brief approach adopted by the Group to manage those risks.

(i) Market risk

The Group is exposed to financial and capital market risks – the risk that the fair value or future cash flows of an insurance contract or financial instrument will fluctuate because of changes or volatility in market prices. Market risk includes equity market and interest rate risks.

Market risk governance practices are in place, including independent monitoring and review and reporting to senior management and the Investment Committee and also to Risk Committee. Investment Policy and Investment SOP along with Risk Appetite Statement define the level of market risks that the Group can take. Investment team along with Enterprise Risk team provide the required monitoring and reporting to respective management and Board level committees.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Floating rate instruments exposes the company to cash flow interest risk, whereas fixed interest rate instruments expose the Group to fair value interest risk.

Further, any interest rate movements have an inherent implication on the valuation of liabilities also due to the long term nature of product designs and liability profiles.

The Duration gap between assets and liabilities is actively managed to ensure minimum sensitivity to interest rates.

The Group also uses interest rate derivatives to lock-in a fixed rate, and to protect the guaranteed liability portfolio from falling interest rates by reducing the reinvestment risk on new money.

The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are linearly related. The method used for deriving sensitivity information and significant variables have not changed from the previous period.

(₹ in lakhs)

Market indices	Change in Interest rate	As at 31 March, 2023		As at 31 March, 2022	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Interest rate	25 Basis Point down	-	1,237.29	-	477.00
	50 Basis Point down	-	2,474.58	-	954.00
	25 Basis Point Up	-	(1,237.29)	-	(477.00)
	50 Basis Point Up	-	(2,474.58)	-	(954.00)

Equity Risk

Equity market risk is the potential for financial loss arising from declines or volatility in equity market prices. The Group is exposed to equity risk from a number of sources. The level of equity risk to be taken in defined in Investment Policy, fund mandates of Unit Linked funds, Risk Appetite Statement and Strategic Asset Allocation of various key funds

The analysis below is performed for reasonably possible movements in market indices with all other variables held constant, showing the impact on profit before tax (due to changes in fair value of financial assets and liabilities whose fair values are recorded in the statement of profit or loss) and equity (that reflects changes in fair value of financial assets). The correlation of variables will have a significant effect in determining the ultimate impact on price risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis.

(₹ in lakhs)

Market indices	Change in Variables	Year ended 31.03.2023		Year ended 31.03.2022	
		Impact on profit before tax	Impact on equity	Impact on profit before tax	Impact on equity
Equity price	10% rise	2,948.73	-	1,971.00	-
	10% fall	(2,948.73)	-	(1,971.00)	-

Operational Risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. Given the nature and scale of operations, the Group accepts high level of intrinsic risk in the operating model but has low tolerance for outages, specifically either at point of sale or in the subsequent delivery of policyholder obligations. The Group therefore makes resources available to control operational risks to acceptable levels however, recognizes that it is not possible to eliminate some of the risks inherent in its activities given the economic benefits of eliminating the same are far lower than the costs incurred in the process. Controls include effective segregation of duties, access controls, authorisation and reconciliation procedures, staff education and assessment processes, including the use of internal audit. Business risks such as changes in environment, technology and the industry are monitored through the Group's strategic planning and budgeting process.

The Group is exposed to various areas of operational risks, including mis-selling, technology, business continuance, information security, fraud, business processes, outsourcing, and compliance. These are mitigated by regular review and monitoring of operating, reporting processes and procedures. A range of policies and procedures to manage these risks is in place including Business Continuity Management, Information Security, Outsourcing, Anti-Fraud, Anti-Corruption and Anti-Bribery, and Anti-Money Laundering Policies together with a Business Code of Conduct. The first line of defence, through the departmental self-assessments, identifies all potential areas of inherent as well as residual risks along with the mitigation actions. The progress against these is monitored closely by respective functions, and is followed up by monitoring and reviews by the second and the third lines of defence.

Information Security risks are governed through Information Security Management System aligned and certified against ISO 27001 which is a global benchmark. The Group has a comprehensive Information Security policy designed to comply with ISO 27001, privacy and/or data protection legislations as specified in Indian Information Technology Act 2008 and Notification dated 11th April 2011 on protection of sensitive personal information and it provides direction to Information Security staff, Management and employees regarding their roles and responsibilities towards Information Security.

The subsidiary of the Company, Max Life Insurance also has a Business Continuity Management System which is aligned and certified against ISO 22301 which is also a global benchmark and has a planned response in the event of any contingency ensuring recovery of critical activities at agreed levels within agreed timeframe thereby complying with various regulatory requirements and minimising the potential business impact to Max Life. Additionally, it creates a system that fosters continuous improvement of business continuity management.

The Operational Risk Group and the Management Risk Committee monitor the residual risks in these areas and ensure that control actions are triggered at appropriate times to ensure that these risk exposures remain within the Group's risk appetite. Process risks in respect of technical areas like Product Development, Information Security are monitored through specialised forums like a Product Steering Committee (which governs a defined process and structure for development of products), Information Security & Business Continuity Management Committee (for all Information Security, Cyber Security and continuity related matters).

(ii) Liquidity risk

An asset-liability mismatch occurs when the financial terms of a Group's assets and liabilities do not correspond. These can lead to non-payment/deferment of claims, expenses, etc. Through effective cash management and capital planning, the Group ensures that, it is properly funded and maintain adequate liquidity to meet obligations. Elaborate mechanism is in place to match duration as well as cash flows through detailed ALM methodology which takes into account re-investment risk as well. Based on the Group's historical cash flows and liquidity management processes, the cash flows from the operating activities will continue to provide sufficient liquidity for us to satisfy debt service obligations and to pay other expenses as they fall due.

Liquidity risk is the possibility that the Group will not be able to fund all cash outflow commitments as they fall due. Group's primary funding obligations arise in connection with the payment of policyholder benefits Sources of available cash flow include general fund premiums and investment related inflows (such as maturities, principal repayments, investment income and proceeds of asset sales).

A governance structure, in form of the ALM Committee, and well defined Asset Liability Management Policy require periodic monitoring of the Asset-Liability position of the Group. The ALM policy defines the constraints on Investment policy arising from the nature of the liabilities that invested assets support. The Investment Policy defines in appropriate detail the specific limits on various forms of investment arising from Regulations, the ALM Policy and MLI's specific investment related risk appetites on various forms of investment. Periodic monitoring of interest rate sensitivity, dollar duration gap, cash flow matching, liquidity ratios, is undertaken at Management as well as Board Level Committees.

The Group remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening the balance sheet. The maturity profile of the Group's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Group.

(iii) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to other party by failing to discharge an obligation. The Group is subject to credit risk in connection with issuers of securities held in our investment portfolio, reinsurers. Losses may occur when a counterparty fails to make timely payments pursuant to the terms of the underlying contractual arrangement or when the counterparty's credit rating or risk profile otherwise deteriorates. Credit risk can occur at multiple levels, as a result of broad economic conditions, challenges within specific sectors of the economy, or from issues affecting individual companies. Events that result in defaults, impairments or downgrades of the securities in our investment portfolio would cause the Company to record realised or unrealised losses and increase our provisions for asset default, adversely impacting earnings .

Governance structure, in form of the Investment Committee, and well defined investment policies & processes are in place to ensure that the risks involved in investments are identified and acceptable levels are defined. Stringent investment norms and approval structure ensures healthy portfolio while delivering the expected performance. All Regulatory and Internal norms are built in the Investment system, which monitors the Investment limits and exposure norms on real-time basis.

The policyholders' funds are invested in accordance with regulatory norms, Investment policy, fund objective of unit linked funds and risk profile of the respective fund in fixed income segment, majority of the investment is made in the government securities having sovereign rating & debt securities issued by reputed corporate having appropriate rating as per Investment Committee.

Credit risk is significantly mitigated in Controlled Fund (CF) through investments in government securities (at least 50% as per regulations) and is managed by investing in bonds with minimum rating of AA+ in accordance with Investment Policy. Currently, over 90% of the rated debt portfolio (including government securities) of the Controlled Fund is invested in AAA rated bonds. However, the risk of downgrade in rating always remains which exposes Max Life to credit risk to a certain extent.

MAX FINANCIAL SERVICES

Credit risk arising from derivative financial instruments is, at any time, limited to those with positive fair values, as recorded on the balance sheet and is mitigated by maintaining cash collaterals against the fair values beyond a threshold.

Industry Analysis
As on March 31, 2023

(₹ in lakhs)

Particulars	Manufacturing	Government	Financial and Insurance	Infrastructure	IT Services	Others	Total
FVOCI financial assets							
Debt	29,085.02	-	174,945.65	1,296,954.55	-	14,835.11	1,515,820.33
Government Securities	-	5,503,338.71	-	-	-	-	5,503,338.71
Others*	-	265,109.31	5,092.00	-	-	-	270,201.31
Financial Assets At FVTPL							
Alternate Investment Funds	-	-	23,090.05	-	-	-	23,090.05
Debt Securities	4,258.89	-	216,948.50	338,642.98	-	8,003.51	567,853.89
Equity Instruments	1,299,924.61	-	801,091.13	518,196.60	326,078.58	78,600.48	3,023,891.39
Fixed Deposits							-
Government Securities	-	852,132.89	-	-	-	-	852,132.89
Infrastructure Investment Trusts	-	-	-	11,352.25	-	4,600.00	15,952.25
Mutual funds	-	-	-	-	-	47,079.25	47,079.25
Exchange traded Fund (MF)	-	-	-	-	-	72,246.03	72,246.03
Real Estate Investment Trust	-	-	-	-	-	19,056.60	19,056.60
Others	-	90,140.46	-	-	-	-	90,140.46
Financial Assets At Amortised Cost							
Debt	-	-	113,109.55	84,518.88	-	2,620.83	200,249.27
Government Securities	-	133,746.65	-	-	-	-	133,746.65
Others	-	-	-	-	-	-	-
Total Credit Risk Exposure	**1,333,268.52**	**6,844,468.02**	**1,334,276.88**	**2,249,665.26**	**326,078.58**	**247,041.80**	**12,334,799.07**

As on March 31, 2022

(₹ in lakhs)

Particulars	Manufacturing	Government	Financial and Insurance	Infrastructure	IT Services	Others	Grand Total
FVOCI Financial Assets							
Debt	167,451.13	25,116.97	161,864.54	1,150,812.57	-	5,170.74	1,510,415.95
Government Securities	-	4,662,558.59	-	-	-	-	4,662,558.59
Others	-	249,410.95	5,133.55	-	-	-	254,544.50
Financial Assets At FVTPL							
Alternate Investment Funds	-	-	11,631.26	-	-	-	11,631.26
Debt Securities	16,833.71	22,519.00	171,785.07	177,216.85	-	10,469.87	398,824.50
Equity Instruments	863,393.16	-	800,416.71	212,250.27	354,258.46	156,067.88	2,386,386.48
Government Securities	-	768,739.21	-	-	-	-	768,739.21
Infrastructure Investment Trusts	-	-	-	16,276.12	-	4,900.00	21,176.12
Mutual funds	-	-	-	-	-	158,101.09	158,101.09
Exchange traded Fund (MF)	-	-	-	-	-	160,823.20	160,823.20
Real Estate Investment Trust	-	-	-	-	-	16,744.22	16,744.22
Others	-	336,571.69	-	-	-	1,723.50	338,295.19
Financial Assets At Amortised Cost							
Debt	-	12,020.22	108,541.23	69,320.61	-	-	189,882.06
Government Securities	-	101,293.22	-	-	-	-	101,293.22
Others	-	-	-	-	-	-	-
Total Credit Risk Exposure	**1,047,678.00**	**6,178,229.85**	**1,259,372.36**	**1,625,876.42**	**354,258.46**	**514,000.50**	**10,979,415.59**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Credit Exposure by Credit Rating

As on March 31, 2023

(₹ in lakhs)

Particulars	AAA or Equivalent	AA+ or AA'	AA- or lower upto A+ or Equivalent	A or lower than A or Equivalent	SOVEREIGN	UNR	Total
FVOCI Financial Assets							
Debt	1,436,576.38	28,052.56	4,168.18	47,023.22			1,515,820.33
Government Securities					5,503,338.71		5,503,338.71
Others					265,109.31	5,092.00	270,201.31
Financial Assets At FVTPL							
Alternate Investment Funds					-	23,090.05	23,090.05
Debt Securities	449,019.19	65,546.84	4,684.32	48,603.54	-	-	567,853.89
Equity Instruments					-	3,023,891.40	3,023,891.40
Exchange traded Fund (MF)						72,246.03	72,246.03
Government Securities					852,132.89	-	852,132.89
Infrastructure Investment Trusts	15,952.25				-	-	15,952.25
Mutual funds					-	47,079.25	47,079.25
Real Estate Investment Trust	19,056.60				-	-	19,056.60
Others					90,140.46		90,140.46
Financial Assets At Amortised Cost							
Debt	87,683.36	122.94	4,503.60	105,318.53		2,620.83	200,249.27
Government Securities					133,746.65		133,746.65
Others					-		-
Total Credit Risk Exposure	**2,008,287.77**	**93,722.33**	**13,356.09**	**200,945.30**	**6,844,468.02**	**3,174,019.56**	**12,334,799.08**

As on March 31, 2022

(₹ in lakhs)

Particulars	AAA or Equivalent	AA+ or AA'	AA- or lower upto A+ or Equivalent	A or lower than A or Equivalent	SOVEREIGN	UNR	Total
FVOCI Financial Assets							
Debt	1,454,383.12	9,435.61	-	46,597.22			1,510,415.95
Government Securities	-	-	-	-	4,662,558.59		4,662,558.59
Others	-	-	-	-	249,410.95	5,133.55	254,544.50
Financial Assets At FVTPL							
Alternate Investment Funds					-	11,631.26	11,631.26
Debt Securities	313,998.81	36,649.66	-	48,176.03	-	-	398,824.50
Equity Instruments		3,190.10			-	2,383,196.38	2,386,386.48
Exchange traded Fund (MF)						160,823.20	160,823.20
Government Securities					768,739.21	-	768,739.21
Infrastructure Investment Trusts	21,176.12				-	-	21,176.12
Mutual funds	158,101.09				-	-	158,101.09
Real Estate Investment Trust	16,744.22				-	-	16,744.22
Others					336,571.69	1,723.50	338,295.19
Financial Assets At Amortised Cost							
Debt	84,497.69	129.59	-	105,254.78			189,882.06
Government Securities					101,293.22		101,293.22
Others	-	-	-	-	-	-	-
Total Credit Risk Exposure	**2,048,901.05**	**49,404.96**	**-**	**200,028.03**	**6,118,573.66**	**2,562,507.89**	**10,979,415.59**

It is the Group's policy to maintain accurate and consistent risk ratings across its credit portfolio. This enables management to focus on the applicable risks and the comparison of credit exposures across all lines of business and products. The rating system is supported by a variety of financial analytics combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are derived in accordance with the Group's rating policy. The attributable risk ratings are assessed and updated regularly.

The Group actively monitors its investments exposures to ensure that there is no significant concentration of credit risk.

Expected credit loss

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are measured at amortised cost and

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

b) Financial assets (debt) that are measured as at FVTOCI

For recognition of impairment loss on financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss.

For the purpose of 12-month credit risk, Group has applied probability of default (PD) and loss given default (LGD) based on the credit rating of each securities. These PD and LGD for various ratings have been obtained from CRISIL and RBI respectively.

ECL allowance (or reversal) for the year is recognised as expense/income in the statement of profit or loss.

ECL allowance computed, basis above, during the period under consideration is as follows:

(₹ In lakhs)

Movement of Allowances	Financial Asset
As at 01 April, 2021	2,537.35
Amounts written off	(1,000.00)
Reversals of provision	(200.00)
As at 31 March, 2022	**1,337.35**
Amounts written off	-
Reversals of provision	59.00
As at 31 March, 2023	**1,396.35**

(iv) Insurance and Financial Risk of Insurance Business

The principal risk the company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long–term claims. Therefore, the objective of the Group is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

Life insurance contracts and investment contracts with and without discretionary participation feature (DPF)

Ind AS 104 requires products offered by the Insurance Company to classify them in Insurance Contract and Investment Contract. Each contract needs to be classified in insurance contract and investment contract based on the risk they carry.

A contract would be an insurance contract and investment contracts with DPF if the benefit payable on death is higher by:

at least 5% of the fund value at any time during the life on the contract for unit linked products, or

at least 5% of the premium at any time during the life of the contract for other than unit linked products

All other contract are categorised as Investment contracts.

Discretionary participating features (DPF) contracts have the right to receive, as a supplement to guaranteed benefits, additional benefits whose amount and/or timing is contractually at the discretion of the issuer

For contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.

The main risks that the Group is exposed to are as follows:

a) Persistency risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected
b) Mortality risk – risk of loss arising due to policyholder death experience being different than expected
c) Morbidity risk – risk of loss arising due to policyholder health experience being different than expected

d) Longevity risk – risk of loss arising due to the annuitant living longer than expected
e) Investment return risk – risk of loss arising from actual returns being different than expected
f) Expense risk – risk of loss arising from expense experience being different than expected
g) Product and pricing risk – risk of loss due to incorrect pricing or not adhering to the product regulations or higher payouts due to ambiguity in terms and conditions
h) Reinsurance risk – The Group enters into reinsurance agreements in order to mitigate insurance risk. However, this leads to default risk from the reinsurer at the time of claim payment or also concentration risk if all the risk is insured to one reinsurer.
i) Concentration risk – The Group faces concentration risk by selling business to specific geography or by writing only single line business etc.
j) Liquidity risk – The Group does not have sufficient financial resources available to meet its obligations as they fall due, or can secure them only at excessive cost.

Control Measures

The actuarial department has set up systems to continuously monitor the Group's experience with regard to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposals. Some products offered by the company also have an investment guarantee.The interest rate risk is being hedged using forward rate agreement derivative. The group has also set aside adequate reserves to cover this risk.

Further, the possible financial effect of adverse mortality and morbidity experience has been reduced by entering into reinsurance agreements with multiple reinsurers. The Group has entered into a separate agreement with reinsurers to cover the catastrophic risks under individual and group business.

A further element of managing risk is to limit the exposure to individual segments of the population. In essence, being over-represented in any population segment will increase the variance of the company's experience, and so there are advantages to diversifying across all relevant population segments, at least until data is available to confirm which segments can be expected to have relatively favourable experience. At the present stage in the Group's development, the focus is on building new distribution and so geographical diversification is actively taking place.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Insurance Contracts Liabilities

Change in liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2023				As at 31 March, 2022			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
Liability at the beginning of the year	5,141,136.65	3,284,424.30	1,561,344.90	9,986,905.85	4,449,363.89	2,780,636.08	1,109,030.80	8,339,030.77
Add/(Less)								
Premium	702,688.51	540,496.80	494,822.78	1,738,008.09	671,948.28	497,003.11	383,852.10	1,552,803.49
Unwinding of the discount/Interest credited	311,608.33	170,668.29	101,565.14	583,841.75	240,996.75	127,240.93	71,358.00	439,595.68
Claim Liability released	(426,485.22)	(427,219.79)	(129,887.09)	(983,592.10)	(372,505.00)	(356,103.15)	(112,783.00)	(841,391.15)
New Business	29,941.19	160,691.55	346,681.68	537,314.43	96,405.89	203,226.00	217,905.00	517,536.89
Others	(25,302.58)	(264,543.07)	(78,638.01)	(368,483.65)	54,926.84	32,421.33	(108,018.00)	(20,669.83)
Liability at the end of the year	**5,733,586.89**	**3,464,518.08**	**2,295,889.41**	**11,493,994.38**	**5,141,136.65**	**3,284,424.30**	**1,561,344.90**	**9,986,905.85**

Investment Contracts Liabilities

(₹ in lakhs)

Particulars	As at 31 March, 2023				As at 31 March, 2022			
	With DPF	Linked Business	Others	Total	With DPF	Linked Business	Others	Total
At the beginning of the year	**-**	**85,631.69**	**-**	**85,631.69**	**7.00**	**87,687.00**	**-**	**87,694.00**
Additions								
Premium	-	6,636.84	-	6,636.84	-	4,715.05	-	4,715.05
Interest and Bonus credited to policyholders	-	4,063.27	-	4,063.27	1.00	11,283.02	-	11,284.02
Withdrawals/ Claims	-	11,530.81	-	11,530.81	8.00	17,794.32	-	17,802.32
Fee Income and Other Expenses	-	230.22	-	230.22	-	259.06	-	259.06
At the end of the year	**-**	**84,570.77**	**-**	**84,570.77**	**-**	**85,631.69**	**-**	**85,631.69**

Reinsurance Assets	(₹ in lakhs)	
Particulars	As at 31 March, 2023	As at 31 March, 2022
At the beginning of the year	**176,728.68**	**97,354.66**
Add/(Less)		
Impact of new business	8,319.00	(4,950.00)
Others	64,927.32	84,324.02
At the end of the year	**249,975.00**	**176,728.68**

Deferred Acquisition Cost	(₹ in lakhs)
Particulars	Amount
As at 01 April, 2021	**64.50**
Expenses deferred	-
Amortisation	(15.93)
As at 31 March, 2022	**48.57**
Expenses deferred	-
Amortisation	(12.24)
As at 31 March, 2023	**36.33**

Key assumptions

The assumptions play vital role in calculating Insurance liabilities for the Group. Material judgement is required in determining the liabilities and in the choice of assumptions. Best estimate assumptions in use are based on historical and current experience, internal data, some judgement and as per guidance notes/actuarial practice standards. However for the purpose of valuation an additional level of prudence has been kept on all the best estimate assumptions known as MfAD (margin for adverse deviation).The Company keeps adequate MAD, as prescribed in APS 7 issued by the Institute of Actuaries of India (IAI), in all assumptions over best estimate value.

Best Estimate Assumptions are further evaluated on a continuous basis in order to ensure realistic and reasonable valuations.

Assumptions can vary by type of product, duration, gender, distribution channel etc if the experience of any category is significantly different and data is credible for the respective category.

The key assumptions to which the estimation of liabilities is particularly sensitive are, as follows:

i) Mortality and morbidity rates

Assumptions are based on historical experience and for new products based on industry/reinsurers data. Assumptions may vary by type of product, distribution channel, gender etc.

An increase in mortality/morbidity rates will usually lead to a larger number/amount of claims (and claims could occur sooner than anticipated), which will increase the liability and reduce profits for the shareholders.

ii) Longevity

Assumptions are based on standard industry tables, adjusted when appropriate to reflect the company's own risk experience. An appropriate, but not excessive, prudent allowance is made for expected future improvements. An increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the liability and reduce profits for the shareholders.

iii) Investment return and Discount Rate

The rate of return is derived based on the investment portfolio that is assumed to back liabilities, consistent with the long-term asset allocation strategy. These estimates are based on current portfolio returns as well as expectations about future economic developments. An increase in investment return would lead to an increase in profits for the shareholders.

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholder.

iv) Expenses and inflation

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

v) Lapse, surrender and partial withdrawal rates

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the company's experience and usually vary by product type, policy duration and distribution channel.

An increase in lapse/surrender rates generally tends to reduce the value of insurance liability and therefore increase profits for shareholders. However, the direction of impact may vary depending upon the policy duration at which the lapse/surrender occurs.

The assumptions (post the margins for adverse deviations) that have the greatest effect on the statement of financial position and statement of profit or loss of the Group are listed below:

Assumptions for key categories of business impacting net liabilities	Mortality rates		Investment return		Lapse and surrender rates	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Insurance						
Participating Life products - Endowment (closed to new business) - Life Gain Plus	63% to 171% of IALM 12-14	38% to 163% of IALM 12-14	6.00%	5.45% to 6.15%	2% to 24%	2% to 19%
Participating Life products - Whole Life (closed to new business) - Whole Life	46% to 218% of IALM 12-14	38% to 163% of IALM 12-14	6.00%	5.45% to 6.15%	2% to 27%	2% to 19%
Participating Life products - Endowment (open to new business) - Monthly Income Advantage Plan	60% to 94% of IALM 12-14	57% to 75% of IALM 12-14	6.00%	5.45% to 6.15%	2% to 16%	2% to 11%
Participating Life products - Endowment (open to new business) - Life Gain Premier	63% to 171% of IALM 12-14	63% to 97% of IALM 12-14	6.00%	5.45% to 6.15%	2% to 24%	3% to 15%
Key Individual Linked product - Fast Track Super	50% to 121% of IALM 12-14	44% to 94% of IALM 12-14	6.35%	5.80% to 6.50%	4% to 24%	5% to 21%
Individual Non-Participating Life products - Savings - Guaranteed Monthly Income Plan	46% to 123% of IALM 12-14	60% to 72% of IALM 12-14	6.35%	5.80% to 6.50%	0.8% to 11%	0.8% to 11%

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Assumptions for key categories of business impacting net liabilities	Mortality rates		Investment return		Lapse and surrender rates	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Individual Non-Participating Life products - Savings - Guaranteed Income Plan	50% to 121% of IALM 12-14	52% to 83% of IALM 12-14	6.35%	5.80% to 6.50%	2% to 22%	3% to 12%
Individual Non-Participating Life products - Savings - Smart Wealth Plan	60% to 94% of IALM 12-14	60% to 94% of IALM 12-14	6.35%	5.80% to 6.50%	1% to 17%	1% to 14%
Individual Non-Participating Life products - Protection - Online Term Plan	60% to 94% of IALM 12-14	33% to 50% of IALM 12-14	6.35%	5.80% to 6.50%	1% to 12%	2% to 8%
Individual Non-Participating Life products - Protection - Smart Term Plan	33% to 75% of IALM 12-14	33% to 50% of IALM 12-14	6.35%	5.80% to 6.50%	0.8% to 12%	1% to 12%
Group Credit Life - Credit Life Secure	33% to 75% of IALM 12-14	33% to 66% of IALM 12-14	6.35%	5.80% to 6.50%	0.8% to 12%	1% to 4%
Group Credit Life - Credit Life Secure	42% to 142% of IALM 12-14	33% to 66% of IALM 12-14	6.35%	5.80% to 6.50%	2% to 3%	1% to 4%

Mortality and lapse/surrender assumptions are provided only for the top two distribution channels for Mar-22. However, all channels are considered for Mar-23.

Portfolio assumptions by type of business impacting net liabilities	Partial Withdrawal		Renewal Per Policy Expense Assumptions		Inflation	
	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22	31-Mar-23	31-Mar-22
Insurance						
With DPF	NA	NA	880.00	880.00	5.70% p.a.	5.65% p.a.
Linked Business	2.50%	2.50%	1210.00	1210.00	5.70% p.a.	5.65% p.a.
Others	NA	NA	715.00	715.00	5.70% p.a.	5.65% p.a.

*Commission scales have been allowed in accordance with the Group practice.

Sensitivity to Insurance Risk

Embedded Value (EV) and Value of New Business (VNB) Analysis:

Sensitivity analysis as at 31 March, 2023

Sensitivity	EV		VNB	
	(₹ Cr)	% Change	(₹ Cr)	% Change
Base Case	**16,263.00**	-	**1,949.00**	-
Lapses/Surrender - 10% increase	16,276.00	0%	1,951.00	0%
Lapses/Surrender - 10% decrease	16,234.00	0%	1,941.00	0%
Mortality - 10% increase	15,910.00	-2%	1,866.00	-4%
Mortality - 10% decrease	16,620.00	2%	2,033.00	4%
Expenses - 10% increase	16,115.00	-1%	1,808.00	-7%
Expenses - 10% decrease	16,411.00	1%	2,090.00	7%
Risk free rates - 100 bps increase	16,129.00	-1%	2,051.00	5%
Risk free rates - 100 bps reduction	16,288.00	0%	1,804.00	-7%
Equity values - 10% immediate rise	16,456.00	1%	1,949.00	-
Equity values - 10% immediate fall	16,070.00	-1%	1,949.00	-

Sensitivity analysis as at 31 March, 2022

Sensitivity	EV		VNB	
	(₹ Cr)	% Change	(₹ Cr)	% Change
Base Case	**14,174.00**	-	**1,528.00**	-
Lapses/Surrender - 10% increase	14,045.00	-1%	1,502.00	-2%
Lapses/Surrender - 10% decrease	14,300.00	1%	1,553.00	2%
Mortality - 10% increase	13,932.00	-2%	1,465.00	-4%
Mortality - 10% decrease	14,418.00	2%	1,592.00	4%
Expenses - 10% increase	14,043.00	-1%	1,439.00	-6%
Expenses - 10% decrease	14,305.00	1%	1,618.00	6%
Risk free rates - 100 bps increase	13,945.00	-2%	1,592.00	4%
Risk free rates - 100 bps reduction	14,350.00	1%	1,449.00	-5%
Equity values - 10% immediate rise	14,310.00	1%	1,528.00	-
Equity values - 10% immediate fall	14,039.00	-1%	1,528.00	-

Market consistent methodology

The EV and VNB have been determined using a market consistent methodology which differs from the traditional EV approach in respect of the way in which allowance for the risks in the business is made.

For the market consistent methodology, an explicit allowance for the risks is made through the estimation of the Time Value of Financial Options and Guarantees (TVFOG), Cost of Residual Non-Hedgeable Risks (CRNHR) and Frictional Cost (FC) whereas for the traditional EV approach, the allowance for the risk is made through the Risk Discount Rate (RDR)

Components of EV

The EV is calculated to be the sum of:

- Net Asset value (NAV) or Net Worth: It represents the market value of assets attributable to shareholders and is calculated as the adjusted Net Worth of the company.

- Value of In-force (VIF): This component represents the Present Value of Future expected post-tax Profits (PVFP) attributable to shareholders from the in-force business as at the valuation date, after deducting allowances for TVFOG, CRNHR and FC. Thus, VIF = PVFP – TVFOG – CRNHR – FC

Assumptions used in EV analysis:

A) Economic assumptions-

- The EV is calculated using risk free (government bond) spot rate yield curve taken from FIMMDA1 as at 31 March 2022.
- The spot rates beyond the longest available term of 40 years are assumed to remain at 40 year term spot rate level. The VNB is calculated using the beginning of respective quarter's risk free yield.
- No allowance has been made for liquidity premium because of lack of credible information on liquidity spreads in the Indian market.

B) Demographic assumptions

The lapse and mortality assumptions are approved by a Board committee and are set by product line and distribution channel on best estimate basis, based on the following principles:

- Assumptions are based on last one-year experience and expectations of future experience given the likely impact of current and proposed management actions on such assumptions.
- Aims to avoid arbitrary changes, discontinuities and volatility where it can be justified.

41. Fair value measurement

A Valuation principles and governance

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

The Company's fair value methodology and the governance over its models includes a number of controls and other procedures to ensure appropriate safeguards are in place to ensure its quality and adequacy. All new product initiatives (including their valuation methodologies) are subject to approvals by various functions of the Company including the risk and finance functions. The responsibility of ongoing measurement resides with the business and product line divisions.

B Financial instruments by fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.

- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs that are not observable and the unobservable inputs have a significant effect on the instrument's valuation.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The following table analyses financial instruments measured at fair value at the reporting date, by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. The fair values include any deferred differences between the transaction price and the fair value on initial recognition when the fair value is based on a valuation technique that uses unobservable inputs:

As at 31 March, 2023

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Asset measured at fair value:				
Derivative financial instrument				
Forward rate agreements	-	7,617.26	-	7,617.26
FVOCI Assets:				
Government Securities	-	5,503,338.71	-	5,503,338.71
Debt Securities	-	1,515,820.33	-	1,515,820.33
Other Investments*	-	270,201.31	-	270,201.31
FVTPL Assets:				
Government Securities	-	852,132.89	-	852,132.89
Debt Securities	-	567,853.89	-	567,853.89
Equity Instruments	3,042,947.98	-	-	3,042,947.98
Mutual Funds	120,072.26	-	-	120,072.26
Alternate Investment Fund	-	23,090.05	-	23,090.05
Infrastructure Investment Trusts	15,952.25	-	-	15,952.25
Other Investments*	-	90,140.46	-	90,140.46
	3,178,972.49	**8,830,194.90**	**-**	**12,009,167.39**
Liabilities measured at fair value				
Derivative financial instrument				
Forward rate agreements	-	20,234.98	-	20,234.98
	-	**20,234.98**	**-**	**20,234.98**

* other investment includes fixed deposits and reverse repo.

There have been no transfer between Level 1, 2 and 3 during the year.

As at 31 March, 2022

(₹ in lakhs)

Particulars	Level 1	Level 2	Level 3	Total
Asset measured at fair value:				
Interest rate swap	-	2,916.96	-	2,916.96
FVOCI Assets:				
Government Securities	-	4,662,558.58	-	4,662,558.58
Debt Securities	-	1,510,415.95	-	1,510,415.95
Other Investments*	-	254,544.50	-	254,544.50
FVTPL Assets:				
Government Securities	-	768,739.21	-	768,739.21
Debt Securities	-	398,824.50	-	398,824.50
Equity Instruments	2,403,130.70	-	-	2,403,130.70
Mutual Funds	318,924.29	-	-	318,924.29
Alternate Investment Fund	-	11,631.26	-	11,631.26
Infrastructure Investment Trusts	21,176.12	-	-	21,176.12
Other Investments*	-	338,295.19	-	338,295.19
	2,743,231.11	**7,947,926.15**	**-**	**10,691,157.26**
Liabilities measured at fair value				
Derivative financial instrument				
Forward rate agreements	-	24,902.74	-	24,902.74
	-	**24,902.74**	**-**	**24,902.74**

* other investment includes fixed deposits and reverse repo.

There have been no transfer between Level 1, 2 and 3 during the year.

C Valuation techniques

Asset Classification	Valuation
Equity instruments	Listed equity shares are valued at fair value, being the last quoted closing price on NSE and in case the same is not available, then on BSE.
Preference shares	Listed preference shares to be valued at fair value, being the last quoted closing price on NSE and in case the same is not available, then on BSE.
Government Securities	The Government Securities and Special Bond/Oil Bond issued by Government of India are valued at prices (Gilt Values) obtained from CRISIL
State Government Bonds	State Government securities are valued at prices (SDL Values) obtained from CRISIL
Reverse Repo	Valued at cost plus interest accrued on reverse repo rate
Discounted Securities (Treasury Bills, Commercial Papers, Certificates of Deposit)	Valued at accreted cost on Straight line till the beginning of the day plus the difference between the redemption value and the cost spread uniformly (straight line method) over the remaining maturity period of the instruments. The income shall be recognised as discount accrued.
Fixed Deposits	Valued at cost plus interest accrued on agreed coupon rate

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Asset Classification	Valuation
Infrastructure Investment Trusts (INVIT) and Real estate Investment Trusts (REIT)	Valued at Market Value (last Quoted price should not be later than 30 days). Where Market Quote is not available for the last 30 days, the Units shall be valued as per the latest NAV (not more than 6 months old) of the Units published by the trust
Additional Tier-1 bonds	Valued on the basis of values generated by bond valuer based on matrix released by Credit Rating Information Services of India Limited (CRISIL) on daily basis
Exchange Traded Fund	Listed Exchange Traded Fund units are valued at fair value, being the last quoted closing price on NSE and in case the same is not available, then on BSE
Mutual Fund	Valued at the previous day's Net Asset Value (NAV)
Alternate Investment Funds	Valued at Net Asset Value (NAV) if available or historical Cost less diminution in value of investments.
Asset Classification	**Valuation**
Debt Securities (Non-Convertible Debentures)	**Maturity >182 days:** Valued on YTM basis by using spread over benchmark rates (matrix released by CRISIL on daily basis) to arrive at the yield for pricing the security. The benchmark spreads are incorporated in the CRISIL Bond Valuer on daily basis and accordingly the instruments are valued on yield to maturity basis depending upon its maturity buckets & corresponding ratings **Maturity <182 days:** Securities purchased with residual maturity of up to 182 days are to be valued at cost plus the difference between the redemption value and cost spread uniformly over the remaining maturity period of the instrument. In case of securities with maturity >182 days at the time of purchase, the last available valuation price should be used. Depending upon the premium or discount at the time of purchase, the price will be subject to amortisation/accretion
	Call option: The securities with call option shall be valued (by CRISIL Bond Valuer) at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is to be taken as the value of the instrument **Put option:** The securities with put option shall be valued (by CRISIL Bond Valuer) at the higher of the value as obtained by valuing the security to final maturity, and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is to be taken as the value of the instruments **Put & call option on the same day:** The securities with both Put and Call option on the same day would be deemed to mature on the Put/Call day and would be valued accordingly (by CRISIL Bond Valuer)

Asset Classification	Valuation
	Annually compounding coupon: Securities having annual compounding coupons shall be valued on YTM basis by using spread over benchmark rates (matrix released by CRISIL Bond Valuer on daily basis) to arrive at the yield for pricing the security. The gross/dirty price so arrived shall be reduced by the coupon calculated from last interest payment date or allotment date whichever is earlier to arrive at the clean price. Such reduction shall take into account the compounding coupon calculations wherever applicable **Coupon reset Paper:** 6 monthly benchmark coupon reset paper/Floater are to be valued at cost plus the difference between the redemption value and cost spread uniformly over the remaining maturity period of the instrument. Depending upon the premium or discount at the time of purchase, the price will be amortised/accreted. On the date of reset such accretion/ amortisation shall also be reset for pricing **NSE MIBOR Paper:** NSE MIBOR instruments including those with daily put call options shall be valued at cost till the date of maturity

D Fair value of financial instruments not measured at fair value

Set out below is a comparison, by class, of the carrying amounts and fair values of the Group's financial instruments that are not carried at fair value in the financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities:

As at 31 March, 2023

(₹ in lakhs)

Particulars	Notional amount	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	122,590.21	122,590.21	-	-	122,590.21
Bank balances other than cash and cash equivalents	5,747.45	5,747.45	-	-	5,747.45
Trade and other receivables	68,123.82	-	68,123.82	-	68,123.82
Loans and Advances					
Loan against policy	80,292.59	-	80,292.59	-	80,292.59
Security Deposit	4,021.95	-	4,021.95	-	4,021.95
Investment Securities -Measured at amortised cost	333,995.91	-	333,995.91	-	333,995.91
Other assets	337,280.51	-	337,280.51	-	337,280.51
Total Financial Assets	**952,052.44**	**128,337.66**	**823,714.78**	**-**	**952,052.44**
Financial liabilities					
Trade payables	170,950.39	-	170,950.39	-	170,950.39
Non-convertible subordinated debentures	52,066.41	-	52,066.41	-	52,066.41
Lease liability	30,051.76	-	30,051.76	-	30,051.76
Contract liabilities of life insurance	12,257,014.89	-	12,257,014.89	-	12,257,014.89
Other financial liability	170,938.17	-	170,938.17	-	170,938.17
Total Financial Liabilities	**12,681,021.62**	**-**	**12,681,021.62**	**-**	**12,681,021.62**

As at 31 March, 2022

(₹ in lakhs)

Particulars	Notional amount	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	76,402.82	76,402.82	-	-	76,402.82
Bank balances other than cash and cash equivalents	3,061.72	3,061.72	-	-	3,061.72
Trade and other receivables	67,715.93	-	67,715.93	-	67,715.93
Loans and Advances					
Loan against policy	66,607.16	-	66,607.16	-	66,607.16
Security Deposit	4,181.08	-	4,181.08	-	4,181.08
Investment Securities -Measured at amortised cost	291,175.29	-	291,175.29	-	291,175.29
Other assets	377,088.01	-	377,088.01	-	377,088.01
Total Financial Assets	**886,232.01**	**79,464.54**	**806,767.47**	**-**	**886,232.01**
Financial liabilities					
Trade payables	141,468.88	-	141,468.88	-	141,468.88
Non-convertible subordinated debentures	52,056.22		52,056.22		52,056.22
Lease liability	24,744.47	-	24,744.47	-	24,744.47
Contract liabilities of life insurance	10,789,790.34		10,789,790.34		10,789,790.34
Other financial liability	208,792.14	-	208,792.14	-	208,792.14
Total Financial Liabilities	**11,216,852.05**	**-**	**11,216,852.05**	**-**	**11,216,852.05**

Valuation methodologies of financial instruments not measured at fair value

Short-term financial assets and liabilities:

For financial assets and financial liabilities that have a short-term maturity (less than twelve months), the carrying amounts, which are net of impairment, are a reasonable approximation of their fair value. Such instruments include: cash and balances, Trade receivables, balances other than cash and cash equivalents, Security deposit, Policy loans, trade payables, Contract liabilities of life insurance and other financial liabilities. Such amounts have been classified as Level 2 on the basis that no adjustments have been made to the balances in the balance sheet.

Financial asset at amortised cost

The fair values financial of held-to-maturity investments are estimated using a discounted cash flow model based on contractual cash flows using actual or estimated yields and discounting by yields incorporating the counterparties' credit risk

42. Derivative financial instruments

The Company has guaranteed products where the returns to the policy holders are fixed and the Company is exposed to interest rate risk on account of investment from receipt of subsequent premiums and sum of interest and maturity from investment made out of premiums received.

In accordance with the Regulations, the Company has executed International Swaps and Derivatives Association (ISDA) master agreements and two way Credit Support Annexure (CSA) with the banks. The Company uses Value at Risk (VAR) to measure and monitor risk of its derivatives portfolio. Derivatives are undertaken by the Company solely for the purpose of hedging interest rate risks on account of following:

a. Reinvestment of maturity proceeds of existing fixed income investments;

b. Investment of interest income receivable; and

c. Expected policy premium income receivable on insurance contracts which are already underwritten in Life and Pension & General Annuity business.

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts.

The notional amounts indicate the value of transactions outstanding at the year end and are not indicative of either the market risk or credit risk.

As per Ind AS 109 "Financial Instruments", If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss previously recognised in OCI remains separately in equity until the forecast transaction occurs or the foreign currency firm commitment is met.

The amount under Realised Hedge Reserves shall be recycled to Statement of Profit and Loss basis the forecasted transaction impacts the Statement of Profit and Loss. Till such time, the amount reflected as part of Realised Hedge Reserves will not be available for payment of dividends to Shareholders.

A) Amount outstanding and Mark to Market values

(₹ in lakhs)

S. No.	Particulars	At March 31, 2023	At March 31, 2022
		Interest rate derivatives	Interest rate derivatives
	Cash Flow Derivatives		
1	Derivatives (Outstanding Notional Amount)	1,871,055.67	1,364,831.04
2	Derivatives(Average Notional Amount)	1,596,859.00	1,200,605.21
3	Marked to market positions		
a)	Asset (+)	7,618.00	2,916.95
b)	Liability (-)	20,235.00	24,902.73
4	Credit exposure		
	Current Credit Exposure	7,618.00	2,916.95
	Potential Future Credit Exposure	57,218.00	43,876.16

B) Benchmark wise derivative position

For the year ended March 31, 2023

S.No.	Nature of the Derivative Contract	Benchmark	No of Deals	Notional amount of Derivative Contract o/s at the beginning of the Year	Fresh derivative contracts/ position taken during the Year	Derivative contracts/ positions terminated/ matured/ expired during the Year #	Notional amount of Derivative Contract o/s at the end of the Year
1	Forward Rate Agreements (FRA)	MIBOR/OIS/ INBMK	517	1,364,830.67	792,242.00	286,017.00	1,871,055.67
2	Interest Rate Swaps (IRS)	MIOIS/ MIBOR	-	-	-	-	-
3	Interest Rate Futures (IRF)	GOI	-	-	-	-	-

For the year ended March 31, 2022

S. No.	Nature of the Derivative Contract	Benchmark	No of Deals	Notional amount of Derivative Contract o/s at the beginning of the Year	Fresh derivative contracts/ position taken during the Year	Derivative contracts/ positions terminated/ matured/ expired during the Year #	Notional amount of Derivative Contract o/s at the end of the Year
1	Forward Rate Agreements (FRA)	MIBOR/ OIS/INBMK	292	1,004,667.17	553,859.89	193,695.39	1,364,830.67
2	Interest Rate Swaps (IRS)	MIOIS/ MIBOR	-	-	-	-	-
3	Interest Rate Futures (IRF)	GOI	-	-	-	-	-

C) Counterparty Wise derivative position

S. No.	Counterparty	At March 31, 2023			At March 31, 2022		
		Notional of Derivative Contract o/s	Current Credit Exposure	Potential Future Credit Exposure	Notional amount of Derivative Contract o/s	Current Credit Exposure	Potential Future Credit Exposure
1	JP Morgan Chase	329,516.00	670.00	10,608.00	252,726.27	534.69	7,562.65
2	Standard Chartered Bank	161,360.00	210.00	3,356.00	223,717.26	587.38	5,608.40
3	HSBC Bank	83,841.00	18.00	1,995.00	115,074.73	71.99	3,101.48
4	DBS Bank	249,138.00	184.00	5,248.00	233,163.29	222.67	6,341.46
5	Credit Suisse	193,854.00	918.00	7,698.00	97,250.48	18.16	3,064.17
6	CITI Bank	171,977.00	13.00	8,348.00	232,476.20	1,155.48	11,246.92
7	BNPP Paribas	88,307.00	625.00	1,790.00	125,051.73	199.18	3,068.97
8	ICICI Bank	175,037.00	336.00	4,601.00	48,811.75	-	2,385.71
9	HDFC Bank	48,606.00	99.00	1,487.00	15,417.95	127.40	858.42
10	ANZ Bank	197,137.00	2,277.00	6,266.00	21,141.36	-	637.47
11	Barclays Bank	172,283.00	2,268.00	5,821.00	-	-	-

D) Derivative designated as hedging instruments

a) The impact of the hedging instruments on the balance sheet is, as follows

As at 31 March, 2023

Derivative financial instruments	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
Forward Rate Agreements	1,871,055.67	(12,618.00)	Derivative Financial Asset/ Liability	9,368.00

As at 31 March, 2022

Derivative financial instruments	Notional amount	Carrying amount	Line item in the statement of financial position	Change in fair value used for measuring ineffectiveness for the period
Forward Rate Agreements	1,364,831.04	(21,986.25)	Derivative Financial Asset/ Liability	(23,264.25)

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

b) **The impact of hedged items on the balance sheet is, as follows:**

As at 31 March, 2023

Derivative financial instruments	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging
Forward Rate Agreements	(20,228.00)	9,192.00	-
Interest Rate Swap	-	2,654.00	-

As at 31 March, 2022

Derivative financial instruments	Change in fair value used for measuring ineffectiveness	Cash flow hedge reserve	Cost of hedging
Forward Rate Agreements	11,468.00	5,411.77	-
Interest Rate Swap	-	4,006.26	-

c) **The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is, as follows:**

As at 31 March, 2023

Derivative financial instruments	Total hedging gain/ (loss) recognised in OCI	Ineffectiveness recognised in profit/ (loss)	Line item in the statement of profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Cost of hedge reclassified from OCI to profit or loss	Line item in the statement of profit or loss
Forward Rate Agreements	4,507.00	(6,646.00)	N/A	-	727.00	-	N/A
Interest Rate Swap	-	-	-	-	1,353.00	-	-

As at 31 March, 2022

Derivative financial instruments	Total hedging gain/ (loss) recognised in OCI	Ineffectiveness recognised in profit/ (loss)	Line item in the statement of profit or loss	Cost of hedging recognised in OCI	Amount reclassified from OCI to profit or loss	Cost of hedge reclassified from OCI to profit or loss	Line item in the statement of profit or loss
Forward Rate Agreements	(12,523.25)	(9,358.00)	N/A	-	611.83	-	N/A
Interest Rate Swap	-	-	-	-	1,469.00	-	-

E) Movement in Hedge Reserve

Forward Rate Agreements:

Hedge Reserve Account	As at March 31, 2023			As at March 31, 2022		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	9,197.68	(3,785.91)	5,411.77	6,845.77	11,701.08	18,546.85
Add: Changes during the year	(6,951.00)	11,457.00	4,506.00	2,963.74	(15,486.99)	(12,523.25)
Less: Amounts reclassified to The Statement of Profit & Loss Account	727.00	-	727.00	611.83	-	611.83
Balance at the end of the year	1,519.68	7,671.09	9,190.77	9,197.68	(3,785.91)	5,411.77

Interest Rate Swaps:

Hedge Reserve Account	As at March 31, 2023			As at March 31, 2022		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	4,005.54	-	4,005.54	5,474.54	-	5,474.54
Add: Changes during the year	-	-	-	-	-	-
Less: Amounts reclassified to The Statement of Profit & Loss Account	1,353.00	-	1,353.00	1,469.00	-	1,469.00
Balance at the end of the year	2,652.54	-	2,652.54	4,005.54	-	4,005.54

43. Maturity profile

The following table summarises the maturity profile of the assets and liabilities of the company based on remaining contractual obligations, including interest payable and receivable.

The company maintains a portfolio of highly marketable and diverse assets that can be easily liquidated in the event of an unforeseeable interruption of cash flow.

The table below summarises the expected utilisation or settlement of assets and liabilities. Maturity analysis on expected maturity bases:

(₹ In lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Financial assets						
Cash and Cash Equivalents	122,590.21	-	122,590.21	76,402.82	-	76,402.82
Bank balances other than cash and cash equivalents	5,716.25	31.20	5,747.45	3,050.52	11.20	3,061.72
Derivative financial instruments	7,617.26	-	7,617.26	2,916.96	-	2,916.96
Trade Receivables	68,123.82	-	68,123.82	67,715.93	-	67,715.93
Investments	-	-				
at amortised Cost	1,790.11	332,205.81	333,995.92	981.09	290,194.19	291,175.28

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ In lakhs)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
at Fair Value through Other Comprehensive Income	461,081.74	6,828,278.60	7,289,360.34	564,616.86	5,862,902.17	6,427,519.03
at Fair Value through Profit and Loss	646,246.60	4,065,943.19	4,712,189.78	984,731.92	3,275,989.35	4,260,721.27
Other Financial Assets	80,657.02	340,938.03	421,595.05	205,488.01	242,388.24	447,876.25
Total financial assets	**1,393,823.00**	**11,567,396.83**	**12,961,219.84**	**1,905,904.11**	**9,671,485.15**	**11,577,389.26**
Non Financial Assets						
Current tax assets (net)	1,322.58	255.08	1,577.66	880.86	195.22	1,076.08
Deferred tax assets (net)	-	385.68	385.68	-	129.85	129.85
Investment Property	-	77,692.08	77,692.08	-	79,152.84	79,152.84
Property, plant and equipment	-	10,955.84	10,955.84	-	8,784.22	8,784.22
Capital work-in progress	-	81.10	81.10	-	159.24	159.24
Goodwill	-	52,525.44	52,525.44	-	52,525.44	52,525.44
Intangible assets	-	23,671.05	23,671.05	-	17,378.66	17,378.66
Right of use asset	-	27,534.81	27,534.81	-	20,777.37	20,777.37
Other non-financial assets	20,059.61	6,675.00	26,734.61	11,378.22	6,104.00	17,482.22
Total non-financial assets	**21,382.19**	**199,776.08**	**221,158.27**	**12,259.08**	**185,206.84**	**197,465.92**
Total assets	**1,415,205.19**	**11,767,172.92**	**13,182,378.11**	**1,918,163.19**	**9,856,691.99**	**11,774,855.18**
Financial Liabilities						
Trade Payables	170,913.31	37.08	170,950.39	141,468.88	-	141,468.88
Derivative financial instruments	20,234.98	-	20,234.98	24,902.74	-	24,902.74
Lease Liability	5,400.22	24,651.54	30,051.76	5,206.48	19,537.99	24,744.47
Contract liabilities of life insurance	422,974.04	11,834,040.85	12,257,014.89	343,645.44	10,446,144.90	10,789,790.34
Other Financial Liabilities	170,945.23	52,059.34	223,004.58	258,597.74	2,250.62	260,848.36
Total financial liabilities	**790,467.78**	**11,910,788.82**	**12,701,256.60**	**773,821.28**	**10,467,933.51**	**11,241,754.79**
Non financial liabilities						
Provisions	1,131.70	3,704.34	4,836.04	1,227.09	3,680.71	4,907.80
Deferred tax liabilities (net)	-	1.41	1.41	381.82	-	381.82
Other Non-financial Liabitilies	76,085.57	3,348.83	79,434.40	75,880.14	3,439.01	79,319.15
Total non-financial liabilities	**77,217.27**	**7,054.58**	**84,271.85**	**77,489.05**	**7,119.72**	**84,608.77**
Total liabilities	**867,685.05**	**11,917,843.40**	**12,785,528.45**	**851,310.33**	**10,475,053.23**	**11,326,363.56**
Equity						
Equity share capital	-	6,872.21	6,872.21	-	6,902.30	6,902.30
Other equity	-	344,951.65	344,951.65	-	386,558.98	386,558.98
Equity attributable to owners of the Company	**-**	**351,823.86**	**351,823.86**	**-**	**393,461.28**	**393,461.28**
Non Controlling Interest	-	45,025.80	45,025.80	-	55,030.35	55,030.35
Total equity	**-**	**396,849.66**	**396,849.66**	**-**	**448,491.63**	**448,491.63**
Total liabilities and equity	**867,685.05**	**12,314,693.06**	**13,182,378.11**	**851,310.33**	**10,923,544.85**	**11,774,855.18**

44. Investment Property

Information regarding income and expenditure of Investment property

(₹ in lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Rental income derived from investment properties	7,066.00	6,767.00
Direct operating expenses (including repairs and maintenance) generating rental income	(267.00)	(340.32)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	-	-
Profit arising from investment properties before depreciation and indirect expenses	**6,799.00**	**6,426.68**
Less – Depreciation expense	1,460.77	1,460.77
Profit arising from investment properties before indirect expenses	**5,338.23**	**4,965.91**

The Company's investment properties consist of 3 commercial properties in India.

As at March 31, 2023 and March 31, 2022, the fair values of the properties are ₹ 90,730.35 lakhs and ₹ 87,095.35 lakhs respectively. Valuation with respect to property bought in earlier year is based on valuations performed by an independent professional valuer. Fair value estimates for Investment property is classified as level 3.

Reconciliation of fair value:

(₹ in lakhs)

Particulars	Commercial properties
Opening balance as at 01 April, 2021	**83,493.35**
Fair value difference	3,602.00
Purchases	-
Closing balance as at 31 March, 2022	**87,095.35**
Fair value difference	3,635.00
Purchases	-
Closing balance as at 31 March, 2023	**90,730.35**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Description of valuation techniques used and key inputs to valuation on investment properties:

S. No.	Investment properties	Valuation technique	Significant unobservable Inputs	Range (weighted average) March 31, 2023	Range (weighted average) March 31, 2022
1	Office property (Bangalore - Nalapad Brigade)	Income capitalisation approach (refer below)	Estimated rental value per sq. ft. per month	₹ 55 - ₹ 60	₹ 50 - ₹ 55
			Interest on deposit	5.50%	5.50%
			Property tax, insurance and others	₹ 0.924 Mn p.a.	₹ 0.924 Mn p.a.
			Yield rate	7.25%	7.00%
2	Office property (Bangalore - Prestige Technostar)	Income capitalisation approach (refer below)	Estimated rental value per sq. ft. per month	₹ 55 - ₹ 60	₹ 50 - ₹ 55
			Interest on deposit	6.00%	5.50%
			Property tax, insurance and others	₹ 6.38 Mn p.a.	₹ 6.38 Mn p.a.
			Yield rate	7.50%	7.25%
3	Office property (Pune)	Discounted Cash Flow Approach (refer below)	Estimated rental value per sq. ft. per month	₹ 70 - ₹ 80	₹ 70 - ₹ 80
			Interest on deposit	6.00%	5.50%
			Property tax and insurance	₹ 7.18 mn p.a	₹ 7.31 mn p.a and ₹ 0.92 Mn p.a
			Yield rate	8.00%	8.00%
4	Office property (Noida)	Discounted Cash Flow Approach (refer below)	Estimated rental value per sq. ft. per month	₹ 100 - ₹ 110	₹ 90 - ₹ 110
			Property tax and insurance	0.49% of rental income	0.6% of rental income
			Yield rate	8.25%	8.25%
5	Office property (Navi Mumbai)	Discounted Cash Flow Approach (refer below)	Estimated rental value per sq. ft. per month	₹ 95 - ₹ 102	₹ 95 - ₹ 100
			Interest on deposit	6.00%	5.50%
			Property tax and insurance	₹ 2.73 psf p.m. on leasable area	₹ 2.73 psf p.m. on leasable area
			Yield rate	8.00%	8.00%

Income Capitalisation Method involves capitalising a normalised single - year net income estimate by an appropriate yield. This approach is best utilised with stable revenue producing assets, whereby there is little volatility in the net income.

The Discounted Cash Flow Methodology is based upon an estimation of future results. The methodology begins with a set of assumptions as to the projected income and expenses of the property. The income and expense figures are mathematically extended with adjustments for estimated changes in economic conditions.

The Group has no restriction on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

45. Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

(₹ in lakhs)

Particulars		As at 31 March, 2023	As at 31 March, 2022
(i)	Amounts payable to suppliers under MSME Development Act, 2006 (suppliers) as at year end		
	- Principal	187.07	61.29
	- Interest due thereon	-	-
(ii)	Payments made to suppliers beyond the appointed day during the year		
	- Principal	-	-
	- Interest paid thereon	-	-
(iii)	Amount of Interest due and payable for delay in payment (which have been paid but beyond the appointed day during the year) but without adding the interest under MSME Development Act, 2006	-	-
(iv)	The amount of interest due and payable for the year Amount of interest accrued and remaining unpaid as on last day	-	-
(v)	The amount of interest accrued and remaining unpaid at the end of the year Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. The Group has made an assessment of interest payable under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and has concluded that it is in compliance with the MSMED Act and rules thereto and accordingly, concluded that there is no interest liability dues as at the year end.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

46. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Group has provided for & spent ₹ 1000.00 lakhs (31 March, 2022: ₹ 840.38 lakhs) on various CSR initiatives, during the year, which are as given below:

(₹ in lakhs)

Particulars	March 31, 2023	March 31, 2022
(a) amount required to be spent by the company during the year,	1000.00	840.38
(b) amount of expenditure incurred*,	1000.00	840.38
(c) shortfall at the end of the year,	-	-
(d) total of previous years shortfall,	-	-
(e) reason for shortfall,	-	-
(f) nature of CSR activities,	Education, Health & Environment	Education, Health & Environment
(g) details of related party transactions - contribution paid to Max India Foundation (CSR trust)	800.00	640.00
(h) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	-	-

*Group has contributed required CSR spend during the FY 2020-21 and amount of ₹ 108.96 Lakhs which remained unapplied at the end of the Financial Year 2020-21 and the same has been applied in last Financial year 2021-22.

47. Additional information pursuant to Schedule III of Companies Act, 2013 for Consolidated financial statement for the year ended March 31, 2023

Name of the entity	Net Assets		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount (₹ In lakhs)	% of Consolidated Profit and Loss after tax	Amount (₹ In lakhs)	% of Consolidated OCI	Amount (₹ In lakhs)	% of Consolidated Total Comprehensive Income	Amount (₹ In lakhs)
Parent								
Max Financial Services Limited	170.43%	676,340.38	3.07%	1,386.95	0.01	(5.70)	3.11%	1,381.25
Subsidiary								
Max Life Insurance Company Limited	87.92%	348,928.71	96.91%	43,793.11	99.28%	(791.17)	96.87%	43,001.94
Max Life Pension Fund Management Limited	1.39%	5,510.51	0.02%	10.51	-	-	0.02%	10.51
Max Financial Employees Welfare Trust	0.00%	(1.15)	0.00%	(1.25)	-	-	0.00%	(1.25)
Eliminations/ Consolidation Adjustments	(159.74%)	(633,928.79)	0.00	0.08	-	-	0.00	0.08
Total	**100.00%**	**396,849.66**	**100.00%**	**45,189.40**	**100.00%**	**(796.87)**	**100.00%**	**44,392.52**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

Additional information pursuant to Schedule III of Companies Act, 2013 for Consolidated financial statement for the year ended March 31, 2022

Name of the entity	Net Assets		Share in Profit and Loss		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	% of Consolidated Net Assets	Amount (₹ In lakhs)	% of Consolidated Profit and Loss after tax	Amount (₹ In lakhs)	% of Consolidated OCI	Amount (₹ In lakhs)	% of Consolidated Total Comprehensive Income	Amount (₹ In lakhs)
Parent								
Max Financial Services Limited	150.50%	674,959.14	32.23%	10,262.29	(2.96%)	35.30	33.60%	10,297.59
Subsidiary								
Max Life Insurance Company Limited	68.12%	305,508.29	113.14%	36,024.32	102.96%	(1,226.40)	113.54%	34,797.92
Max Life Pension Fund Management Limited	-	-	-	-	-	-	-	-
Max Financial Employees Welfare Trust	-	-	-	-	-	-	-	-
Eliminations/ Consolidation Adjustments	(118.61%)	(531,975.81)	(45.37%)	(14,446.14)	-	-	(47.13%)	(14,446.14)
Total	**100.00%**	**448,491.63**	**100.00%**	**31,840.47**	**100.00%**	**(1,191.10)**	**100.00%**	**30,649.37**

Notes:

1) MLIC post receiving the requisite approvals from Pension Fund Regulatory and Development Authority ("PFRDA") and Insurance Regulatory and Development Authority of India ("IRDAI"), has incorporated Max Life Pension Fund Management Limited, a public limited pension fund company in India as its wholly owned subsidiary company on Feburary 28, 2022. The company has been incorporated under the provisions of the Companies Act, 2013, with initial paid up capital of ₹ 55 crores to manage pension fund business. Initial paid up capital of ₹ 55 crores has been infused in the month of April 2022.

2) Post receipt of Board approval and Shareholder's approval on April 6, 2022 and May 9, 2022 respectively, the Company has incorporated "Max Financial Employees Welfare Trust (EWT)" under the Indian Trust Act, 1882 on May 11, 2022. In terms of Max Financial Employees Stock Option Plan - 2022 ("ESOP Plan - 2022"), EWT is permitted to acquire equity shares of the Company from the secondary market which shall be transferred to option-holders of the Company and its subsidiary companies on exercise of options.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

48. Material partly-owned subsidiary

Financial information of subsidiary that have material non-controlling interests is provided below:

(₹ In lakhs)

Name of the entity	Principal Place of Business	Proportion of Ownership Interest	
		As at 31.03.2023	As at 31.03.2022
Max Life Insurance Company Limited (refer note 60 and 61)	India	87.00%	81.83%

(₹ In lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Proportion of interest held by non-controlling interest	13.00%	18.17%
Accumulated balances of material non-controlling interest	45,025.80	55,030.35
Summarised financial information for material non-controlling interest		
Financial Assets	1,685,646.05	2,086,685.48
Non-Financial Assets	21,799.33	26,203.82
Financial Liabilities	1,651,276.33	2,042,329.82
Non-Financial Liabilities	10,808.24	15,059.06

(₹ In lakhs)

Particulars	Year ended 31.03.2023	Year ended 31.03.2022
Profit/(loss) allocated to material non-controlling interest:		
Revenue from Operations	407,822.63	565,743.38
Profit for the period	5,693.12	6,544.39
Other comprehensive income	(102.85)	(222.80)
Total comprehensive income	5,590.27	6,321.59
Cash flow allocated to material non-controlling interest:		
Cash flow from/(used in) operating activities	129,457.45	155,404.55
Cash flow from/(used in) investing activities	(122,035.91)	(158,970.44)
Cash flow from/(used in) financing activities	(1,418.73)	4,443.40
Net increase/(decrease) in cash and cash equivalents	**6,002.82**	**877.51**

49. Trade Receivables- Ageing as at 31.03.2023

As at 31.03.2023

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	68,123.82	-	-	-	-	68,123.82
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**68,123.82**	**-**	**-**	**-**	**-**	**68,123.82**

Trade Receivables- Ageing as at 31.03.2022

Particulars	Unbilled	Not due	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	67,715.93	-	-	-	-	67,715.93
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-	-
Total	**-**	**-**	**67,715.93**	**-**	**-**	**-**	**-**	**67,715.93**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

50. Trade Payables- Ageing as at 31.03.2023

As at 31.03.2023

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
MSME	5.85	4.32	177.21	-	-	-	187.38
Others	146,613.21	96.92	24,014.64	19.78	11.35	5.95	170,761.86
Disputed MSME	-	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-	-
Total	**146,619.06**	**101.24**	**24,191.85**	**19.78**	**11.35**	**5.95**	**170,950.23**

Trade Payables- Ageing as at 31.03.2022

Particulars	Unbilled	Not Due	Outstanding for following periods from due date of payment				
			Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
MSME	1.22	-	59.77	-	-	-	60.99
Others	124,146.41	-	17,230.60	13.26	12.64	3.31	141,406.22
Disputed MSME	-	-	-	-	-	-	-
Disputed Others	-	-	-	-	-	-	-
Total	**124,147.63**	**-**	**17,290.37**	**13.26**	**12.64**	**3.31**	**141,467.21**

51. Capital Work-in Progress (CWIP) aging schedule

As at 31.03.2023

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	81.10	-	-	-	81.10

As at 31.03.2022

CWIP	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	159.24	-	-	-	159.24

Intangible assets under development aging schedule

As at 31.03.2023

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
IT projects in progress	3,827.65	34.94	0.00	-	3,862.59

As at 31.03.2022

Intangible assets under development	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
IT projects in progress	2,789.60	-	183.00	-	2,972.60

Note:

As on year ended March 31, 2023 and March 31, 2022, there are no capital work-in-progress, intangible assets under development projects whose completion is overdue or has exceeded its cost compared to its original plan.

52. Relationship with Struck off Companies

Transactions with the companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956. Details are as below:

Name of struck off Company	Nature of transactions with struck-off Company	Relationship with the Struck off company, if any, to be disclosed	Balance outstanding as at current period FY 2022-23 Receivable/ (Payable)	Balance outstanding as at current period FY 2021-22 Receivable/(Payable)
Xoriant Solutions Private Limited	Premium received	Customer	-	(1.42)

*Above disclosure not covered struck off companies where transactions done during the year and no balance outstanding as on reporting date.

53. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

54. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

55. The Company is primarily engaged in the business of growing and nurturing business investments in its subsidiary. The investments (financial assets) and dividend income (financial income) on the same has resulted in financial income to be in excess of 50% of its total income and its financial assets to be more than 50% of total assets. The management is of the view supported by legal opinion that the Company is an Unregistered Core Investment Company (Unregistered CIC) as laid down in the "Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016", as amended. Hence, registration under Section 45-IA of the Reserve Bank of India Act, 1934 is not required.

56. The subsidiary company post receiving the requisite approvals from Pension Fund Regulatory and Development Authority ("PFRDA") and Insurance Regulatory and Development Authority of India ("IRDAI"), has incorporated Max Life Pension Fund Management Limited a public limited pension fund company in India as its wholly owned subsidiary company on Feburary 28, 2022. The company has been incorporated under the provisions of the Companies Act, 2013, with initial paid up capital of ₹55 crores to manage pension fund business. Initial paid up capital of ₹55 crores has been infused in the month of April 2022.

57. Post receipt of Board approval and Shareholder's approval on April 6, 2022 and May 9, 2022 respectively, the Company has incorporated "Max Financial Employees Welfare Trust (EWT)" under the Indian Trust Act, 1882 on May 11, 2022. In terms of Max Financial Employees Stock Option Plan - 2022 ("ESOP Plan - 2022"), EWT is permitted to acquire equity shares of the Company from the secondary market which shall be transferred to option-holders of the Company and its subsidiary companies on exercise of options.

58. The Board of Directors of the Company in its meeting held on March 3, 2020, had approved entering into a Put/Call arrangement for acquisition of balance shares held by Mitsui Sumitomo Insurance Company Limited (MSI) in Max Life Insurance Company Limited ('MLIC') and matters incidental thereto at a price of ₹ 85 per share ("MSI Put/Call Option"). The shareholders of the Company approved the said MSI Put/Call Option on May 27, 2020. In this regard the Company had executed definite agreement, which was subject to receipt of requisite regulatory approvals.

The Company had received approval from Insurance Regulatory and Development Authority of India ('IRDAI') vide its letter dated November 25, 2022. Pursuant to the approval, on December 8, 2022, the Company acquired residual 99,136,573 equity shares of face value of ₹ 10 each constituting 5.17% equity stake held by MSI in MLIC at a price of ₹ 85 per share. On acquisition of the aforesaid stake in MLIC, the shareholding held by the Company in MLIC increased to 87%.

59. The Board of Directors of the Company in its meeting held on April 27, 2020 approved entering into definitive agreements with Axis Bank for the sale of equity share capital of MLIC, a subsidiary of the Company, to Axis Bank, subject to receipt of shareholders' approval and other requisite regulatory approvals. The shareholders of the Company approved the transaction on June 16, 2020.

On October 30, 2020, the Company, MLIC, Axis Bank and its subsidiaries (together "Axis Entities"), i.e. Axis Capital Limited and Axis Securities Limited ("Axis Bank subsidiaries") entered into agreements for acquisition of upto 19.002% of the equity share capital of MLIC ("Agreements"). Pursuant to receipt of all approvals, Axis Bank had acquired 9.002% of the equity share capital of MLIC and Axis Bank subsidiaries acquired 3% of the share capital of MLIC as per Rule 11UA valuation of the Income-tax Rules, 1962 upto March 31, 2022.

Subsequently, on January 9, 2023 the Company has executed revised agreements with the parties in terms of which Axis Entities have the right to purchase the balance 7% equity stake of MLIC from the Company at Fair Market Value using Discounted Cash Flows instead of valuation as per Rule 11UA of the Income Tax Rules, 1962. This revision has been done consequent to the guidance received by MLIC from IRDAI.

The acquisition of 7% of equity share capital of MLIC by Axis Entities is subject to receipt of requisite regulatory approvals. Pending receipt of requisite approvals, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the consolidated financials.

60. On October 14, 2022, MLIC, received an Order from the IRDAI imposing penalty aggregating to ₹ 3.00 crores alleging violations/non-compliance with directions issued by the IRDAI with respect to transactions involving the Company and Axis Entities relating to transfer of shares of MLIC during March 2021 and April 2021. These transactions were approved by the Board of Directors and shareholders of the Company and MLIC. On October 17, 2022, MLIC paid the aforesaid penalty amount as directed in the Order.

61. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

62. Employee benefits expenses for the year ended March 31, 2022 includes one - time special incentive of ₹ 1225.00 lakhs paid to senior leadership team of the Group for their valued contribution in consummation of Max Financial – Axis transaction. Further, employee benefit expenses also includes change in value of Employee Phantom Stock Plans (EPSP) pertaining to the subsidiary company.

63. During the year ended March 31, 2023, the subsidary company has reassessed the useful lives of certain business application. Management believes that the revised useful lives of the assets reflect the period over which these assets are expected to be used based on the technical inputs, environmental scan and capability analysis. As a result of the change, the charge in the Statement of Profit and Loss on account of depreciation for the year ended March 31, 2023, has reduced by ₹ 4285 Lakhs (₹ 461 lakhs).

64. The figures for the previous year have been regrouped/reclassified wherever necessary, to make them comparable.

65. The Consolidated financial statements were approved for issue by the Board of Directors on May 12, 2023.

For and on behalf of the Board of Directors

Aman Mehta
(Director)
DIN No:00009364

Sahil Vachani
(Director)
DIN No:00761695

Amrit Singh
(Chief Financial Officer)

V Krishnan
(Company Secretary)
M.No. - FCS-6527

Place : Noida
Date : May 12, 2023

MAX | FINANCIAL SERVICES

MAX LIFE INSURANCE

MAX FINANCIAL SERVICES LIMITED

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NOTICE OF ANNUAL GENERAL MEETING

MAX FINANCIAL SERVICES LIMITED

(CIN: L24223PB1988PLC008031)

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

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

Corporate Office: L20M, Max Towers, Plot No. C-001/A/1, Sector 16B, Noida-201301

Tel: 0120-4696000 | www.maxfinancialservices.com | E-mail: investorhelpline@maxindia.com

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 35th (Thirty-fifth) Annual General Meeting ("AGM") of the members of Max Financial Services Limited ('the Company') will be held on Tuesday, August 22, 2023, at 1000 hrs. (IST) through Video Conferencing ("VC")/Other Audio-Visual Means ("OAVM") to transact the following business(es):

Ordinary Businesses:

To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon.

2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.

3. To appoint Mr. Mitsuru Yasuda (DIN: 08785791), who retires by rotation and being eligible offers himself for re-appointment, as a Director.

4. To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution** for the appointment of S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E3000050) as Statutory Auditors of the Company:

   "RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E/E3000050) be and is hereby appointed as Statutory Auditors of the Company to hold office for a period of 5 (five) consecutive years from the conclusion of this 35th Annual General Meeting till the conclusion of 40th Annual General Meeting to be held In the calendar year 2028, on payment of such remuneration and reimbursement of expenses, as may be mutually agreed between the Company and the said statutory auditors, and as may be further approved by the Board of Directors on the recommendations of the Audit Committee of the Board from time to time, with power to the Board of Directors, to alter and vary the terms and conditions of appointment, etc., in such manner and to such extent as may be mutually agreed with the Statutory Auditors."

   "RESOLVED FURTHER THAT for the purpose of giving effect to the foregoing resolution, the Board of Directors (which term shall be deemed to include any Committee of the Board authorised in this behalf), be and is hereby authorised to do all such acts, deeds, and things, as it may in its absolute discretion deem necessary, proper or desirable in this regard.

Special Businesses:

5. To consider and if thought fit, to pass, the following Resolution as a **Special Resolution** for the re-appointment of Mr. Jai Arya (DIN 08270093) as an Independent Director of the Company:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, read with Schedule IV to the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), [including any statutory modification(s) or re-enactment(s) thereof for the time being in force] , Mr. Jai Arya (DIN: 08270093), who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from November 14, 2018 upto November 13, 2023 (both days inclusive) and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second and final term of 5 (five) consecutive years on the Board of the Company commencing from November 14, 2023 upto November 13, 2028 (both days inclusive)."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and the Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters, and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution."

6. To consider and if thought fit, to pass, the following Resolution as a **Special Resolution** for the re-appointment of Sir Richard Stagg (DIN 07176980) as an Independent Director of the Company:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions, if any, read with Schedule IV to the Companies Act, 2013 ('the Act'), the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], Sir Richard Stagg (DIN: 07176980), who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from February 11, 2019 upto February 10, 2024 (both days inclusive) and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second and final term of 5 (five) consecutive years on the Board of the Company commencing from February 11, 2024 upto February 10, 2029 (both days inclusive)."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof) and the Company Secretary be and are hereby severally authorised to do all such acts, deeds, matters, and things as may be necessary, expedient, and desirable for the purpose of giving effect to this resolution."

7. To consider and if thought fit, to pass, the following Resolution as an **Ordinary Resolution** regarding the material related party transactions between Max Life Insurance Company Limited, a material subsidiary of the Company and its related party,

viz., Axis Bank Limited for payment of fees/ commission for distribution of life insurance products, display of publicity materials, procuring banking services, and other related business: -

"RESOLVED THAT pursuant to Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the applicable provisions of the Companies Act, 2013 read with the relevant rules made thereunder and any other applicable laws (including any statutory amendment(s), modification(s), variation(s) or re-enactment(s) thereto, for the time being in force), as may be applicable from time to time, and pursuant to the approval of the Audit Committee and of the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to Max Life Insurance Company Limited ('Max Life'), a material subsidiary of the Company, for entering into and/or continuing with the existing contracts/arrangements/transactions for payment of fees/commission for distribution of life insurance products, display of publicity materials, procuring banking services, and other related business from Axis Bank Limited in accordance with the rules and regulations prescribed by the Insurance Regulatory and Development Authority of India, as detailed in the explanatory statement annexed to this notice, notwithstanding the fact that the aggregate value of such transactions, either individually or taken together with previous transactions during the financial year 2023-24 and up to the date of next annual general meeting of the Company to be held in the year 2024 may exceed ₹1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower or such other threshold, as may be prescribed from time to time, provided however, that the said contracts/arrangements/transactions shall be carried out on an arm's length basis and in the ordinary course of business by Max Life and Axis Bank Limited."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such actions as it may deem expedient in this regard and to settle all questions, difficulties or doubts that may arise in this regard, as it may in its sole and absolute discretion deem fit and to do all such acts, deeds, matters and things as may be considered necessary and appropriate and to delegate all or any of its powers herein conferred to any Committee(s)/Director(s)/Officer(s) of the Company, to give effect to this resolution."

By Order of the Board
For **Max Financial Services Limited**

Piyush Soni
Company Secretary & Compliance Officer
Membership No. ACS - 39924

Place: Noida
Date: July 27, 2023
Regd. Office: Bhai Mohan Singh Nagar
Railmajra, Tehsil Balachaur
District Nawanshahr, Punjab – 144 533

NOTES

1. On item no. 4 of the Ordinary Business on the proposal for appointment of statutory auditors, members are requested to take note of the following:

   (i) On the recommendation of the Audit Committee and the Board, the shareholders of the Company vide Postal Ballot dated July 07, 2023 had approved the appointment of M/s S.R. Batliboi & Co. LLP, Chartered Accountant [Firm Registration No. 301003E/E300005] ("SRB") as Statutory Auditors of the Company in May, 2023 to fill the casual vacancy caused by the resignation of M/s Deloitte Haskin & Sells LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018) as per their resignation letter dated May 12, 2023.

   (ii) SRB has given consent to act as Statutory Auditors of the Company, and has confirmed that their appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act, 2013. The profile of SRB is as under:

   S.R. Batliboi & Co. LLP (FRN: 301003E/E300005), ("the Audit Firm") was established in the year 1949. It has Head Office in Kolkata and 13 branch offices in various cities in India. The Audit Firm is part of S.R. Batliboi & Affiliates network of audit firms and is registered as such with the Institute of Chartered Accountants of India (ICAI). It is a limited liability partnership firm ("LLP") incorporated in India. The Audit Firm has a Peer Review certificate, which is valid till July 31, 2024. All the network firms including the Audit Firm are engaged primarily in providing audit and assurance services to clients.

   (iii) Accordingly, the Board of Directors, on the recommendation of the Audit Committee, has recommended for approval of the members, the appointment of SRB as Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of this AGM till the conclusion of the 40th AGM to be held in the calendar year 2028. In addition to the statutory audit, the Company may also obtain certifications from SRB under various statutory regulations and other permissible non-audit services as required from time to time, for which their remuneration shall be approved by the Audit Committee, in accordance with the provisions of Sections 142 and 144 of the Act.

   (iv) None of the Directors, Key Managerial Personnel and/or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

   The details of Statutory Auditors seeking appointment / re-appointment, pursuant to Regulation 36(3) of the SEBI Listing Regulations, 2015 and Secretarial Standards–2 on General Meeting issued by the Institute of Company Secretaries of India are appended below:

Proposed fees payable to the statutory auditor(s) along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change.	The proposed fee payable is ₹31 Lakh per annum (exclusive of GST and out-of-pocket expenses etc.) for carrying out the audit for FY 2023-24. The statutory audit fee for subsequent financial years shall be mutually agreed between the statutory auditors and the Board of Directors of the Company, from time to time. Appointment of SRB Batliboi & C0. LLP, Statutory Auditors of the Company for a period of 5 years commencing from the conclusion of this AGM till the conclusion of the 40th AGM to be held in calendar year 2028. The proposed fees payable to the new auditor for carrying out the audit for FY 2023-24 is on the same terms approved for the earlier statutory auditor.

Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed.	The earlier statutory auditors, viz., Deloitte Haskins & Sells LLP, Statutory Auditors, vide its letter dated May 12, 2023 submitted resignation to the Board and Audit Committee giving the detailed reasons, stating that its network firm which was the joint Statutory Auditors of Max Life Insurance Company Limited ("Max Life"), a material subsidiary of the Company, retired as its joint Statutory Auditors at the Annual General Meeting of Max Life held on May 12, 2023 after completion of two terms of five years each and that the Company required the alignment of its Statutory Auditors with the Successor Statutory Auditors of Max Life to streamline the Audit process. Following the above, the shareholders of the Company, on July 7, 2023, vide a postal ballot process appointed S.R. Batliboi & Co. LLP (FRN: 301003E/E300005), ("the Audit Firm") as the statutory auditors of the Company to fill in the casual vacancy caused by the resignation of earlier auditors till the date of next AGM, i.e., until August 22, 2023. It is now proposed to appoint for a term of five years as the statutory auditors as detailed in item no 4 of the AGM Notice.

2. An Explanatory Statement pursuant to the provisions of Section 102 of the Act, read with the relevant Rules made thereunder setting out the material facts and reasons, in respect of items no. 5 to 7 are annexed hereto and forms part of this Notice.

3. The Ministry of Corporate Affairs ("MCA") has vide its General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 21/2021 and 10/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021 and December 28, 2022, respectively ("MCA Circulars"), permitted the holding of AGM through Video Conferencing/ Other Audio Visual Means ("VC/OAVM") facility without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("the Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the 35th AGM of the Company is being conducted through VC or OAVM without the physical presence of the Members at a venue. The deemed venue for the 35th AGM shall be the Registered Office of the Company.

4. The Company has appointed National Securities Depository Ltd ("NSDL"), to provide the VC facility for conducting the AGM and for voting through remote e-voting and e-voting at the AGM. The procedure for participating in the meeting through VC/OAVM is explained in these notes.

5. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement for the appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for this AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. The attachment of the route map for the AGM venue is also not required.

6. Pursuant to the provisions of Sections 112 and 113 of the Act, Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

7. The Members can join the AGM in the VC/ OAVM mode 30 minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at

the AGM through VC/OAVM will be made available for 1000 members on a first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee Auditors, etc. who are allowed to attend the AGM without restriction on account of a first come first served basis.

8. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

9. The recorded transcript of this meeting, shall as soon as possible, be made available on the website of the Company viz. www.maxfinancialservices.com.

10. According to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the MCA Circulars, the Company is providing the facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using a remote e-voting system as well as e-voting during the AGM will be provided by NSDL.

11. Pursuant to MCA Circulars and SEBI Circulars, the Annual Report for FY 2022-23 and the Notice of the 35th Annual General Meeting of the Company are being sent in electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s).

    Those Members, who have not yet registered their email addresses and consequently, have not received the Notice and the Annual Report, are requested to get their email addresses and mobile numbers registered by following the guidelines mentioned in these notes.

12. The notice of AGM along with the Annual Report will be sent to those members/ beneficial owners whose names will appear in the register of members/list of beneficiaries received from the depositories as of Friday, July 21, 2023 (i.e., the benpos date for sending the Annual Report and AGM Notice).

13. In line with the MCA Circulars and SEBI Listing Regulations, 2015, the Annual Report and Notice calling the AGM have been uploaded on the website of the Company at www.maxfinancialservices.com.

    The Notice can also be accessed from the websites of the Stock Exchanges i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

14. AGM shall be convened through VC/OAVM in compliance with applicable provisions of the Act read with MCA Circulars.

15. Particulars of the Directors to be appointed/ re-appointed at this AGM in terms of the Secretarial Standard 2 issued by the Institute of Company Secretaries of India ("ICSI") and notified by the Ministry of Corporate Affairs ("MCA") and SEBI Listing Regulations is attached as **Annexure - A**.

16. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 16, 2023, to Tuesday, August 22, 2023 (both days inclusive).

17. Members are requested to send all their correspondence directly to Mas Services Limited, Registrar and Transfer Agent ("RTA") of the Company at T-34, 2nd Floor, Okhla Industrial Area Phase II, New Delhi – 110 020. Tel–011–26387281-83, Fax–011–26387384; E-mail: **investor@masserv.com**

18. As per Regulation 40 of SEBI Listing Regulations, 2015 as amended from time to time, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, in view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company's RTA for assistance in this regard.

19. In accordance with SEBI (Listing Obligations and Disclosure Requirements - 4th amendment) Regulations, 2018 notified on June 08, 2018, and further notification dated November 30, 2018, any request for physical transfer of shares shall not be processed with effect from April 01, 2019.

    Further, in compliance with SEBI circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only: -

    i. Issue of duplicate share certificate
    ii. Claim from unclaimed suspense account
    iii. Renewal/Exchange of securities certificate
    iv. Endorsement
    v. Sub-division/splitting of a securities certificate
    vi. Consolidation of securities certificates/folios
    vii. Transmission
    viii. Transposition

    For this purpose, the securities holder/claimant shall submit a duly filled-up Form ISR-4 which is hosted on the website of the company as well as on the website of MAS Services Ltd, Registrar, and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy.

    Members holding shares in physical form are requested to dematerialize their holdings at the earliest.

20. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021, read with circulars dated December 14, 2021 and March 16, 2023, has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) Specimen signature & Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. Effective from January 1, 2022. The registrar will not process any service requests or complaints received from the member unless the above KYC and nomination will not be completed by the shareholder and such shareholders' holding will be frozen on or after October 1, 2023.

    The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per the aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after October 01, 2023, by the RTA. In view of the above, shareholders of the Company holding securities in physical form are requested to provide the following documents/details to RTA:

    i. PAN; (using ISR-1)
    ii. Nomination in Form No.SH-13 or submit the declaration to 'Opt-out' in Form ISR-3;
    iii. Contact details including Postal address with PIN code, Mobile Number and E-mail address;
    iv. Bank Account details including Bank name and branch, Bank account number and IFS code;
    v. Specimen signature. (using ISR-2)

    Any cancellation or change in nomination shall be provided in Form No. SH-14

    All of the above-required documents/details are to be sent to the address of the registered office of the RTA. The shareholders can download the forms mentioned in the SEBI circular from the website of the Company or RTA website i.e., www.masservices.com **A separate communication has already been sent to the respective shareholders in this regard.**

21. Members are requested to intimate changes/ updates, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, Mas Services Limited for shares held in physical form, with relevant documents that may be required.

22. The Company has designated an exclusive Email Id: investorhelpline@maxindia.com for redressal for Shareholders'/Investors' complaints/grievances. In case you have any queries, complaints, or grievances, then please write to us at the above-mentioned e-mail address.

23. All the documents referred in the notice and explanatory statement thereto are open for inspection at the Registered Office of the Company during working hours between 10.00 a.m. and 1.00 p.m., except on holidays from the date of circulation of this Notice up to the date of AGM i.e., Tuesday, August 22, 2023.

    The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested and all the documents referred to in the Notice and explanatory statement including certificate from the Secretarial Auditors of the Company under Regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2021 will be available electronically for inspection by the members during the AGM.

24. Pursuant to Section 72 of the Act, Member(s) of the Company may nominate a person in whose name the shares held by him/ her/them shall vest in the event of his/her/ their unfortunate death. Member(s) holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.

25. Members who have not claimed/received their dividend paid by the Company in respect of the following year, are requested to check with the Company's RTA. Members are requested to note that in terms of Section 124(5) of the Companies Act, 2013 any dividend unpaid/unclaimed for a period of 7 years from the date these first became due for payment, is to be transferred to the Central Government to the credit of the Investor Education & Protection Fund (IEPF). In view of this, members/claimants are requested to claim their dividends from the Company, within the stipulated timeline.

Interim Dividend	Final Dividend
-	September 27, 2016

    Further, in accordance with the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer & Refund) Rules, 2016 (IEPF Rules), 2016, shares on which dividend remains unclaimed for a period of seven years from the date of transfer to the unpaid dividend account is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Members who have not claimed dividend for the previous year(s) are requested to claim the same by approaching the Company or the R&T Agents of the Company within the stipulated time period.

    The Company declared the Final Dividend for the financial year 2014-15 and its Interim Dividend for the financial year 2015-16 on May 27, 2015, and November 6, 2015, respectively.

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The unpaid/unclaimed dividend for the aforesaid Final Dividend for FY 2014-15 and Interim Dividend for FY 2015-16 were due for transfer to IEPF Authority on October 23, 2022, and December 10, 2022, respectively.

Further, the equity shares on which dividend have not been claimed/encashed for a continuous period of the last seven years i.e., from FY 2014-15 and 2015-16 shall also be mandatorily transferred by the Company to IEPF as per the provisions of Section 124(6) of the Companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

In this regard, the Company had given adequate notice individually to the concerned shareholders on July 19, 2022, advising them to encash the said dividends. Further, the Company published an advertisement on July 22, 2022, to the members of the Company, advising them to encash the said dividends in Business Standard (English), all editions and Desh Sewak (Punjabi), Chandigarh edition for the information of the members of the Company.

In this regard, a sum of ₹12,12,321/- which was lying as unpaid/unclaimed dividend in the Dividend Account No. 000184400010350 viz., Final Dividend for FY 2014-15 of the Company with Yes Bank was remitted to IEPF on October 27, 2022. Further, 45,710 equity shares of ₹2/- each were also transferred by the Company to Investor Education and Protection Fund on November 10, 2022, as per Section 124(6) of the Companies Act 2013, being shares in respect of which dividend have not been encashed or claimed for seven consecutive years or more. A sum of ₹18,56,579/- which was lying as unpaid/unclaimed dividend in the Dividend Account No. 000184400009773 viz., Interim Dividend for FY 2015-16 of the Company with Yes Bank was remitted to IEPF on December 14, 2022. Further, 23,783 equity shares of ₹2/- each were also transferred by the Company to Investor Education and Protection Fund on December 23, 2022, as per Section 124(6) of the Companies Act 2013, being shares in respect of which dividend have not been encashed or claimed for seven consecutive years or more by the shareholders.

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

The Company has been sending reminders to Members having unpaid/unclaimed dividends before the transfer of such dividend(s) to IEPF. Details of the unpaid/unclaimed dividend are also uploaded on the website of the Company at www.maxfinancialservices.com.

Further, members who have not claimed/ encashed the Final Dividend for the Financial Year 2015-16, are advised to write to the Registrar and Transfer Agent of the Company, i.e., Mas Services Limited, T-34, Okhla Industrial Area, Phase-II, New Delhi-110020, Tel Nos. 011-41320335/41610099 and e-mail id investor@masserv.com immediately. In this regard, the Company had given adequate notice individually to the concerned shareholders on June 30, 2023, advising them to encash the said dividends. Further, the Company had published an advertisement on July 7, 2023 to the members of the Company, advising them to encash the said dividend in Business Standard (English), all editions and Desh Sewak (Punjabi), Chandigarh edition for the information of the members of the Company.

The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority, in Form No. IEPF-5 is available on www.iepf.gov.in

26. The Board of Directors has appointed Mr. Rupesh Agarwal, Managing Partner

(CP No. 5673), and failing him Mr. Shashikant Tiwari (CP No. 13050), Partner of M/s Chandrasekaran Associates, Practicing Company Secretaries having office at 11F, Pocket-IV, Mayur Vihar Phase-I, Delhi–110091, as Scrutinizer to scrutinize the e-voting during the AGM and remote e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed for the said purpose.

The process and manner of remote e-voting and joining the Annual General Meeting are explained herein below:

The remote e-voting period begins on Friday, August 18, 2023, at 9 A.M. (IST) and ends on Monday, August 21, 2023, at 5 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members/Beneficial Owners as on the record date (cut-off date) i.e., Tuesday, August 15, 2023, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as of the cut-off date.

Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently or cast the vote again. The person who is not the member or beneficial owner as on the cut-off date should treat this Notice for information purpose only.

NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to the NSDL e-Voting system

A) Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in demat mode

As per SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, on the e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access the e-Voting facility.

The login method for Individual shareholders holding securities in demat mode is given below:

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Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL can login as follows:	If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open the web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the **"Beneficial Owner"** icon under "Login" which is available under the **"IDeAS"** section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see the e-Voting page. Click on options available against the company name or **e-Voting service provider - NSDL** and you will be redirected to the NSDL e-Voting website for casting your vote during the remote e-Voting period or joining a virtual meeting & voting during the meeting. If the user is not registered for IDeAS e-Services, the option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS"** Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open the web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of the e-Voting system is launched, click on the icon "Login" which is available under the 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP, and a Verification Code as shown on the screen. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-Voting page. Click on options available against the company name or **e-Voting service provider - NSDL** and you will be redirected to the e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining a virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for a seamless voting experience. **NSDL Mobile App is available on** App Store Google Play

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with CDSL can login as follows:	1. Existing users who have opted for Easi/Easiest, can log in through their user id and password. An option will be made available to reach the e-Voting page without any further authentication. The URL for users to log in to Easi/Easiest is https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e., NSDL.** Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, the option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access the e-Voting page by providing a demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, the user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders holding securities in demat mode can also login through their depository participants as follows:	You can also log in using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for the e-Voting facility. Once log in, you will be able to see an e-voting option. Once you click on the e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see the e-Voting feature. Click on options available against the company name or **e-Voting service provider NSDL** and you will be redirected to the e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve their User ID/Password are advised to use Forget User ID and Forget Password option available at the abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to logging in through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact the NSDL helpdesk by sending a request to evoting@nsdl.co.in or call at toll-free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request to helpdesk.evoting@cdslindia.com or contacting at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open the web browser by typing the following URL: https://www.evoting.nsdl.com/either on a Personal Computer or on a mobile.
2. Once the home page of the e-Voting system is launched, click on the icon "Login" which is available under the 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log in at *https://eservices.nsdl.com/with your existing IDEAS login. Once you log in to NSDL eservices after using your login credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in a demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then the user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to log in and cast your vote.

   b) If you are using the NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for the NSDL account, the last 8 digits of the client ID for the CDSL account, or the folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password.'

      (ii) If your email ID is not registered, please follow the steps mentioned below in the **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on the "**Forgot User Details/ Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option is available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by the aforesaid two options, you can send a request to evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name, and your registered address, etc.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting the check box.

8. Now, you will have to click on the "Login" button.

9. After you click on the "Login" button, the Home

page of e-Voting will open.

Step 2: Cast your vote electronically and join the General Meeting on the NSDL e-Voting system.

How to cast your vote electronically and join the General Meeting on NSDL e-Voting system?

1. After a successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of the company for which you wish to cast your vote during the remote e-Voting period and cast your vote during the General Meeting. For joining the virtual meeting, you need to click on the "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote, and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rupesh@cacsindia.com with a copy marked to evoting@nsdl.co.in.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

1. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and the e-voting user manual for Shareholders available at the download section of www.evoting.nsdl. com or contact Mr. Amit Vishal, Senior Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 at telephone nos. 1800-222-990 (toll free) or 022-2499 4360 or at e-mail ID amitv@nsdl.co.in alternatively, you may contact Mr. Piyush Soni, Company Secretary & Compliance Officer at Email id: investorhelpline@maxindia.com, phone no.:-+91- 120- 4696000 or Mr. Sharvan Mangla, General Manager, MAS Services Limited, Registrar and Transfer Agent of the Company, at T-34, 2nd Floor, Okhla Industrial Area, Phase – II, New Delhi – 110020, e-mail: investorhelpline@masserv.com, phone no. +91 11 2638 7281/82/83.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, members may obtain the login id and password by sending scanned copy of (i) a singed request letter mentioning your name, folio number and complete address (including email); (ii) the share certificate (front and back) and (iii) the PAN card and any one self attested document (such as Aadhaar Card, Driving License, Bank Statement, Election Card, Passport, etc.) in support of the address of the member as registered with the

Company by email to investor@masserv.com.

2. In case shares are held in demat mode, members may obtain the login id and password by sending a scanned copy of (i) a signed request letter mentioning your name, DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), (ii) client master or copy of Consolidated Account statement and (iii) the PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@maserv.com. If the members is an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained in **step 1 (A**) i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.

3. Alternatively, shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. As per the SEBI circular dated December 9, 2020 on the e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access the e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER: -

1. The procedure for e-Voting on the day of the AGM is the same as the instructions mentioned above for remote e-voting.

2. Only those Members/shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.

4. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

5. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be able to attend the AGM through VC/OAVM or view the live webcast of AGM provided by NSDL at https://www.evoting.nsdl.com.

2. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under **Join General Meeting** menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

3. Members are encouraged to join the Meeting through Laptops for better experience.

4. Further, Members will be required to allow Camera and use the Internet with a good speed to avoid any disturbance during the meeting.

5. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email Id mentioning their name, DP ID and Client ID/ Folio No., PAN, Mobile No. to the Registrar and Share Transfer agent of the Company at investor@masserv.com and to the Company at investorhelpline@maxindia.com on or before Wednesday, August 16, 2023.

7. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

8. Members who are desirous to express their views/asking questions during the AGM, shall join the AGM through a device with camera/ webcam facility.

9. All investors, including Institutional Investors, are encouraged to cast their vote on the proposed Resolutions and also attend the AGM through VC/OAVM.

Other Instructions

1. The e-voting rights of members shall be in proportion of their shares in the paid-up equity share capital of the Company as on the cut-off date, i.e., closure of business hours of Tuesday, August 15, 2023. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system.

2. Any persons who acquires shares of the Company and becomes a Member of the Company after mailing of the Notice and holding shares as of the cut-off date i.e., closure of business hours of Tuesday, August 15, 2023, shall be entitled to avail remote e-voting facility or e-voting during the AGM. They may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

3. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the Meeting, thereafter, unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than two working days/three days (whichever is earlier) of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same. The Chairman or the authorized person shall declare the results.

4. The result declared along with the Scrutinizers, Report shall be immediately placed on the Notice Board of the Company at its Registered Office, corporate office, Company's website www.maxfinancialservices.com and on the website of NSDL www.evoting.nsdl.com. The Company shall simultaneously forward the results to National Stock Exchange of India Limited (https://www.nseindia.com) and BSE Limited(https://www.bseindia.com/), where the shares of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

MAX FINANCIAL SERVICES

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013 ('the Act') read with the relevant Rules made thereunder (the 'Act'), Regulation 36 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015, ('SEBI LODR Regulations') and other applicable provisions, if any the following explanatory statement sets out all material facts relating to the business(es) set at under item nos. 5 to 7.

Item No. 5

Mr. Jai Arya (DIN:08270093) is currently an Independent Director of the Company, member of the Nomination and Remuneration Committee and Risk Management Committee of the Company.

Mr. Jai Arya was appointed as an Independent Director of the Company by the Members at the 31st Annual General Meeting of the Company held on September 24, 2019 for a period of 5 (five) consecutive years commencing from November 14, 2018 upto November 13, 2023 (both days inclusive) and is eligible for re-appointment for a second and final term on the Board of the Company.

Pursuant to Section 149(10) of the Companies Act, 2013 (the `Act`), an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company but shall be eligible for re-appointment on passing of a special resolution by the Company for another term of up to five consecutive years on the Board of a Company.

Accordingly, he is eligible for re-appointment for a second and final term on the Board of the Company.

Based on the recommendation of the Nomination & Remuneration Committee ('NRC'), the Board of Directors at its meeting held on May 12, 2023, proposed the re-appointment of Mr. Jai Arya as an Independent Director of the Company for a second and final term of 5 (five) consecutive years commencing from November 14, 2023 upto November 13, 2028 (both days inclusive), not liable to retire by rotation, for the approval of the Members by way of a Special Resolution.

Ms. Jai Arya is a member of the Board of the UK-based research consultancy, the Official Monetary and Financial Institutions Forum (OMFIF). He is also a Senior Adviser to the Dean, NUS Business School, Singapore, as well as their Head of Executive Education. In addition, Mr. Arya has also been a Senior Adviser for Asian banking to a global consultancy firm and has also consulted on a project basis for the Asian Development Bank.

Prior to this, Mr. Arya worked for Bank of New York Mellon for 27 years and Bank of America for 10 years, in various Asian locations. Before leaving BNY Mellon in April 2014, Mr. Arya was an EVP and global head of their business with sovereign institutions, as well as a member of the bank's Global Operating Committee as well as Asia Executive Committee. Earlier roles included head of Asia client relationships and Asian country offices.

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

The NRC taking into consideration the skills, expertise, and competencies required for the Board in the context of the business and sectors of the Company and based on the performance evaluation, concluded and recommended to the Board that Mr. Jai Arya's qualifications and the rich experience of over four decades in the abovementioned areas meets the skills and capabilities required for the role of Independent Director of the Company. The Board is of the opinion that Mr. Jai Arya continues to possess the identified core skills, expertise and competencies fundamental for effective functioning in his role as an Independent Director of the Company and his continued association would be of immense benefit to the Company. The details of the skills and capabilities required for the role and the manner in which Mr. Arya meets such requirements have been provided under the head "Board Membership Criteria" in the Corporate Governance Report forming part of the Annual Report.

The Company has in terms of Section 160(1) of the Companies Act, 2013 ('the Act') received a notice from a Member proposing his candidature for the office of Director. The Company has received a declaration from Mr. Jai Arya confirming that he continues to meet the criteria of independence as prescribed under Section 149(6) of the Act, read with the rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). In terms of Regulation 25(8) of the SEBI Listing Regulations, Mr. Jai Arya has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. Ms. Jai Arya has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to various circulars issued by BSE Limited and the National Stock Exchange of India Limited pertaining to the enforcement of SEBI Orders regarding the appointment of Directors by the listed companies.

Further, Mr. Jai Arya has confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director in terms of Section 152 of the Act, subject to re-appointment by the Members. Mr. Jai Arya has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

In the opinion of the Board, Mr. Jai Arya fulfils the conditions specified in the Act, rules thereunder, and the SEBI Listing Regulations for re-appointment as an Independent Director and he is independent of the Management. The terms and conditions of the appointment of Independent Directors are uploaded on the website of the Company at https://www.maxfinancialservices.com/corporate-policies and would also be made available for inspection to the Members of the Company upto Tuesday, August 22, 2023, by sending a request from their registered email address to the Company at investorhelpline@maxindia.com along with their Name, DP ID & Client ID/Folio No.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 and 25 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Mr. Jai Arya as an Independent Director is now placed for the approval of the Members by a Special Resolution.

The Board recommends a the Special Resolution set out in Item No. 5 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives, except Mr. Jai Arya and his relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the accompanying Notice.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

Item No. 6

Sir Richard Stagg (DIN: 07176980) is currently an Independent Director of the Company and member of the Nomination and Remuneration Committee.

Sir Richard Stagg was appointed as an Independent Director of the Company by the Members at the 31st Annual General Meeting of the Company held on September 24, 2019 for a period of 5 (five) consecutive years commencing from February 11, 2019 upto February 10, 2024 (both days inclusive) and is eligible for re-appointment for a second and final term on the Board of the Company.

Pursuant to Section 149(10) of the Companies Act, 2013 (the `Act`), an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company but shall be eligible for re-appointment on passing of a special resolution by the Company for another term of up to five consecutive years on the Board of a Company.

Accordingly, he is eligible for re-appointment for a second and final term on the Board of the Company.

Based on the recommendation of the Nomination & Remuneration Committee ('NRC'), the Board of Directors at its meeting held on May 12, 2023, proposed the re-appointment of Sir Richard Stagg as an Independent Director of the Company for a second and final term of 5 (five) consecutive years commencing from February 11, 2024 upto February 10, 2029 (both days inclusive), not liable to retire by rotation, for the approval of the Members by way of a Special Resolution.

Sir Richard Stagg is Chairman of the JP Morgan Asian Growth and Income Investment Trust, Warden of Winchester College and a Trustee of the School of Oriental and African Studies in London.

Sir Richard Stagg was Chairman of Rothschild India from 2015-2022. Before joining Rothschild, Sir Richard was a career officer in the UK Foreign Service from 1977-2015. His last two postings were as High Commissioner in Delhi and British Ambassador in Kabul. From 2003-2007, he was Chief Operating Officer, responsible for the Foreign Office's global network of Embassies and Consulates. And from 2007-2017, in addition to his diplomatic responsibilities, Sir Richard was Chairman of FCO Services – a PSU providing secure services to the UK and foreign governments.

Sir Richard Stagg has an MA in History from Oxford University.

The NRC taking into consideration the skills, expertise and competencies required for the Board in the context of the business and sectors of the Company and based on the performance evaluation, concluded and recommended to the Board that Sir Richard Stagg's qualifications and the rich experience of over four decades in the abovementioned areas meets the skills and capabilities required for the role of Independent Director of the Company. The Board is of the opinion that Sir Richard Stagg continues to possess the identified core skills, expertise and competencies fundamental for effective functioning in his role as an Independent Director of the Company and his continued association would be of immense benefit to the Company. The details of the skills and capabilities required for the role and the manner in which Sir Richard meets such requirements have been provided under the head "Board Membership Criteria" in the Corporate Governance Report forming part of the Annual Report.

The Company has in terms of Section 160(1) of the Companies Act, 2013 ('the Act') received a notice from a Member proposing his candidature for the office of Director. The Company has received a declaration from Sir Richard Stagg confirming that he continues to meet the criteria of independence as prescribed under Section 149(6) of the Act, read with the rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'). In terms of Regulation 25(8) of the SEBI Listing Regulations, Sir Richard Stagg has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. Sir Richard Stagg has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to various circulars issued by BSE Limited and the National Stock Exchange of India Limited pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

Further, Sir Richard Stagg has confirmed that he is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director in terms of Section 152 of the Act, subject to re-appointment by the Members at the ensuing AGM. Sir Richard Stagg has also confirmed that he is in compliance with Rules 6(1) and 6(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, with respect to his registration with the data bank of Independent Directors maintained by the Indian Institute of Corporate Affairs ('IICA').

In the opinion of the Board, Sir Richard Stagg fulfils the conditions specified in the Act, rules thereunder and the SEBI Listing Regulations for re-appointment as an Independent Director and that he is independent of the Management. The terms and conditions of the appointment of Independent Directors is uploaded on the website of the Company at https://www.maxfinancialservices.com/corporate-policies and would also be made available for inspection to the Members of the Company upto Tuesday, August 22, 2023, by sending a request from their registered email address to the Company at investorhelpline@maxindia.com along with their Name, DP ID & Client ID/Folio No.

In compliance with the provisions of Section 149 read with Schedule IV to the Act, Regulation 17 and 25 of the SEBI Listing Regulations and other applicable provisions of the Act and SEBI Listing Regulations, the re-appointment of Sir Richard Stagg as an Independent Director is now placed for the approval of the Members by a Special Resolution.

The Board recommends the Special Resolution set out in Item No. 6 of the accompanying Notice for approval of the Members.

None of the Directors or Key Managerial Personnel ('KMP') of the Company or their respective relatives, except Sir Richard Stagg and his relatives, are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice.

Disclosures as required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are annexed to this Notice.

Item No. 7

As per Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('SEBI LODR Regulations'), all Related Party transactions, if material, requires prior approval of Members, even if such transactions were in ordinary course of business and at arms' length. Further, as per extant SEBI LODR Regulations, "related party transaction" for a listed company includes a transaction involving a transfer of resources, services or obligations between any of the subsidiaries of the listed entity on one hand and a related party of the subsidiaries on the other hand. Further, in terms of SEBI LODR Regulations, a transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds ₹1,000 Crores or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Arising from the above regulations, the existing contracts/arrangements/transactions for payment of fees/commission for distribution of life insurance products in its capacity as corporate agent of Max Life Insurance Company Limited ('Max Life'), display of publicity materials, procuring banking services and other related business by Max Life, a material subsidiary of the Company to its related party, viz., Axis Bank Limited qualify as a related party transaction under SEBI LODR Regulations.

Further pursuant to the Clarification issued by SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 8, 2022, and in line with the SEBI Circulars issued in this regard, the said resolution is being placed for the approval of members, so as to obtain their approval for this resolution for the FY 2023-24 and thereafter till the next annual general meeting of the Company to be held in the year 2024 or fifteen months from the date of this Annual General Meeting, whichever is earlier.

The Audit Committee and the Board of Directors have approved the said related party transactions and have noted that although these transactions are in the ordinary course of business and are at arm's length price, they may qualify as material related party transactions under the SEBI LODR Regulations. Accordingly, the approval of the members is sought for the same for which requisite details are furnished hereunder as per extant regulations for the perusal of the members.

MAX FINANCIAL SERVICES

Sr. No.	Particulars	Details of transactions
1.	Name of the related party and relationship	The material related party transaction is between a subsidiary of the Company, viz., Max Life Insurance Company Limited ('Max Life') and its related party, Axis Bank Limited ('Axis Bank')
2.	Type and particulars of the proposed transaction	Fees/Commission/rewards for distribution of life insurance products, display of publicity materials, procuring banking services and other related business.
3.	Value of the proposed transaction	Max Life pays fees/commission/rewards for distribution of life insurance products as per agreement with Axis Bank in accordance with IRDAI regulations/stipulations. The level of payment is dependent on various factors i.e. business volume, product mix, regulatory guidelines etc. Max Life also uses the extensive network of branches etc. of Axis Bank for display of publicity material for the purpose of insurance awareness. Banking Services are at the standard market rates. It is expected that the value of the transaction for FY 2023-24 and up to the date of next AGM shall be as follows: • From April 1, 2023 to March 31, 2024, the payment to Axis Bank is expected to be upto INR 1861 crores • From April 1, 2024 to September 30, 2024, the payment of proposed fees/commission to Axis Bank is expected to be upto INR 766 crores. The proposed payment to Axis Bank are at arm's length price and in the normal course of business.
4.	Material terms	Axis Bank is a corporate agent registered with Insurance Regulatory and Development Authority of India ("IRDAI") in accordance with the applicable laws. Max Life has entered into agreements with Axis Bank for sale/renewal of life insurance products. Max Life pays Axis Bank fees/ commission/rewards for procuring such services in accordance with IRDAI regulations/stipulations. Other mentioned services which form a small portion of the total fees being paid to Axis Bank are also on Arms' Length basis and are in the normal course of business.
5.	Nature of concern or interest of the related party (financial/otherwise)	Financial
6.	Tenure of the proposed transaction	The material agreement of the proposed transaction i.e., the corporate agency agreement with Axis Bank is in accordance with the applicable laws for a tenure of 6 ½ years (renewed agreement effective from April 1, 2021) extendable up-to 11 ½ years. The agreement may be further renewed for a period as may be agreed between the parties.
7.	Percentage of Company's annual consolidated turnover for immediately preceding financial year (Based on consolidated turnover of financial year ended March 31, 2023)	% of consolidated turnover of the Company: Estimated at ~5.97%
8.	If the transaction relates to any loans, inter-corporate deposits, advance or investments made or given by the listed entity or its subsidiary:	

Sr. No.	Particulars	Details of transactions
	(i) details of the source of funds in connection with the proposed transaction	Not Applicable
	(ii) Details of financial indebtedness is incurred	Not Applicable
	(iii) Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable
	(iv) The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transactions	Not Applicable
9.	Justification as to why the related party transaction is in the interest of the listed entity	Max Life has gross premium income of ₹25,342 crores and a Claims Paid Ratio of 99.51% in FY23. It currently has over 4.9 million policies in force. Max Life Insurance offers comprehensive long-term savings, protection and retirement solutions through its high-quality agency distribution and multi-channel distribution partners. The banca partnership leverages increased insurance awareness amongst the prospective customers along with better insurance penetration and sales. The strategic benefits of this banca partnership is multi-pronged and will continue to unfold over a long period of time. The combined trust of Max Life and Axis Bank franchise will hold Max Life in good stead and therefore is in the best interest of the Company and its flagship subsidiary company, Max Life.
10.	Valuation or other external party report	Not Applicable

Pursuant to Regulation 23 of the Listing Regulations, members may also note that no related party of the Company shall vote to approve resolution no. 7 whether the entity is a related party to the particular transaction or not.

None of the directors or the key managerial personnel of the Company and their relatives, are either financially or otherwise concerned or interested in the ordinary resolution, as set out in item no. 7 of this notice.

Mr. Rajiv Anand Mr. Subrat Mohanty and Mr. Girish Paranjpe (being common directors of Max Life and Axis Bank) and their respective relatives, may be deemed to be concerned or interested in the ordinary resolution, as set out in item no. 7 of this notice.

By Order of the Board
For **Max Financial Services Limited**

Piyush Soni
Company Secretary & Compliance Officer
Membership No. ACS - 39924

Place: Noida
Date: July 27, 2023
Regd. Office: Bhai Mohan Singh Nagar
Railmajra, Tehsil Balachaur
District Nawanshahr, Punjab – 144 533

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ANNEXURE -A

The details of Directors seeking appointment/re-appointment, pursuant to Regulation 36(3) of the SEBI Listing Regulations, 2015 and Secretarial Standards – 2 on General Meeting issued by Institute of Company Secretaries of India are appended below:

Name of the Director & DIN	**Mr. Jai Arya (DIN: 08270093)**	**Sir Richard Stagg (DIN: 07176980)**	**Mr. Mitsuru Yasuda (DIN: 08785791)**
Date of Birth/Age	April 23, 1955/68 years	September 27, 1955/68 years	May 30, 1974/49 years
Brief Resume (including nature of expertise in specific functional areas and qualification)	Mr. Jai Arya is a member of the Board of the UK-based research consultancy, the Official Monetary and Financial Institutions Forum (OMFIF). He is also a Senior Adviser to the Dean, NUS Business School, Singapore, as well as their Head of Executive Education. In addition, Mr. Arya has also been a Senior Adviser for Asian banking to a global consultancy firm and has also consulted on a project basis for the Asian Development Bank. Prior to this, Mr. Arya worked for Bank of New York Mellon for 27 years and Bank of America for 10 years, in various Asian locations. Before leaving BNY Mellon in April 2014, Mr. Arya was an EVP and global head of their business with sovereign institutions, as well as a member of the bank's Global Operating Committee as well as Asia Executive Committee. Earlier roles included head of Asia client relationships and Asian country offices. Mr. Arya received an MBA from the Faculty of Management Studies, Delhi University, and a BA (Honours) in Economics from St. Stephen's College, Delhi University.	Sir Richard Stagg is Chairman of the JP Morgan Asian Growth and Income Investment Trust, Warden of Winchester College and a Trustee of the School of Oriental and African Studies in London. Sir Richard was Chairman of Rothschild India from 2015-2022. Before joining Rothschild, Sir Richard was a career officer in the UK Foreign Service from 1977-2015. His last two postings were as High Commissioner in Delhi and British Ambassador in Kabul. From 2003-2007, he was Chief Operating Officer, responsible for the Foreign Office's global network of Embassies and Consulates. And from 2007-2017, in addition to his diplomatic responsibilities, Sir Richard was Chairman of FCO Services – a PSU providing secure services to the UK and foreign governments. Sir Richard has an MA in History from Oxford University.	Mr. Mitsuru Yasuda has been appointed as a Director of Max Life Insurance Co. Ltd. effective from July 24, 2020. He is also a General Manager of Asian Life Insurance Business Dept. of Mitsui Sumitomo Insurance Co. Ltd. ("MSI"). He has more than 20 years of experience in the life insurance business, M&A advisory business and audit business. He holds a Japanese CPA license. He joined MSI in 2015 and took on a supervisory role in Sinarmas MSIG Life, MSI's life insurance subsidiary in Indonesia until he got appointed as a Director of Max Life Insurance Co. Ltd. His responsibility in Sinarmas MSIG Life included sales channel & product portfolio management, budget & profit management, risk management and so forth. Prior to joining MSI, Mr. Yasuda spent 12 years with Deloitte in its M&A service function in both Tokyo and New York. During the tenure, he provided accounting and tax advice as well as valuation support to his clients including both life and non-life insurance companies. He also spent 4 years with E&Y Tokyo in its audit function before joining Deloitte
Date of first appointment on board	November 14, 2018	February 11, 2019	December 8, 2020
The skills and capabilities required for the Independent Director (ID) role and the manner in which the proposed ID meets such requirements	1. Industry and sector experience or knowledge: understand the Company's business, policies, and culture and knowledge of the industry in which the Company operates; 2. Leadership and governance: Board experience, responsible for taking decisions, keeping in mind the interest of all stakeholders 3. Strategic thinking and decision making: Having experience in decision making keeping in mind the interest of shareholders; 4. Experience in M&A, business restructuring and joint ventures; and 5. Financial Skills: Experience in financial management; risk assessment; treasury and fundraising initiatives.	1. Industry and sector experience or knowledge: understand the Company's business, policies, and culture and knowledge of the industry in which the Company operates; 2. Leadership and governance: Board experience, responsible for taking decisions, keeping in mind the interest of all stakeholders 3. Strategic thinking and decision making: Having experience in decision making keeping in mind the interest of shareholders; 4. Experience in M&A, business restructuring and joint ventures.	Not Applicable. As the director retires by rotation and being eligible offers himself for re-appointment, as a Director.

Terms and conditions of re - appointment	Re-appointment as an Independent Director for a period of 5 (five) years commencing from November 14, 2023 to November 13, 2028 (both days inclusive). [Refer Item No. 5 of the Notice and Explanatory Statement.]	Re-appointment as an Independent Director for a period of 5 (five) years commencing from February 11, 2024 to February 10, 2029 (both days inclusive). [Refer Item No. 6 of the Notice and Explanatory Statement.]	Not Applicable. As the director retires by rotation and being eligible offers himself for re-appointment, as a Director.
Directorships in other Listed Companies	Nil	Nil	Nil
Directorships in other Companies	Nil	Nil	Max Life Insurance Company Limited
Listed entities from which the person has resigned in past three years	Not Applicable	Resigned from Firstsource Solutions Limited with effect from May 6, 2022.	Not Applicable
Committee memberships in Companies	Member of the Risk Management Committee and Nomination and Remuneration Committees of Max Financial Services Limited	Member of the Nomination and Remuneration Committee of Max Financial Services Limited.	Member of Audit Committee, Risk, Ethics and Asst Liability Management Committee, Investment Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Policyholder Protection Committee; and Product and Actuarial Committee of Max Life Insurance Company Limited Member of Audit Committee, Risk Management Committee, and Stakeholders Relationship Committee of Max Financial Services Limited
Shareholding in the Company including beneficial ownership	Nil	Nil	Nil
Details of Remuneration last drawn (FY 2022-23)	Sitting Fees: ₹11,00,000/- *Commission: ₹20,00,000/-	Sitting Fees: ₹4,00,000/- *Commission: ₹20,00,000/-	Nil
Proposed Remuneration	Sitting Fees of ₹1 lakh per meeting for attending meetings of the Board and Committee, thereof and commission, if any, approved by the Board of Directors, from time to time.	Sitting Fees of ₹1 lakh per meeting for attending meetings of the Board and Committee, thereof and commission, if any, approved by the Board of Directors, from time to time	Not Applicable. As the director retires by rotation and being eligible offers himself for re-appointment, as a Director.
Number of meetings of Board attended during the year	Five out of five meetings held during the year	Three out of five meetings held during the year.	Five out of five meetings held during the year
Related to any other Director/KMP of the Company	No	No	No

* The commission paid to Mr. Jai Arya and Sir Richard Stagg were for the financial year ended March 31, 2022 which were paid subsequently in FY 2022-23.