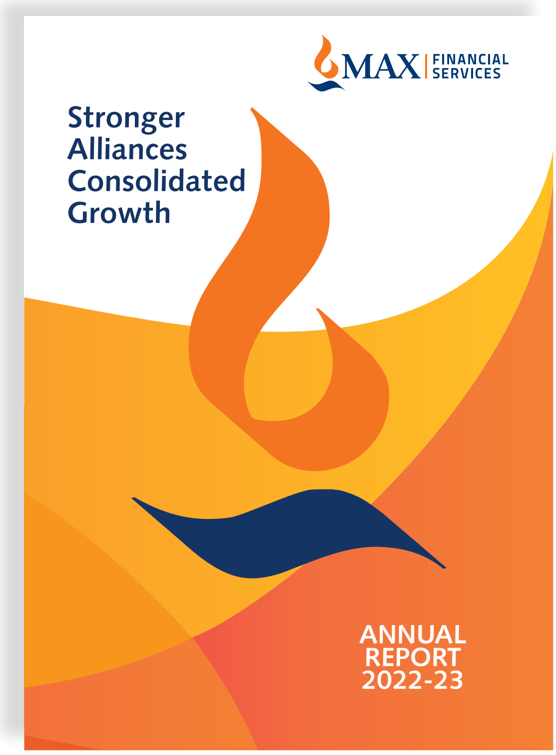
MAX | FINANCIAL SERVICES

Stronger Alliances Consolidated Growth

ANNUAL REPORT 2022-23



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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.

Contents

MAX | FINANCIAL SERVICES

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 Mr. 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

MAX | FINANCIAL SERVICES

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.

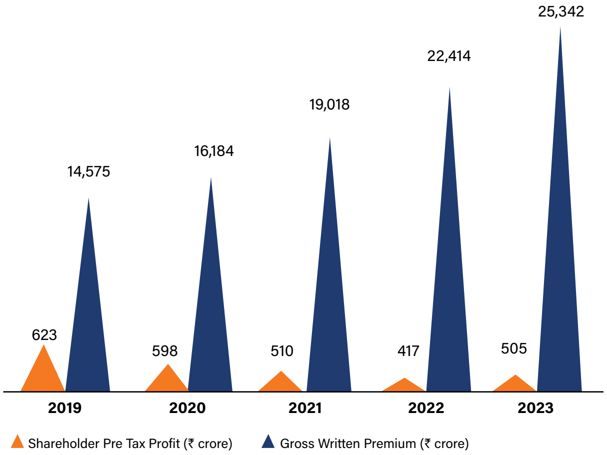
We extend our sincere gratitude to each and every one of you for your unwavering belief in our company and its vision. This appreciation extends to our employees across the Group, our esteemed business partners, investors, government agencies with whom we actively collaborate and receive support.

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

Analjit Singh
Founder & Chairman

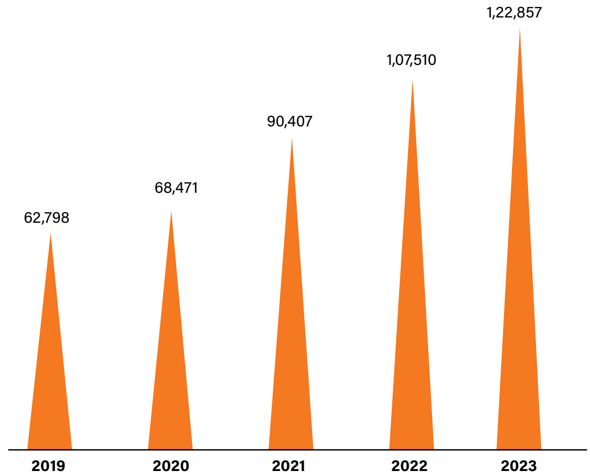
Business Review

SHAREHOLDER PRE TAX PROFIT AND GROSS WRITTEN PREMIUM



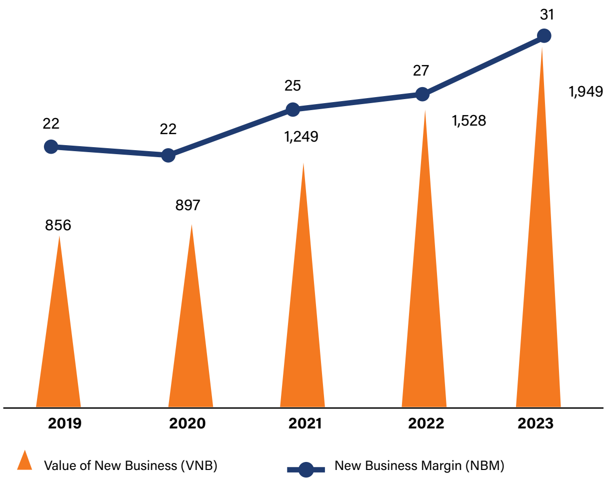
Strong premium growth continued; FY 2023 Shareholder Profits increased due to higher investment income

ASSETS UNDER MANAGEMENT (₹ crore)



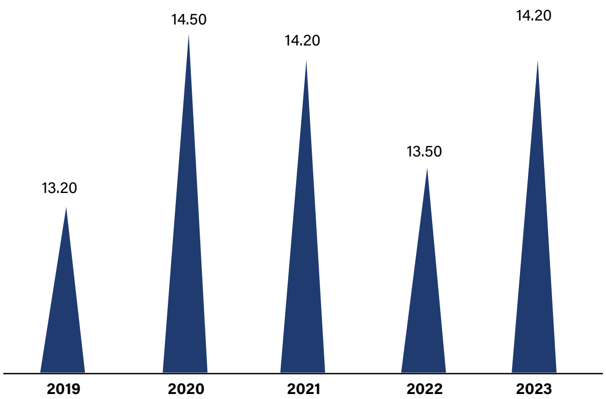
AUM crossed ₹1.23 Lacs crore mark in FY 2023

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



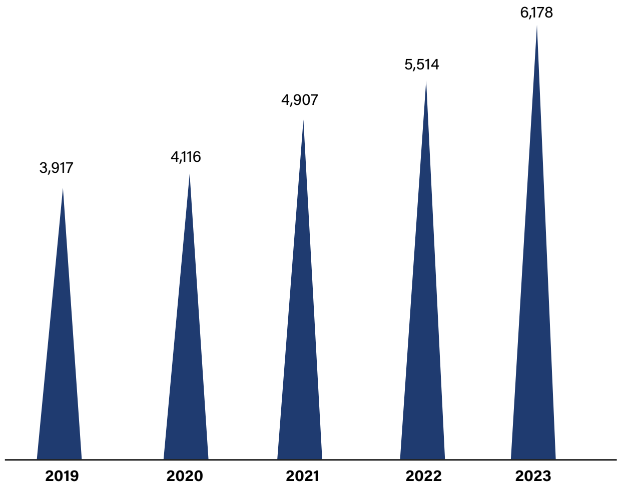
Continuous improvement in margins owing to calibrated approach on product and distribution mix

OPERATING EXPENDITURE RATIO (OPEX/GROSS PREMIUM)



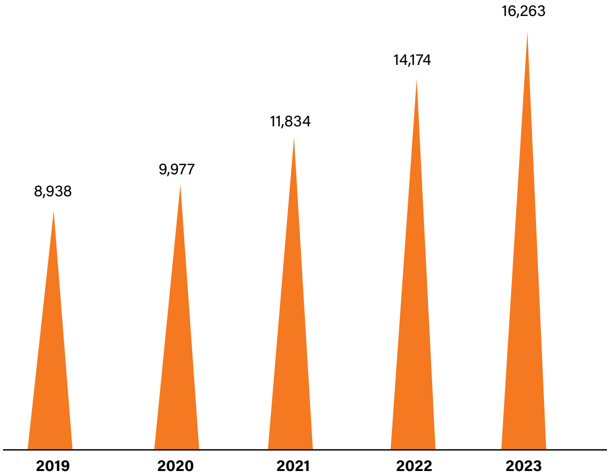
Sustained improvement in Opex ratio backed by structural cost optimization initiatives (except FY 2023) investments made in distribution channels in FY 2023

INDIVIDUAL ADJUSTED FIRST YEAR PREMIUM (₹ crore)



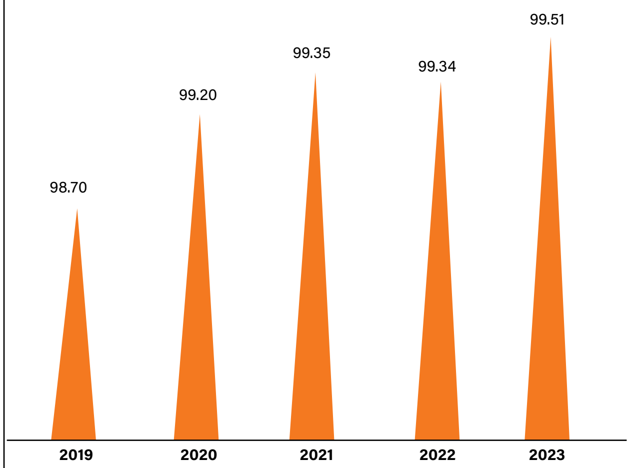
Stable growth in New Business Premium backed by robust performance across channels

EMBEDDED VALUE (₹ crore)



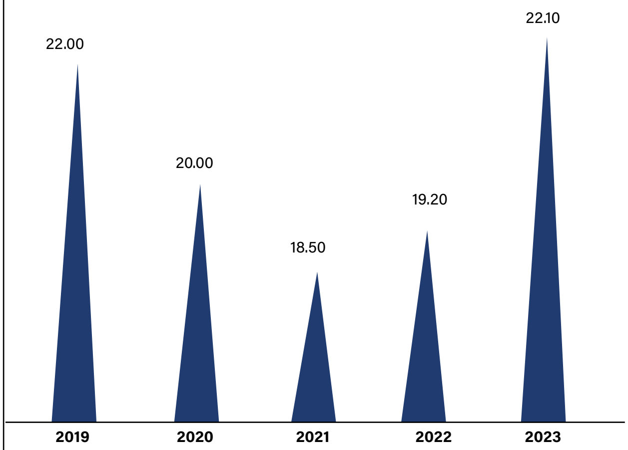
Strong growth in Embedded Value

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 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.

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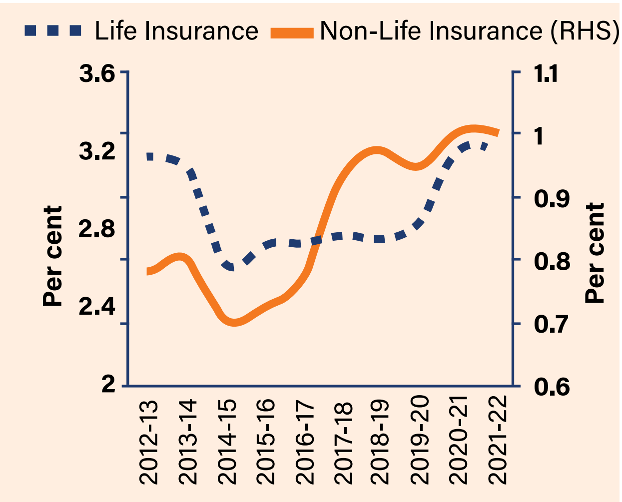
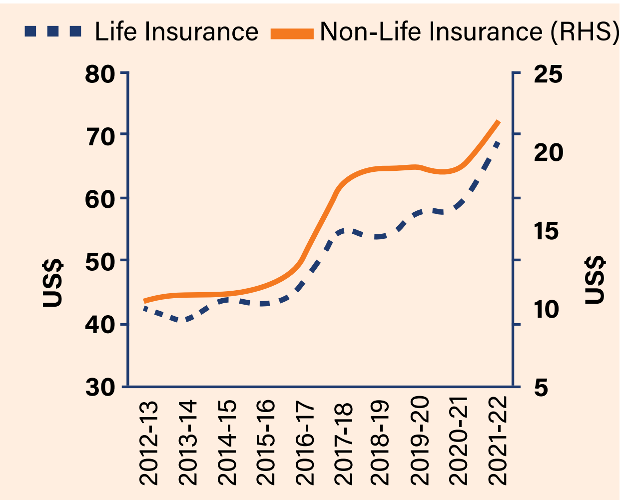
Over the past two decades, the insurance market in India has experienced exceptional growth, owing to higher private sector involvement, better distribution capacities, and significant increases in operational effectiveness. Collaboration with foreign markets has also played a pivotal role in facilitating 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

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.

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

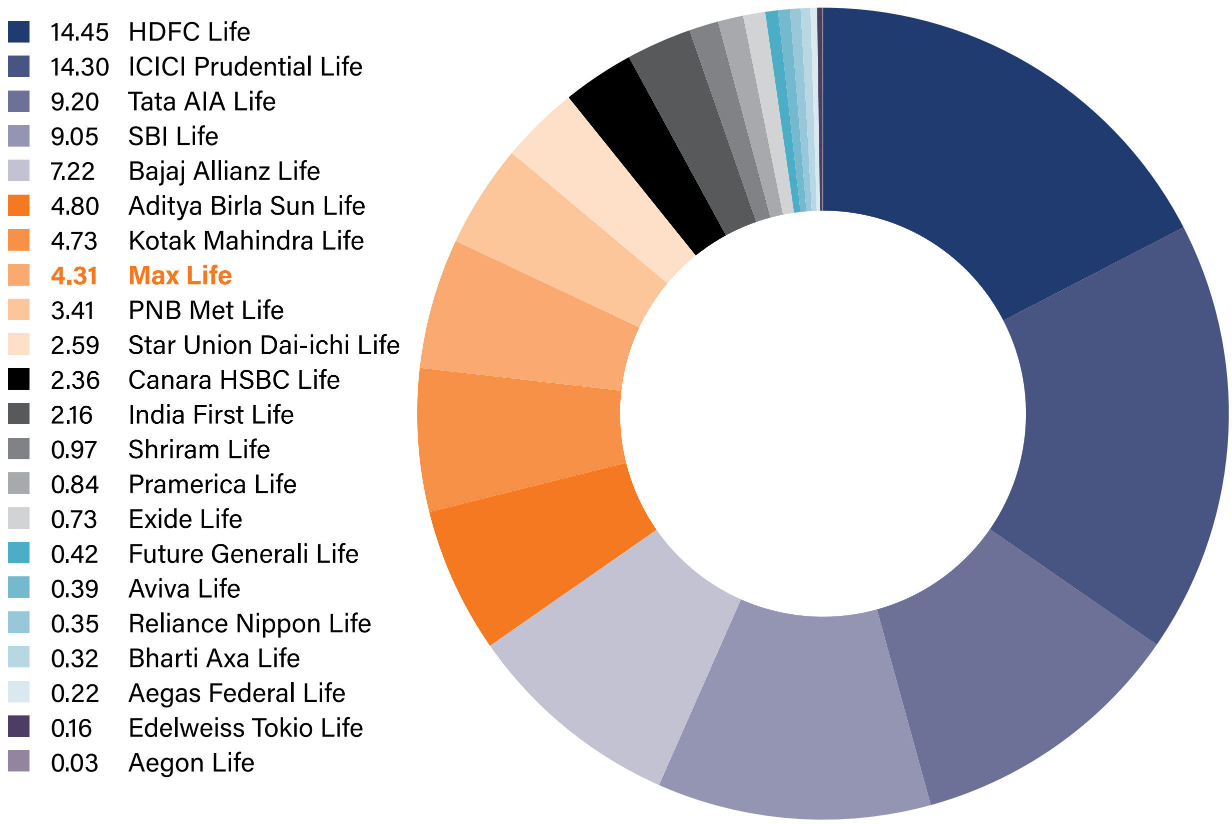
Penetration and Density of Life Insurance in India

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].

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

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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

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 ₹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.

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.

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.

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

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.

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 2028.

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

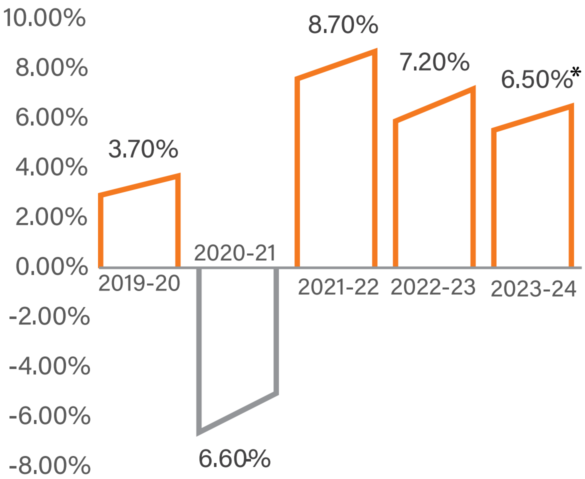
Management Discussion & Analysis

INDIAN ECONOMIC OVERVIEW

Despite being burdened with major global headwinds in 2022, the Indian economy demonstrated remarkable resilience. It registered a broad-based expansion of 9.7% from April to September 2022, backed by robust domestic demand and upbeat investment activity.[1] The sectoral analysis further reveals that this growth was driven by strong construction activity facilitated by higher infrastructure investment, both by the Central and State Governments, which set the stage for large-scale employment opportunities.

While the post-pandemic private investment recovery is still in its initial stages, there are tentative signs suggesting that India is in a sweet spot for witnessing an upswing in its investment upcycle in both, the manufacturing and services sectors. The number of private investment projects under implementation in the manufacturing sector has also steadily increasing over the years.

GDP GROWTH (%)



** Projection*
[Source- Economic Survey 2022-23]

Stronger industrial output and rapid vaccination coverage provided strong momentum to India's economy, with the GDP growth pegged at 7.2% for FY23, making India one of the fastest-growing major economies in the world.[2] Today, multiple positive parameters such as Goods and Services Tax (GST) collections, UPI-based transactions, Index of Industrial Production (IIP), and private consumption point toward an encouraging economic recovery.

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 focus on capital expenditure and infrastructure creation (roads, railways, and irrigation), are expected to boost future growth and aid economic 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. Such leading developments by India are critical as India now has the largest population in the world.

Today, there is an encouraging momentum in the Indian economy due to a pick-up in economic activity and a conducive demand environment. The country's sustained growth trajectory is poised to make it an attractive investment destination. Stronger prospects for manufacturing, services, agriculture, and related industries, improved business and consumer confidence, along with accelerated credit expansion are expected to facilitate domestic consumption and investment. The Government's incentives to drive investment in infrastructure and productive capacity will trigger a multiplier impact, enhancing

1 https://pib.gov.in/PressReleasePage.aspx?PRID=1880006

2 https://pib.gov.in/PressReleseDetailm.aspx?PRID=1928682

India's potential for further growth and employment generation.

As a future outlook, owing to its underlying macroeconomic stability, India is expected to be among the fastest-growing major global economies in 2023-24, accounting for 15% of global growth, the second-largest contribution, which is higher than that of the US and EU combined.3 Also, India is expected to be the fastest-growing nation among the G-20 nations in the upcoming years. India's presidency of the G20 Summit in 2023 has further reinforced its global stature.

The country's sustained growth momentum is likely to make it an attractive destination for pitching in significant investments. According to an estimate by EY, the Indian economy is projected to reach a GDP size of USD 26 trillion in terms of the exchange market by 2047.4 Stronger prospects for manufacturing, services, agriculture, and related industries, improved business and consumer sentiment, along with accelerated credit expansion are expected to bolster domestic consumption and investment. Favourable government incentives to fuel investment in infrastructure and productive capacity are anticipated to lead to a multiplier impact, enhancing the country's growth prospects and boosting employment generation.

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 growth of the sector has been facilitated by government initiatives, including Pradhan Mantri Fasal Bima Yojana (PMFBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY)

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

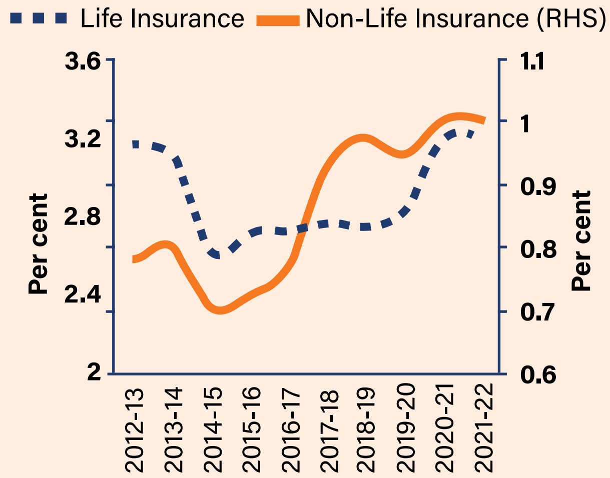
3 https://economictimes.indiatimes.com/news/economy/indicators/india-expected-to-contribute-more-than-15-of-global-growth-imf-md/articleshow/98148032.cms

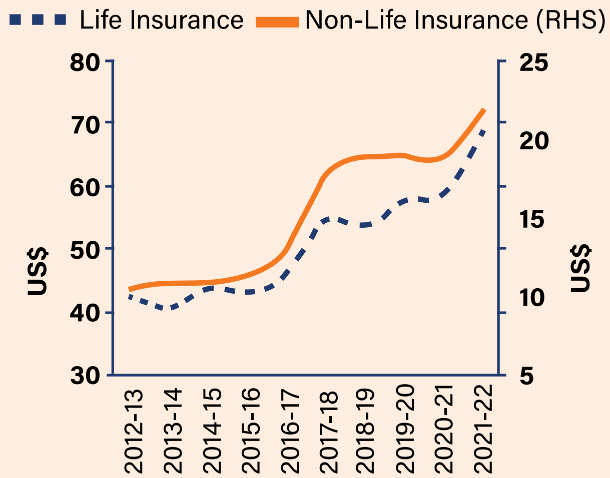
4 https://www.ey.com/en_in/news/2023/01/ey-projects-india-to-become-a-us-dollor-26-trillion-economy-by-2047-with-a-six-fold-increase-in-per-capita-income-to-us-dollor-15000

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, 2015.5

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

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 INR 2 lakh for accidental death and full disability, as well as INR 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 INR 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 INR 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.

OUTLOOK

The outlook for the insurance industry remains positive, with the prediction that India will be the sixth-largest insurance market in the world by 2032. Total insurance premiums are expected to rise by an average of 14% nominally (or 9% in real terms) per year from 2022 in local currency over the next ten years6, with India expected to be the fastest-growing insurance market in the coming decade.

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

6 https://www.swissre.com/dam/jcr:444d06a0-2f47-41e9-a1e0-59a112c88681/2022-11-expertise-publication-india-a-growth-engine.pdf

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.

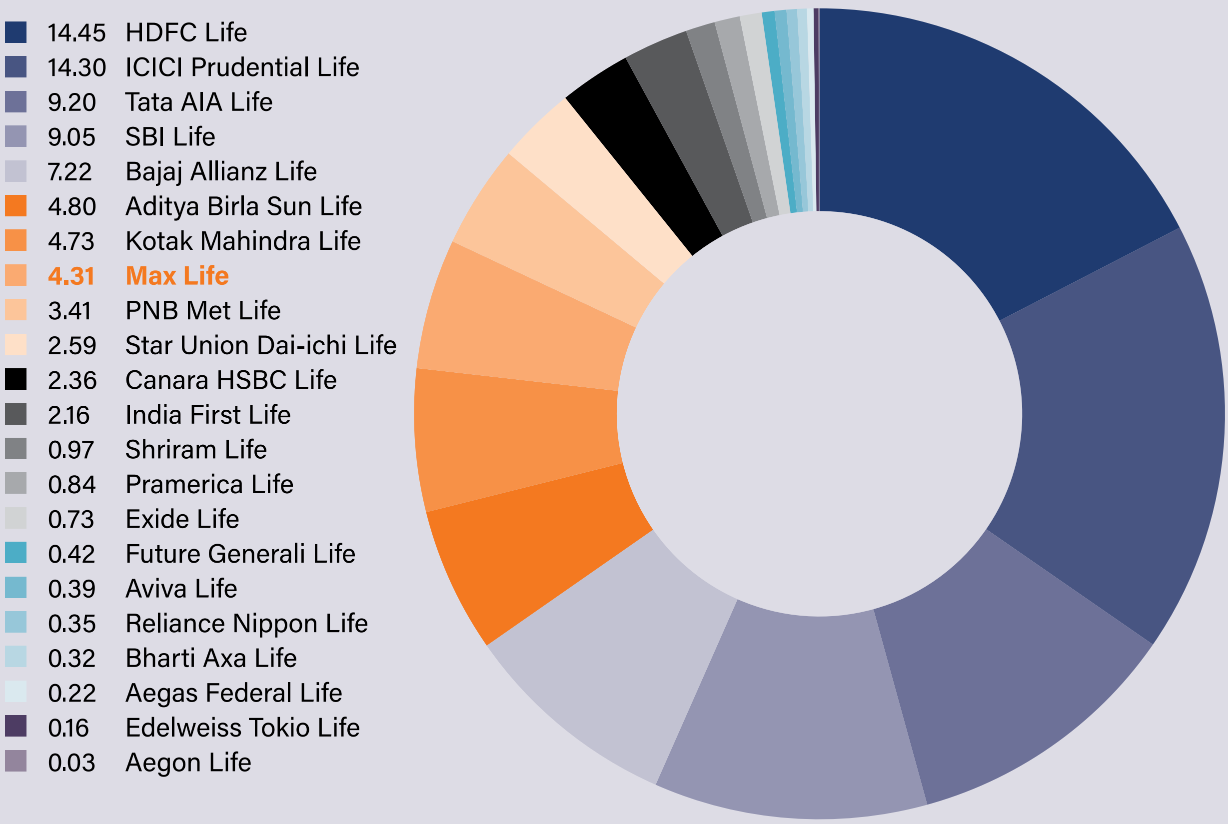
PENETRATION AND DENSITY OF LIFE INSURANCE IN INDIA

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 FY23, the first-year premium numbers grew by 17.9% vs. the 12.9% growth reported in FY22, per a recent CARE Ratings Report. The report also mentioned that the FY23 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

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



(Source- Insurance Regulatory and Development Authority of India)

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.

SUM ASSURED BY LIFE INSURERS

Insurer	Sum assured in (in ₹ Crore)		Growth (%)
	FY 22	FY23	
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 FY23 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 FY23 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%.7

This substantial growth in premiums for the private

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 FY23 was limited to only 17%.

life insurance industry in March 2023 and throughout FY23 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 future8.

FUTURE OUTLOOK

The life insurance sector has a crucial role in fostering the overall economic growth of the country. It provides protection to the economy against various risks and losses, as demonstrated by the impact of COVID-19. Additionally, the life insurance companies contribute significantly to the infrastructure sector, equity markets, and corporate and government bonds through substantial investments, thereby offering valuable support to economic development and creating substantial employment opportunities. Recognising the significance of the life insurance industry in our economy, it would be beneficial to

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

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

bring in forward-looking measures to help expand the outreach of the currently under-penetrated market in India.9

The demand for insurance has a positive relationship with GDP and increases at a rate that is a multiple of it. FY24 would be the first full year without any Covid-related restrictions, where an increase in non-par business during Q4FY23, an increase in term policies (Protection plans), and the demand for annuities continuing in the near-term are expected to have a bigger business impact.

Additionally, as returns from non-linked policies with annual premium of under ₹5 lakh continue to be tax-free, additional debt mutual fund flows may enter such insurance plans, slightly countering the effects of the slowdown in high-value policies. After businesses modify their policy mix to stimulate growth, the sector is anticipated to maintain its trajectory.

The sector's robust sales of group life insurance policies reflect the growth momentum, with private insurers increasingly offering these as employee benefits. Innovation in products and the strengthening of digital distribution channels are further focus areas that will contribute to the industry's continued growth.

By 2032, life insurance premiums are expected to witness a surge of 9% annually (in real terms), elevating India to the fifth-largest life insurance market globally. Here, a favourable regulatory environment (ease of doing business, Bima Trinity of Bima Sugam, Bima Vahak, Bima Vistaar, consolidating the expense of management limits), a push to expand insurance coverage, particularly for the rural population, product innovations/customization, would all contribute to the next growth spurt.

KEY SECTORAL TRENDS IN LIFE INSURANCE SECTOR

The life insurance industry in India is expected to witness several new trends, including multi-distribution, standardised products and better claims management. The younger generation has a positive opinion of life insurance because of a change in perception, which has also led to an increase in demand for Life insurance products. Thus, the number of businesses offering the option to buy insurance coverage online has increased significantly in recent years.

OPEN ARCHITECTURE

Open architecture offers customers a wide range of products from multiple life insurance providers. It moves away from the traditional closed architecture model and allows policyholders to choose from diverse options. This trend enhances product selection, customisation, and flexibility, while also promoting specialised expertise and improving customer service. Open architecture fosters transparency, trust, and competition among insurers, benefiting policyholders and shaping a more customer-centric insurance landscape in India.

RETIREMENT AND SAVINGS

Insurers are introducing specialised retirement plans and long-term savings solutions to help individuals prepare for their post-work years. These products offer features such as regular income payouts, guaranteed returns, and tax benefits. Insurers also focus on financial education and awareness to promote the importance of long-term savings and

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9 https://bfsi.economictimes.indiatimes.com/news/insurance/budget-2023-impact-on-life-insurance-sector-/97804246

retirement planning. Customised solutions and collaborations with other financial institutions further enhance individuals' ability to plan for a financially secure future. The trend emphasises the significance of proactive retirement planning and highlights the role of life insurance in achieving long-term financial goals.

DIGITISATION

Digitisation characterised by the adoption of digital technologies and processes, is a significant trend in the Indian life insurance sector. It enables online policy purchase and management, paperless transactions, automated underwriting and claims processing, enhanced customer experience, usage-based insurance, insurtech collaborations, and improved data security. By embracing digitisation, insurers streamline operations, offer convenience to customers, drive innovation, and enhance overall efficiency in the life insurance industry.

SIMPLE, COMPREHENSIBLE LIFE INSURANCE PRODUCTS

The increased awareness regarding pure risk covers has resulted in a growing demand for straightforward and easily comprehensible life insurance propositions. This demand arises from the preference for no-frills policies that provide clear and concise coverage options.

FINANCIALISATION OF SAVINGS

India's gross savings grew from 29% in 2020–21 to 30% in 2021–22. The ratio is anticipated to have reached 31% in 2022–2023, the highest level since 2018–1910. Due to rapid growth in financial savings, such as deposits, household savings improved significantly during the pandemic period and savings in tangible assets also significantly increased. The growth of the industry is expected to be fuelled by investors' historical propensity for the product; in the last few years, life insurance funds have received an average yearly inflow of 23% of household savings11.

10 https://sbi.co.in/documents/13958/25272736/080323-Ecowrap_20230307.pdf/11a6da99-a4d5-b7f8-224c-bea0bb3c2fb8?t=1678266801307

11 RBI- Flow of assets and liabilities of households- Instrument wise

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Long-term growth in disposable income will lead to higher household savings, which are likely to be invested in a variety of financial instruments, including life insurance. The life insurance sector is in a prime position to satisfy the varied needs of customers using fixed-income and equity platforms.

REGULATORY ENABLERS

- IRDAI, the insurance regulator, has taken several steps to raise life insurance penetration, including allowing insurers to conduct video-based Know Your Customer (KYC) processes, introducing standardised insurance products and informing insurers to encourage low-risk behaviour.
- The IRDAI's aim of 'Insurance for All' by 2047 is anticipated to result in a large rise in life insurance penetration, as well as improve business accessibility and make the sector more investment friendly.
- The regulator permitted 'use and file' procedures for all health insurance products, nearly all general insurance products, and the majority of life insurance products to increase insurance penetration in India. It is anticipated that this

> The increasing reliance on technology gives rise to cybersecurity and data privacy risks, necessitating stringent measures to safeguard sensitive customer information. As per Deloitte's Insurance Fraud Survey 2023, the insurance industry in India has witnessed a surge in fraudulent activities specifically in life and health insurance.

will promote increased product innovation to satisfy changing consumer needs and increase insurance uptake.

- IRDAI has 'engaged four mission-mode teams' to work on the transition from the current regime of capital or factor-based solvency to a risk-based solvency regime, to shift within two years.

RISKS AND CONCERNS

The Indian life insurance sector faces a range of risks that impact its operations and stability. Challenges arise from underwriting and pricing risks, which involve the accurate assessment and pricing of policyholder risks, potentially impacting insurers' financial stability through increased claims payouts. Compliance with the intricate regulatory framework poses another concern, as failure to adhere to requirements can lead to penalties and reputational harm. Market risks, encompassing fluctuations in interest rates and investment performance, may influence insurers' profitability.

Catastrophic risks, including natural disasters, can lead to heightened claims activity and financial losses. Addressing fraud and claims management risks requires robust processes to detect and combat fraudulent activities while ensuring fair claims handling. The increasing reliance on technology gives rise to cybersecurity and data privacy risks, necessitating stringent measures to safeguard sensitive customer information. As per Deloitte's Insurance Fraud Survey 2023, the insurance industry in India has witnessed a surge in fraudulent activities specifically in life and health insurance. Factors like increased digitisation, the shift towards remote work in the post-pandemic era and weakened controls have contributed to these fraud incidents. While technology-driven innovations have brought benefits like enhanced customer experience, speed, and convenience to the insurance sector, they have also exposed vulnerabilities, and risks within the overall ecosystem.

Furthermore, distribution channel risks demand insurers' vigilance to uphold ethical practices and prevent mis-selling. Additionally, economic and geopolitical uncertainties have the potential to impact the overall business environment and insurers' performance. Effectively managing these risks and concerns is crucial for ensuring the long-term sustainability and prosperity of the Indian life insurance industry.

SECTORAL OPPORTUNITIES

- The Indian life insurance technology market presents substantial attractiveness due to expanding internet and smartphone penetration, and the rising population.

- The life insurance industry is positively influenced by several factors, including the growing global middle-class population, rising incomes, increased medical and healthcare costs, and the greater demand for protection against mortality.

- The life insurance sector in India is currently at a crucial juncture, with ample potential for expansion. As a result of these circumstances, the demand for suitable life insurance products is expected to remain strong in 2023, with long-term growth prospects remaining highly appealing.

- The life insurance sector is poised for significant transformation as customer behaviour continues to be influenced by value-based customised purchasing, increased digital adoption, and heightened awareness. These advancements will have a profound impact on the industry, creating game-changing opportunities for innovation and the development of highly tailored, integrated products that cater to the specific needs and expectations of consumers.
- Additionally, regulatory developments and the adoption of digital technologies are expected to boost the growth of the life insurance sector in India. These measures, accompanied by an increase in the FDI limit for life 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 life insurance sector.

CHALLENGES THAT ARE TO BE ADDRESSED

- The insurance industry in India requires addressing certain challenges to achieve sustained growth. One major challenge is the stark disparity between the rural and urban populations. According to the World Bank estimates, 65% of Indian residents reside in rural areas. However, the scarcity of both insurance buyers and sellers poses a significant obstacle for the industry.
- The low penetration of insurance in India can be attributed to several factors, including insufficient awareness about insurance, gaps in understanding insurance products, and concerns about the value and return on investment of the insurance purchased.
- The new personal income tax regime proposed in the Union Budget 2022-23 has eliminated all deductions, including the deduction of life insurance premiums under section 80C. As part of this regime, the finance minister has introduced various tax incentives, such as the standard deduction, no tax for individuals earning income up to INR 7 Lakhs, and rationalised tax slabs with lower tax rates. However, this change may negatively impact life insurance companies, as many taxpayers were previously motivated to purchase life insurance policies for claiming tax benefits.

> The increasing reliance on technology gives rise to cybersecurity and data privacy risks, necessitating stringent measures to safeguard sensitive customer information.

- Considering that life insurance is a product that requires proactive marketing efforts, the proposed tax regime could be seen as discouraging for insurance companies. This, combined with the taxation on non-ULIP policies, may have a significantly adverse effect on the life insurance industry. Meanwhile, other financial instruments such as bank deposits and mutual funds are expected to benefit at the expense of the life insurance business[12].

MAX LIFE'S BUSINESS OVERVIEW

In FY23, Max Life secured a 9.8% market share amongst the top 10 private players in individual adjusted first-year premiums, 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 INR 8,960 crore. Also, in

12 https://bfsi.economictimes.indiatimes.com/news/insurance/budget-2023-impact-on-life-insurance-sector-/97804246

terms of adjusted individual first-year premiums, the Company recorded an 11% growth to INR 6,025 crore. Further, the renewal premium income (including group) grew by 13% to INR 16,382 crore, taking gross written premium to INR 25,342 crore, an increase of 13% over the previous financial year. Max Life generated a post-tax shareholders' profit of INR 435 crore in FY23, as compared to INR 387 crore in the previous financial year, recording an increase of 12%. The Company's Share Capital (including Reserves and Surplus) increased from INR 3,195 crore in FY22 to INR 3,547 crore in FY23, a growth of 11%. The Sum Assured in-force also saw an increase of 19%, up from INR 1,174,515 crore in FY22, to INR 1,397,142 crore in FY23.

A robust fiscal for Max Life saw a growth of 13% in consolidated revenues, excluding investment income that stood at INR 24,940 crores. On similar lines, the consolidated PAT was INR 452 crores, up by 42%. The value of new business written over the period, stood at INR 1,949 crores versus INR 1,528 crores for the previous year, representing year-on-year growth of 28%. The new business margin improved from 27.4% to 31.2% in FY23. Max Life's embedded value, as at 31st March 2023 stood at INR 16,263 crores and operating RoEV at 22.1%. With this, the company's solvency ratio stands at 190% and the AUM at end of 31st March 2023 is ~INR1.23 lakh crores, a year-over-year growth of 14%.

MAX LIFE'S PRODUCT INTERVENTIONS

Max Life has a balanced product portfolio with an optimal mix of traditional savings, retirement, unit-linked plans, and pure protection plans. During FY23, the Company added new products and propositions to its portfolio in all categories. In the Unit-Linked category, we launched a new product, Max Life Flexi Wealth Advantage Plan (FWAP), which returns all charges except Fund Management Changes at maturity. In addition, FWAP is the only plan offering a Whole Life variant with a 5-pay option for the customer, whereas the industry offers 7-Pay onwards. FWAP also offers compelling retirement or child-centric investment propositions with features like

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smart withdrawals and an inbuilt option Waiver of Premium, respectively. Max Life also launched two new funds in FY23, sharply targeted at two distinct segments- the Sustainable Equity Fund (with a focus on investing in companies complying with ESG principles) and the Pure Growth Fund (with a focus on excluding companies dealing in Banking, Alcohol, Tobacco products).

Max Life offered two unique plans in Guaranteed Space with industry-first propositions. Max Life Smart Wealth Advantage Plan (SWAG) comes with multiple USPs a) SWAG is the most customisable and flexible Guarantee Savings Plan b) Protection as a hero to your guaranteed return story with offerings like Policy Continuance Benefit and 50% additional life cover on accidental death c) Power of instant liquidity with guaranteed income starting as early as the first month.

Max Life Smart Fixed Return Digital Plan (SFRD) is targeted at digital-savvy customers. It comes with the following USPs a) Shortest Policy Term variant – 5 Pay Regular variant b) Lowest penalty for the customer who has discontinued premium payment from the third year onwards c) 100% guaranteed surrender value from the fourth year onwards vs. 70%-80% of the industry norm.

Protection and retirement continued to be key focus areas in FY23. One in four individual policies underwritten by Max Life was a Protection policy. In Protection, Max Life launched two Protection plus savings propositions targeted at the self-employed segment with a low-friction journey. Max Life Smart Flexi Protect Solution (SSES) is a unit-linked solution that offers life insurance up to 300X of annual premium vs. 10X in normal unit-linked plans that offer market-linked returns at maturity. Smart Secure Easy Solution offers 360-degree coverage against death, disease, and accident with a return on the base premium at the end of the maturity term.

In the retirement category, Max Life launched a refreshed version of the Guaranteed Lifetime Income Plan (GLIP) with an option of limited and regular premium payment terms targeted towards the pre-retiree segment.

In FY23, Max Life also worked on process innovation in addition to the above-mentioned product innovation. We launched an end-to-end combination journey for enhanced customer experience. A two-product combination in a single policy starting from illustration, proposal form, premium payment, underwriting, policy issuance, and policy servicing, including renewals and maturity is offered to the customer to help achieve a particular financial goal.

PRODUCT CATEGORIES

- **Unit Linked Insurance Plans -** A Unit Linked Insurance Plan, popularly known as ULIP, comes with the dual benefit of insurance and investment. While one part of the ULIP plan's premium is utilised to provide life insurance cover, the rest are market-linked funds. A ULIP plan is an insurance plan which has both insurance and investment component that will help create a lump sum and support financial goals.
- In other words, investing in a ULIP plan provides a flexible approach to investment planning as ULIP plans help one to safely balance one's fund with equity and debt components, with options to switch as the market changes. At the same time, one's investments and life goals are protected by a financial safety net in the form of life insurance coverage under the ULIP plan.
- **Term Insurance -** Term insurance is the simplest and purest form of life insurance, offering financial coverage to the policyholder against fixed premiums for a specified duration — hence the name 'term' insurance policy. Choosing and investing in the right term insurance plan is of utmost importance to anyone who has dependents and the right term insurance plan provides security as well as value for money. The premium for the best term insurance plan depends on various crucial factors including age, gender, ppt, sum assured, and the policy term. There are add-on benefits like the return of premium at maturity or riders that customers can opt for by paying an additional premium.
- **Savings Plans -** Savings schemes or plans are an important part of financial planning and long-term financial stability. Additionally, investing in a suitable savings plan is essential for key life stage milestones, e.g. post-retirement years, marriage,

Max Life offered two unique plans in Guaranteed Space with industry-first propositions. Max Life Smart Wealth Advantage Plan (SWAG) comes with multiple USPs

Group Insurance Plans help deliver multiple insurance benefits to a standard group of individuals in one go. These are available for organisations and groups to provide effective life insurance benefits to their employees or members of different groups. Whether it is health insurance, savings, or voluntary funded plans like group gratuity; credit life for borrowers of banks/financial institutions; or pure protection plans for the members of a master policy, Group Insurance Plans cover various facets to provide complete financial security.

education, or rainy days.

- **Retirement Plans -** A pension plan or retirement plan is designed to cater to one's financial needs and requirements post-retirement, including medical emergencies, household expenses, and other living costs. Investing in the best retirement plan is essential to safeguard one's golden years. Retirement and pension plans are financial instruments that can shape one's hard-earned income into savings for post-retirement life. It comes in various forms to cater to a multitude of savings and investment goals, enabling a financially stable retired life.

- **Child Insurance Plans -** A child insurance plan is a combination of insurance and investment that ensure a secure future for the child. Life cover is available as a lump sum payment at the end of the policy term. Not just this, these plans also provide flexible payout at important milestones of the child's education. While one may not want to think about unfortunate situations like death or serious medical illness, one must shield the child's future against such incidents. A child insurance plan ensures that the child's future financial needs are taken care of even in one's absence.

- **Group Insurance Plans -** Group Insurance Plans help deliver multiple insurance benefits to a standard group of individuals in one go. These are available for organisations and groups to provide effective life insurance benefits to their employees or members of different groups. Whether it is health insurance, savings, or voluntary funded plans like group gratuity; credit life for borrowers of banks/ financial institutions; or pure protection plans for the members of a master policy, Group Insurance Plans cover various facets to provide complete financial security.

FINANCIAL OVERVIEW

Income statement Analysis

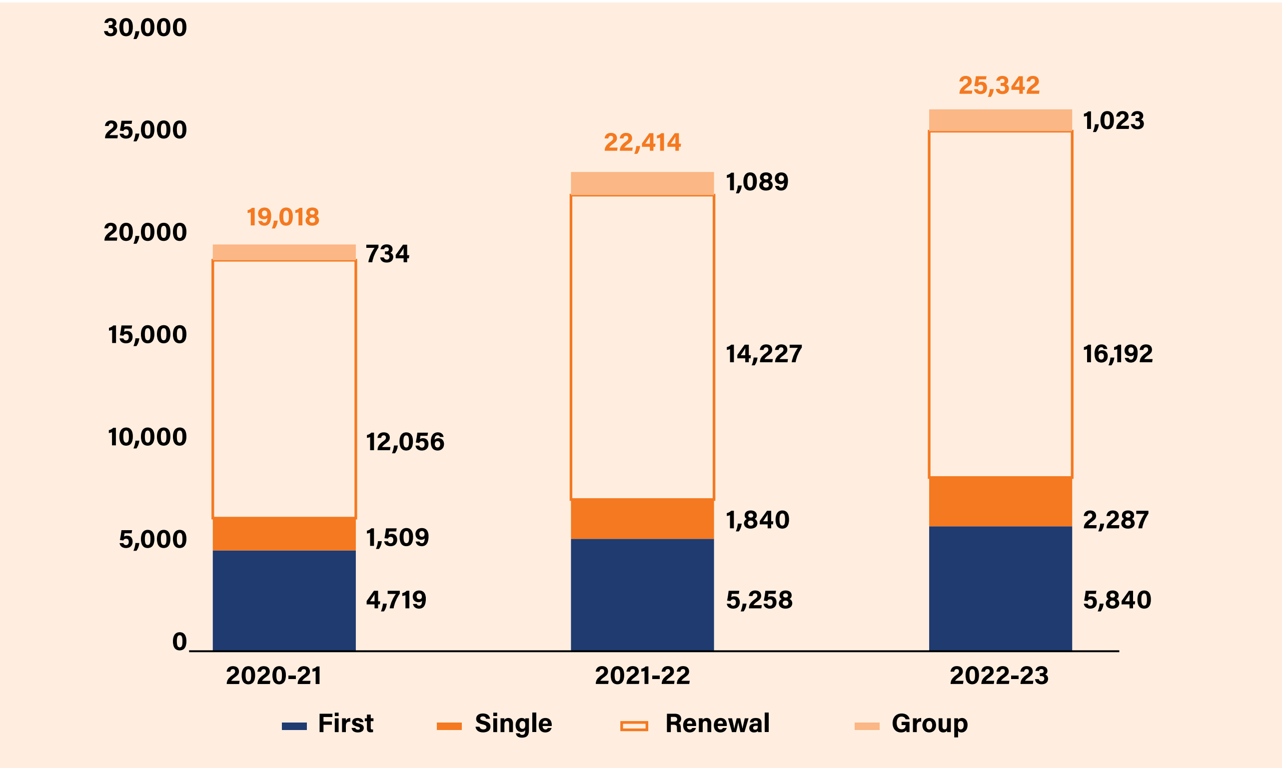
The robust operational efficiencies and balanced portfolio mix have helped register an increase in gross premium income by 13%. We have generated a post-tax shareholders' profit of ₹435 Crore in FY 2022-23, as compared to ₹387 Crore in the previous financial year, recording a growth of ~12%.

(In Crore)

Revenue and Profit and loss account	FY 2022-23	FY 2021-22	Growth
Gross Premium Income	25,342	22,414	13%
Reinsurance (ceded)	(460)	(427)	8%
Total Premium Income (net)	**24,882**	**21,987**	**13%**
Income from investments (net)			
Policyholders	6,083	8,710	-30%
Shareholders	314	322	-2%
Income from investments (net)	**6,397**	**9,032**	**-29%**
Other Income			
Policyholders	69	52	33%
Shareholders	15	4	275%
Total Income (A)	**31,363**	**31,075**	**1%**
Commissions	1,614	1,403	15%
Operating Expenses	3,624	3,052	19%
Interest on Non-convertible debentures	37	25	48%
GST on linked charges	202	188	7%
Benefits paid	9,979	9,277	8%
Changes in Valuation Reserves (net)	15,060	16,458	-8%
Change in funds for future appropriations	343	255	35%
Total expenses (B)	**30,859**	**30,658**	1%
Provision for tax (C)	69	30	130%
Profit after tax (A-B-C)	**435**	**387**	**12%**

1) Premium earned

Gross written premium increased by 13% from K 22,414 Crore in FY 2021-22 to K 25,342 Crore in FY 2022-23



PREMIUM INCOME SUMMARY AT SEGMENT LEVEL

Particulars	FY 2022-23				FY 2021-22				Growth
	Par	Non-par*	Unit linked	Total	Par	Non-par *	Unit linked	Total	
First year premium	817	3,358	1,725	**5,900**	1,158	1,990	2,169	**5,317**	11%
Renewal Premium	6,402	5,238	4,742	**16,382**	6,169	3,957	4,384	**14,510**	13%
Single premiums	1,031	1,971	58	**3,060**	1,002	1,544	41	**2,587**	18%
Gross Written Premium	**8,250**	**10,567**	**6,525**	**25,342**	**8,329**	**7,491**	**6,594**	**22,414**	13%
Less: Reinsurance ceded	(25)	(426)	(9)	**(460)**	(25)	(393)	(9)	**(427)**	8%
Net Premium	**8,225**	**10,141**	**6,516**	**24,882**	**8,304**	**7,098**	**6,585**	**21,987**	13%

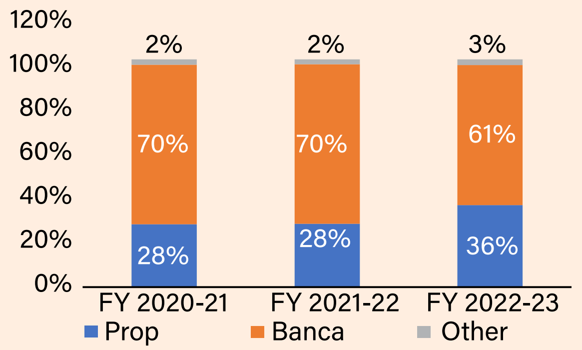
** Include group*

First year premium grew by 11% from ₹5,317 Crore in FY 2021-22 to ₹5,900 Crore in FY 2022-23. We witnessed an upswing of 69% in non-participating business segment, as more and more customers continued to secure their financial needs as well as protect their loved ones. Further, the growth in savings and annuity business driven by the launch of new products and variants.

Renewal premium grew by 13% from 14,510 Crore in FY 2021-22 to 16,382 Crore in FY 2022-23 due to higher renewal collections across all product segments. 13th month persistency stood at 83% reflecting the quality of in-force book.

Single Premium grew by 18% from ₹2,587 Crore in FY 2021-22 to ₹3,060 Crore in FY 2022-23 due to higher annuity and group business.

Channel Mix - Max Life has focused on maintaining a balanced distribution mix



Proprietary channels grew by 43% Y-o-Y.

REINSURANCE PREMIUM

Reinsurance premium for the period is higher by 8% mainly due to higher group business, change in product mix and revision of rates under Health products.

SNAPSHOT OF INCOME FROM INVESTMENTS

Particulars	FY 2022-23					FY 2021-22				
	Policyholders			Share-holders	Total	Policyholders			Share-holders	Total
	Par	Non-par	Unit linked			Par	Non-par	Unit linked		
Interest, dividend and rent	3,705	1,274	1,209	309	6,497	3,300	886	1,022	231	5,439
Profit on sale / redemption of investments	571	29	1,556	11	2,167	1,686	62	4,605	95	6,448
(Loss on sale / redemption of investments)	(488)	(6)	(1,665)	(5)	(2,164)	(485)	(1)	(1,334)	(5)	(1,825)
Transfer/ Gain on revaluation/ change in fair value	-	(64)	(28)		(92)	-	(94)	(886)		(980)
Total income from investment	**3,788**	**1,233**	**1,072**	**315**	**6,408**	**4,501**	**853**	**3,408**	**321**	**9,083**

POLICYHOLDERS

Non-linked (Par and Non-par)

The segment witnessed an increase in income from interest, dividend and rent from ₹4,186 Crore in FY 2021-22 to ₹4,979 Crore in FY 2022-23 on the back of higher Asset Under Management (AUM), supported by higher premium across both renewals and new business premiums. Net profit on sale of investments stood at 106 Crore for FY 2022-23, as compared to 1,262 Crore for FY 21-22 on account of to lower profit realisation.

Unit linked

The income from interest, dividend and rent in Unit linked fund was higher at ₹1,209 Crore in FY 2022-23 as compared to ₹1,022 Crore in the previous year. This was driven by higher AUM and investment of cash flows at higher yields. Net profit from sale of investments that decreased from ₹3,271 Crore in FY 2021-22 to a negative of ₹109 Crore in FY 2022-23 due to higher profit realisation in the previous year.

SHAREHOLDERS

Interest income from shareholders increased from 231 Crore in FY 2021-22 to 309 Crore in FY 2022-23 due to increase in Asset Under Management (AUM) and investement of cash flows at higher yields. Profit on sale/redemption of investments decreased from 90 Crore in FY 2022-23 to 6 Crore in FY 2022-23 due to lower profit realisation

TIME WEIGHTED RATE OF RETURN (TWRR)

During the FY 2022-23, TWRR yields (without unrealised gains/losses) for policyholders and shareholders decreased on account of lower realised income.

Decrease in TWRR (with unrealised gains/losses) for shareholders, PAR funds and linked funds are mainly due to lower growth in equity markets vis-a-vis previous financial year and hardening of Gsec & Bond yields in FY 2022-23. The TWRR with unrealised gains/losses for Non-PAR funds decreased mainly due to increase in yields in the debt market. In FY 2022-23 equity market has witnessed fall of 0.60% as compared to increase by 19% in FY 2021-22. 10yr Gsec yields hardened by 47 bps in FY 2022-23 vis-a-vis hardening of 66 bps in FY21-22, resulting in improvement in unrealised losses in FY 2022-23 in fixed income portfolio.

Particulars	FY 2022-23	FY 2021-22
Investments:		
Policyholders’ Investments	117,352	102,362
Shareholders’ Investments	5,504	5,148
A. Without Unrealised Gains/Losses		
Shareholders' Funds	6.1%	8.4%
Policyholders' Funds	5.3%	10.5%
▪ Non linked		
a) Participating	6.9%	9.5%
b) Non participating	6.8%	7.4%
▪ Linked- non participating	1.9%	13.8%
B. With Unrealised Gains/Losses		
Shareholders' Funds	5.2%	6.9%
Policyholders' Funds	3.8%	6.7%
▪ Non linked		
a) Participating	4.7%	5.5%
b) Non participating	5.0%	4.2%
▪ Linked- non participating	1.8%	10.1%

OTHER INCOME

Policyholders' Other income increased from ₹52 Crore in FY 2021-22 to ₹68 Crore in FY 2022-23 mainly due to increase in interest of policy loans and income on margin money placed against derivatives.

Shareholders' Other income increased from ₹4 Crore in FY 2021-22 to ₹15 Crore in FY 2022-23 mainly due to interest earned on loan given to the ESOP Trust. Stock options are granted to eligible employees under Max Financial Employee Stock Option Plan 2022 ("ESOP Scheme"). The scheme is administered through Max Financial Employees Welfare Trust ("The Trust").

COMMISSIONS

Particulars	FY 2022-23				FY 2021-22			
	First Year	Renewal	Single	Total	First Year	Renewal	Single	Total
Premium	5,900	16,382	3,060	**25,342**	5,317	14,509	2,587	**22,413**
Commission(A)	1,100	409	50	**1,559**	959	363	46	**1,368**
Commission %	19%	2%	2%	**6%**	18%	3%	2%	**6%**
Rewards (B)*	55	-	-	**55**	35	-	-	**35**
Total Commission	**1,155**	**409**	**50**	**1,614**	**994**	**363**	**46**	**1,403**

**Represents rewards as defined under Insurance Regulatory Development Authority of India (IRDAI) (Payment of commission or remuneration or reward to Insurance agents and Insurance intermediaries) Regulations, 2016*

First year commission increased from ₹959 Crore in FY 2022-23 to ₹1,100 Crore in FY 2022-23 due to higher business volumes and change in product mix.

Renewal commission increased from ₹363 Crore in FY 2022-23 to ₹409 Crore in FY 2022-23 due to higher renewal premium.

Single premium commission increased from ₹46 Crore in FY 2022-23 to ₹50 Crore in FY 2022-23 due to growth in group and annuity business

OPERATING EXPENSES

Particulars	FY 2022-23	FY 2021-22	Growth %
Employees' remuneration and welfare benefits	2,039	1,651	24%
Advertisement and publicity	519	511	2%
Others	1,032	859	20%
Operating Expenses Policyholders (A)	3,590	3,021	19%
Operating Expenses Shareholders (B)	70	55	27%
Total	3,660	3,076	19%

The total policyholder operating expenses to total premium ratio stood at 14.2% as compared to 13.5%.

EMPLOYEE REMUNERATION

Employee cost increased from ₹1,651 Crore in FY 2021-22 to ₹2,039 in FY 2022-23 registering an increase over the last year on account of yearly increments and investments in distribution channels.

ADVERTISEMENT AND PUBLICITY SPENDS

Advertisement and publicity spends increased marginally over previous year to support sales growth.

OTHER EXPENSES

Other expenses have increased due to volume growth and inbuilt Inflation across all services including rent, training, travel and other legal and professional services.

OPERATING EXPENSES UNDER SHAREHOLDERS' ACCOUNT:

Expenses other than those related to insurance business increased by 27% from ₹55 Crore in FY 2022-23 to ₹70 Crore in FY 2022-23 mainly on account of full year impact of interest on non-convertible debentures which were raised in August'21.

SNAPSHOT OF CLAIMS AND BENEFITS

Inflow of claims driven by the deaths due to the COVID-19 pandemic was high in FY 2021-22 which significantly tapered in FY2022-23, reducing the adverse financial impact. With the InstaClaim™

initiative for our vintage policyholders (policies that have been in force for at least 3 continuous years with us), the Company endeavours to provide death claim payment within one day.

An impressive claim settlement ratio across our offerings, positions us among the trusted life insurance companies in the country today.

BENEFITS PAID SUMMARY

Particulars	FY 2022-23				FY 2021-22			
	Par	Non-par	Unit Linked	Total	Par	Non-par	Unit Linked	Total
Insurance Claims								
(a) Claims by death,	410	886	184	1,480	691	2,175	304	3,170
(b) Claims by Maturity,	573	3	481	1,057	447	112	407	966
(c) Annuities/ Pension payment	-	77	-	77	-	31	-	31
(d) Other benefits								-
Surrenders	1,716	397	3,924	6,037	1,356	279	3,139	4,774
Health	1	14	-	15	21	42	-	63
Survival Benefit	104	213	-	317	91	156	-	247
Bonus to Policyholders	1,265	-	-	1,265	1,181	-	-	1,181
Others	42	3	17	62	32	2	21	55
Total Paid	**4,111**	**1,593**	**4,606**	**10,310**	**3,819**	**2,797**	**3,871**	**10,487**
Total ceded	(20)	(305)	(8)	**(333)**	**(45)**	**(1,147)**	**(21)**	**(1,213)**
Net Paid	**4,091**	**1,288**	**4,598**	**9,977**	**3,774**	**1,650**	**3,850**	**9,273**

Claims by death decreased from ₹3,170 Crore in FY 2021-22 to ₹1,480 Crore in FY 2022-23 due to higher death claims paid during the previous year due to the COVID-19 pandemic.

Claims by maturity increased from ₹966 Crore in FY 2020- 21 to ₹1,057 Crore in FY 2022-23 due to higher count of policies eligible for maturity.

Survival benefit paid increased from ₹247 Crore in FY 2021-22 to ₹317 Crore in FY 2022-23 due to higher number of policies attaining eligibility for money back payouts as compared to the previous year.

An uncertain macroeconomic environment propelled several customers to premature their investments, resulting in surrenders rising to ₹6,037 Crore in FY 2022-23. This was largely visible in ULIP, as customers rushed to redeem their investments with financial markets witnessing a rise during a major part of the year. With customers preferring to have immediate cash in hand, Company has reached out to customers explaining the benefits of continuing the policy and achieve their long-term financial goals.

CHANGE IN VALUATION OF POLICY LIABILITIES

The following table provides, summary of the changes in valuation of liabilities, for the periods indicated

Particulars	FY 2022-23	FY 2021-22
(a) Gross Liabilities	13,986	12,182
(b) Fund Reserves	962	3,933
(c) Discontinuance fund	845	1,136
(d) Amount ceded in Reinsurance	(732)	(794)
(e) Amount accepted in Reinsurance	-	-
Change in valuation of liability against life policies in force	15,061	16,457

Changes in valuation reserves indicate changes in actuarial liabilities for policies that are currently inforce, as well as, policies for which premium has been ceased but a liability still remains. Under the unit linked section, the change in fund reserves includes the change in unit fund value of policyholders' fund. Fund reserves increased from ₹29,403 Crore in FY22 to ₹30,366 Crore in FY23. The reason for increase in fund value by ₹962 Crore is primarily due to the premium income received (both renewal and first year) and the upsurge in equity market during the year.

CHANGE IN FUNDS FOR FUTURE APPROPRIATION:

Change in funds for future appropriation: FFA reflects the surplus arising from the participating business to the extent it is not distributed. The change in FFA increased from ₹255 Crore in FY 2021-22 to ₹343 Crore in FY 2022-23 due to higher PAR surplus in current year.

BALANCE SHEET ANALYSIS

Sources of funds

Shareholder's funds

The breakup of capital and reserves is as follows:

Particulars	As on March 31, 2023	As on March 31, 2022
Share Capital	1,919	1,919
Reserve and surplus	1,621	1,276
Credit/Debit fair value change account	7	1
Revaluation Reserve	0	-
Shareholder's fund	3,547	3,196

Net-worth (shareholders' fund excluding policyholders' hedge fluctuation reserve) increased from ₹3,064 Crore at March 31, 2023 to ₹3,505 Crore at March 31, 2023 due to profit earned during the year. Fair value change account represents the balance of unrealised gains/loss on equity securities in the shareholder's fund. The increase in fair value change from ₹1 Crore to ₹7 Crore in FY 2022-23 was due to market movement.

BORROWINGS

Borrowings as on March 31, 2023 were ₹496 Crore. During FY2021-22, unsecured, subordinated, non-convertible debentures (NCDs) worth ₹496 Crore were issued 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 redeem the NCDs post completion of 5 years from the date of allotment and annually thereafter. The issuance of subordinated debt was carried out to improve the solvency position and support working capital requirement.

POLICYHOLDER'S FUND

Particulars	As on March 31, 2023	As on March 31, 2022
Credit / (Debit) Fair Value Change Account	798	653
Policy Liabilities	80,535	67,282
Provision for Linked liabilities	30,366	29,403
Funds for discontinued policies	4,885	4,040
Funds for future appropriations	3,580	3,237
Revaluation Reserve	48	26
Total Policyholders Funds	**120,212**	**104,641**

Credit / (Debit) Fair Value Change Account - The movement in fair value change account is a function of the performance of the equity markets and the mix of equity and mutual funds in the portfolio. It increased from ₹653 Crore to ₹798 Crore in FY 2022-23 mainly due to equity market movement.

> During FY2021-22, unsecured, subordinated, non-convertible debentures (NCDs) worth H496 Crore were issued in the nature of 'Subordinated Debt' as per the IRDAI (Other Forms of Capital) Regulations, 2015

Funds for future appropriations increased from H3,237 Crore to H3,580 Crore in FY 2022-23. This represents funds in participating segment, the allocation of which, either to participating policyholders' or to shareholders', has not been determined. The increase is mainly due to transfer of current year participating policyholder surplus.

Policy liabilities increased from ₹67,282 Crore to ₹80,535 Crore in FY 2022-23. The increase in policy liability is in line with business volume.

Provision for linked liabilities represent unit fund liability. This increased from ₹29,403 Crore to ₹30,366 Crore due to higher business volume and strong growth in equity market movement.

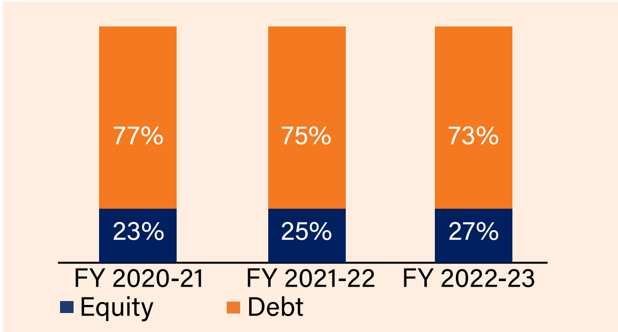
Funds for future appropriations increased from ₹3,237 Crore to ₹3,580 Crore in FY 2022-23. This represents funds in participating segment, the allocation of which, either to participating policyholders' or to shareholders', has not been determined. The increase is mainly due to transfer of current year participating policyholder surplus.

Revaluation Reserve increased from from ₹26 Crore to ₹48 Crore in FY 2022-23 on account of revaluation of investment properties done during the year.

APPLICATION OF FUNDS

Investments

The graph below summaries the Asset Under Management (AUM):



Particulars	FY 2022-23	FY 2021-22	Growth %
Shareholder's Investments	5,504	5,148	7%
Policyholder's Investments	82,102	68,919	19%
Assets Held To Cover Linked Liabilities	35,250	33,443	5%
Total	**122,856**	**107,510**	**14%**

SHAREHOLDER'S INVESTMENT

Shareholders' investments increased by 7% from ₹5,148 Crore as at March 31, 2022 to ₹5,504 Crore as at March 31, 2023 mainly due to investment made out of current year profit.

Policyholders' investments

Policyholders' investments increased by 19% from ₹68,919 Crore as at March 31, 2022 to ₹82,102 Crore as at March 31, 2023 in line with business volume and higher investment income.

Assets held to cover linked liabilities

Assets held to cover linked liabilities increased by 5% from ₹33,443 Crore as at March 31, 2022 to ₹35,250

Loans

Loans increased from ₹666 Crore in FY 2021-22 to ₹925 Crore in FY 2022-23 with increasing number of customers availing loans against policies, that are fully secured against the surrender value of policies and loan of ₹121 Crs given to ESOP Trust during

FY2022-23

CURRENT ASSETS

The following table sets forth, for the periods indicated, summary of current assets:

Crore as at March 31, 2023 due to higher business volume and equity market movement.

Particulars	As on March 31, 2023	As on March 31, 2022
Income accrued on investments	1,440	1,215
Outstanding premiums	681	677
Due from other entities carrying on insurance business (including reinsurers)	177	370
Derivative margin money investment	137	205
Others Assets	537	490
Cash and Bank balance	1,022	662
Total	3,994	3,619

Income accrued on investments increased from ₹1,215 Crore at March 31, 2022 to ₹1,440 Crore at March 31, 2023 due to increase in fixed income securities.

Outstanding premium represents premium due but not received on non linked policies which are within allowed grace period as per IRDAI regulation. The same has been increased from ₹677 Crore as at March 31, 2022 to ₹681 Crore as at March 31, 2023 due to higher policy base as compared to previous year.

Due from other entities carrying on insurance business represents the net amount due from reinsurers pertaining to claims accepted and receivable by us, net of reinsurance premium payable to them. It also includes claims received by us but pending decision and intimation to the reinsurers. The decrease from ₹370 Crore as at March 31, 2022 to ₹177 Crore as at March 31, 2023 was primarily on account of high claims recognised on account of COVID-19 pandemic in previous year.

Derivative Margin money is lower as compared to previous year due to higher MTM gains on account of lower interest rates.

Other Assets includes prepayments, advance to suppliers, advance to employees, security and other deposits, outstanding trade investments, unclaimed assets, service tax/income tax deposits and other assets

CURRENT LIABILITIES:

The summary of current liabilities is as follows

Particulars	As on March 31, 2023	As on March 31, 2022
Agents balances	328	227
Unallocated premium	307	352
Sundry creditors	1,412	1,204
Claims outstanding (includes pending investigation)	801	808
Derivative Liability	202	249
Payable for purchase of investments	139	311
Others Current Liabilities	677	570
Total	3,866	3,723

Agent balances represents amounts payable to insurance agents and intermediaries towards commission as at the balance sheet date. This increased from ₹227 Crore in FY 2021-22 to ₹328 Crore in FY 2022-23 due to higher business volumes end of the year.

Unallocated premium represents premium received on policies that are in the process of being issued or pending due to underwriting requirements. The decrease from ₹352 Crore to ₹307 Crore in FY 2022-23 is due to lower number of policy pending underwriting or receipt of additional documents.

Sundry creditors includes amount payable/ accruals for various services utilised by the Company for expenses like employee related cost, marketing cost, other expenses etc. Increase in sundry creditors from ₹1,204 Crore to ₹1,412 Crore is due to normal business activity.

Claims outstanding balance decreased from ₹808

Crore to ₹801 Crore mainly due to outstanding claims settled in the current year.

Derivative Liability decreased from ₹249 Crore to ₹202 Crore mainly due to change in interest rates.

Others include tax deducted, Goods and Services Tax

CONTINGENT LIABILITIES

The below table summarises the contingent liabilities:

Particulars	FY 2022-23	FY 2021-22
Partly paid-up investment	370	100
Claims, other than against policies, not acknowledged as debts by the Company	28	28
Others	133	89
Total	**531**	**217**

Contingent liability for partly paid up investments increased from ₹100 Crore as at March 31, 2022 to ₹370 Crore as at March 31, 2023 due to subscription of additional investments during the year pending payments.

Other includes potential liability in respect of repudiated policy holder claims. The same is higher due to increase in number of high value claims under litigation.

CASH FLOW STATEMENTS

Particulars	FY 2022-23	FY 2021-22
Cash flow from operating activities	9,950	8,512
Cash flow from financing activities	(37)	319
Cash flow from investing activities	(9,553)	(8,749)

CASH FLOW FROM OPERATING ACTIVITIES:

Cash flows from operating activities increased from ₹8,512 Crore in FY 2021-22 to ₹9,950 Crore in the current year.

CASH FLOW FROM FINANCING ACTIVITIES

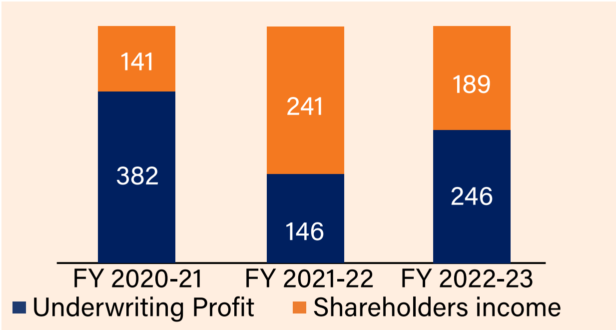
Cash flows from financing activities decreased from ₹319 Crore in FY 2021-22 to negative of ₹37 Crore owing to issuance of subordinated debentures which was partially offset with dividend payment in previous year and payment of interest on subordinated debt in current year.

CASH FLOW FROM INVESTING ACTIVITIES

Cash flows from investing activities increased from negative ₹8,749Crore in FY 2021-22 to negative ₹9,553. This mainly represents net increase in investment of funds in various securities such as government bonds, equity, corporate bonds/paper, money market instruments and liquid mutual funds.

KEY ANALYTICAL RATIO

Profitability



(₹ in Crore)

Particulars	FY21	FY22	FY23
Underwriting Profit: Backbook Surplus	1242	1,078	1,563
New Business Strain	-860	-932	-1,317
Total (A)	**382**	**146**	**246**
Share holder income (B)	**141**	**241**	**189**
Total (A+B)	**523**	**387**	**435**

The overall underwriting profits increased from 146 crore in FY 2021-22 to ₹246 crore in FY 2022-23. Further, underwriting profit comprises

a) Existing business surplus representing profits emerging during the year from business written over the years saw a healthy growth of 45%; and

b) New business strain on account of the long-term nature of insurance contracts where revenue is recognised over the period of the contract while costs are recognised in the period in which they are incurred grew by 41%

Shareholders income represents investment and other income arising on shareholders' funds, net of expenses. This declined due to lower realized gains on investments for shareholders.

SOLVENCY

We continue to meet the solvency margin ratios as defined by the regulatory authorities. Our solvency ratio stood at 190% as on March 31, 2023 compared to 201% as on March 31, 2022 on account of higher required solvency margin.

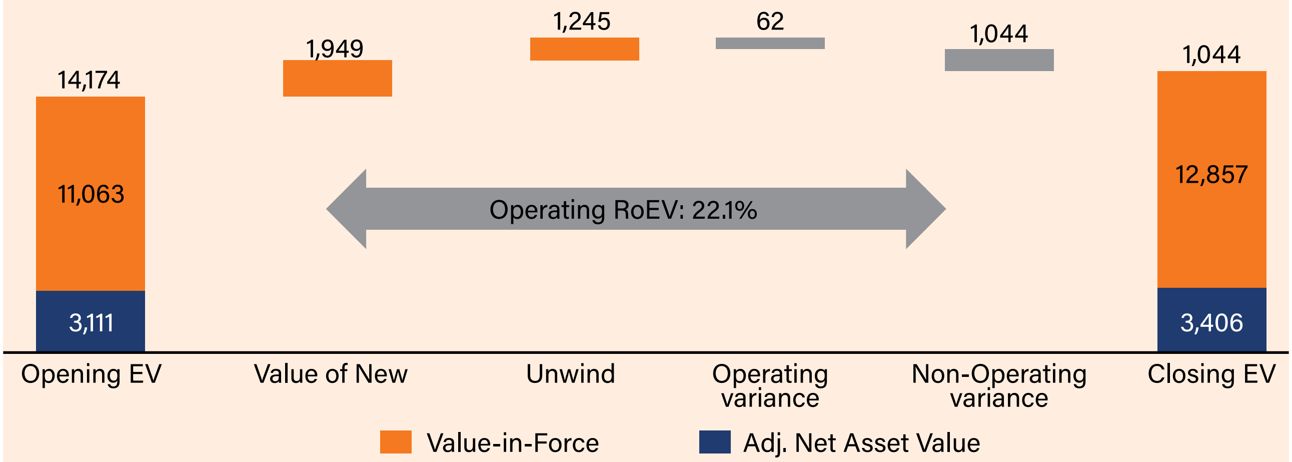
NEW BUSINESS MARGIN

Year	Value of new Business (in cr)	New business margin (post overrun)
2020-21	1,249	25.2%
2021-22	1,528	27.4%
2022-23	1,949	31.2%

The value of new business (VNB) grew to 1,949 Crore in FY 2022-23 as a result of relatively higher mix of non-participating savings business as compared to last year. The new business margins increased to 31.2% compared to 27.4% last year due to change in product mix towards Non Par Savings, from participating and unit-linked products, having higher margins.

- The Operating Return on EV (RoEV) over FY 2022-23 is 22.1%, against 19.2% in FY2021-22.
- Operating return on EV is mainly driven value of new business and unwind.
- Operating variances are mainly on account of lower renewals in unit-linked business.
- Non-operating variances are mainly driven by negative economic variances during the period.

ANALYSIS OF CHANGE IN EMBEDDED VALUE (EV)



SENSITIVITY ANALYSIS AS AT 31ST MARCH 2023

Sensitivity	Change in EV	Change in NBM
	% change	% change
Lapse/Surrender - 10% increase	0.1%	0.1%
Lapse/Surrender - 10% decrease	(0.2%)	(0.4%)
Mortality - 10% increase	(2.2%)	(4.3%)
Mortality - 10% decrease	2.2%	4.3%
Expenses - 10% increase	(0.9%)	(7.2%)
Expenses - 10% decrease	0.9%	7.2%
Risk free rates - 1% increase	(0.8%)	5.2%
Risk free rates - 1% reduction	0.2%	(7.4%)
Equity values - 10% immediate rise	1.2%	Negligible
Equity values - 10% immediate fall	(1.2%)	Negligible
Corporate tax Rate - 2% increase	(2.3%)	(2.3%)
Corporate tax Rate - 2% decrease	2.3%	2.3%

MAX LIFE'S STRATEGIC THRUST AREAS AND PROGRESS MADE

A — PREDICTABLE AND SUSTAINABLE GROWTH

Aspirations

- Fastest growing profitable proprietary distribution
- Leader in Online acquisition
- Inorganic expansion Deepen bancassurance partnerships

Progress Achieved

- Strong growth of 43% in Proprietary channels in FY23
- New Distribution Partnerships in FY23- DCB Bank, TamilNad Mercantile Bank and Ujjivan Small Finance Bank
- Continued leadership in protection sales in ecommerce, savings expanded by 5X
- Partnership ecosystem expanded in FY23. Signed agreements with – Plum, Wealthy.in, Nova Benefits , Finmapp, Turtlemint, BlueChip, Muthoot, Vkover and NJ

B — PRODUCT INNOVATION TO DIGITAL DRIVE MARGINS

Aspirations

- Leader in Protection
- + Health and Wellness proposition
- Leader in Retirement
- Drive Non PAR saving
- Enhanced investment and mortality risk management

Progress Achieved

- FY23 margin of 31.2% improvement of 380 Bps over FY22
- Annuity grew by over ~300% in FY23, NPS ecosystem augmented with retiral offerings across the spectrum
- Product Launches: Smart Wealth Advantage Guarantee, Flexi Wealth advantage and GLIP limited Pay

C — CUSTOMER CENTRICITY ACROSS THE VALUE CHAIN

Aspirations

- Improve position in 13M and 61M persistency ranking
- Highest Relationship Net Promoter Score (NPS) in the industry

Progress Achieved

- Claim paid ratio at 99.51% at the end of FY23, best in the industry
- 13M persistency* at 84% and 61M persistency at 51%
- Improvement of 3 points from 49 in March 22 to 52 in Mar 23 in the overall Company NPS scores

D — DIGITISATION FOR EFFICIENCY AND INTELLIGENCE

Aspirations

- Continue with digitisation agenda across the organisation
- Build intelligence (AI) in all digital assets

Progress Achieved

- Revamped website leading to improvement in ^S2L for online channel
- Cloud Migration Phase 2 is in progress. 56% of our entire IT infra is on cloud
- Agility in rate changes improved to 2 days
- Underwriting governance AI model implemented
- Next Gen security solution for cloud AWS enabled to mitigate cyber threats

Corporate tax rate increased to 25%	(14.2%)	(20.8%)

PREDICTABLE AND SUSTAINABLE GROWTH

1. Consistent market outperformance by focusing on priority areas.

   a. **Leadership in e-commerce:** Your company aspires to become a market leader in the online life insurance market – both protection and savings categories – through product innovations, entry into new untapped segments, building e-com as a platform to create phygital synergies with offline channels and expanding ecosystem partnerships across the insurance value chain.

   b. **Building fastest growing profitable distribution:** Proprietary distribution continues to be a critical focus area for the company, with its aspiration to be among the top 3 players in offline proprietary distribution. Your Company will drive growth through office footprint expansion, adding new business models and propositions, focusing on top advisor growth, agent recruitment growth, and building a high-performance culture.

   c. **Leadership in Protection and Wellness:** Protection penetration and Sum Assured coverage continue to be low in the country. Your company aspires to be among the top 3 players in protection and health by creating fit-for-customer value propositions, simplifying onboarding through digitization, and strengthening distribution execution to improve protection penetration.

   d. **Building retirement business:** Your Company continues to focus on improving annuity penetration by enhancing the product suite, strengthening distribution execution, digitizing fulfilment journeys for customers, and creating a holistic retirement ecosystem for an improved customer engagement.

2. **Leveraging synergies with Axis Bank** - Your Company will continue to drive synergies in the Axis Bank partnership by scaling new-age and untapped channels (e.g. mobile banking, Tele-banking), augmenting deployed manpower in traditional channels, and improving productivity through focused onboarding, training rhythms, and digital-led sales management practices.

3. **Inorganic expansion (M&A) & Business Development** – Your Company will continue to explore opportunities to further augment Banca partnerships, along with building proprietary fintech capabilities for accelerated growth

PRODUCT INNOVATION TO DRIVE MARGINS

Max Life continues to adopt a balanced approach toward business growth, focusing on margins along with sales growth. During FY23, your Company added

Your Company will continue to drive synergies in the Axis Bank partnership by scaling new-age and untapped channels (e.g. mobile banking, Tele-banking), augmenting deployed manpower in traditional channels, and improving productivity through focused onboarding, training rhythms, and digital-led sales management practices.

new products and propositions to its portfolio in all categories. In the Unit-Linked category, we launched a new product, Max Life Flexi Wealth Advantage Plan (FWAP), which returns all charges except Fund Management Changes at maturity. In addition, FWAP is the only plan offering a Whole Life variant with a 5-pay option for the customer, whereas the industry offers 7-Pay onwards. In non-linked category, Max Life launched two products – (a) Smart Wealth Advantage Guarantee (SWAG) offering Industry leading IRRs and several unique benefits such as enhanced flexibility on payment term, easy liquidity with income payout as early as first month (b) industry-first Smart Fixed Return Digital Plan (SFRD), only for ecommerce channel, offering industry-best guaranteed returns of upto 7.5%

CUSTOMER CENTRICITY ACROSS THE VALUE CHAIN

The Company is committed to delivering best-in-class customer outcomes, exemplified by improvements in Net Promoter Score (49 in FY2023 to 52 in FY2023) and the best- in-industry, all time high claims-paid ratio of 99.51% In FY23, the 13th-month persistency of Max Life Insurance was at 84.1% (Premium) and the 61st-month persistency stood at 51% (Cumulative, Premium).

DIGITISATION FOR EFFICIENCY AND INTELLIGENCE

Your Company continues to pursue its digitization agenda and build artificial intelligence to offer best-in-class customer/distributor service experience and reduce back-office costs. Your Company has launched various digital assets over time, adopted a “Cloud-First Approach” for all new workloads, and has embedded intelligence to drive efficiency. Your Company was the first life insurance partner to go live on the Axis Bank marketplace to ensure seamless customer onboarding.

CREATING A SUSTAINABLE BUSINESS (ESG)

To ensure that the true spirit of ESG pillars is translated into practice, the company has set ambitious targets under each pillar to track the progress. It has 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 compliance and 80% carbon neutrality by 2030.

PROPRIETARY DISTRIBUTION CHANNELS

At Max Life, proprietary distribution channels have been the core of consistent growth. This congregation of Agency Distribution, Customer Advisory Team, and e-commerce have combined to enable a stronger growth momentum for your Company, and have ensured exemplary performance in terms of business quality. The proprietary channels recorded a superlative growth of 43% during the year and closed the year with a 36% share in adjusted individual first-year premiums in FY23.

Agency Distribution – Being the oldest and most mature channel, that has been propelling Max Life’s growth over the years, your Company launched the multi-year Agency transformation program at the beginning of the financial year to strengthen the channel further and with a vision to be the top 3 growing Agency channels among the top 10 insurers. The seeds sown at the beginning of the year started to fructify and show positive outcomes in Q4FY23, leading to the agency distribution exit the year with 45% YoY growth, hence, enabling your Company to build a high-growth proprietary distribution by improving the efficiency and productivity of agency distribution. To enhance the scope of business and increase the share of proprietary channels overall, the focus continues to be on growing the top-performing advisors base exponentially along with activation and retention of agent advisors by building a strong performance culture with growth and entrepreneurial mind set.

Within the agency distribution, your Company has carved out the Agency Partners Channel driven by a variable agency model and leverages recruitment through a higher variable construct. This Agency Partners Channel recruited more than 1,165 agency leaders and 4,441 agent advisors during FY23. This model has continued to show promise with strong growth across key performance vectors.

As the Army and Paramilitary personnel of the country remain at the forefront to protect the country, to bring additional focus to this segment, your Company created a specialist team within proprietary distribution to provide relevant life insurance solutions to the armed forces.

Customer Advisory Team – At Max Life, we keep the customer at the core of everything we do as an organization. Hence, no customer is unaided in your organization, where the Customer Advisory Team acts as a specialized team that meets the needs of customers whose agent advisors are no longer part of the Max Life system. The channel continues to be the innovation hub of offline channels, where during the year, your channel experimented with multiple models to enhance customer engagement and experience to incubate new business models to grow exponentially in the coming years by serving the customers who were acquired vide online sales channels, and it continues to lead the 13th-month persistency across your Company's multiple channels and high margins due to productivity enhancement and adroit product mix management.

Online Channel – The Indian consumer behaviour has started to evolve over the years. In the past, the consumer used to research online and buy offline. However, today customers are getting increasingly comfortable buying online. In FY23, this channel registered a superlative 51% growth. Your Company has been maintaining leadership position in term plans purchased through life insurers' websites, leading web aggregators, and digital brokers in India. In line with your company's long-term strategy to be the industry leader in the online life insurance space, your Company took a first step towards that journey by launching Industry's first innovation product in the savings segment – Smart Fixed Return Digital Plan (SFRD), and that helped the channel to capture a significant amount of counter share in web aggregators. Besides, Max Life became the first insurer in the industry to offer protection plans to the housewife segment on a stand-alone basis in FY23, which is in line with the organisation's long-term vision of becoming the leader in the protection space.

PARTNERSHIP DISTRIBUTION

- **Axis Bank** – The vision of the Max Life and Axis Bank distribution relationship is to be the most admired bancassurance partnership in the country. With both partners being committed to providing superior value to the customers, the partnership continues to build on the vision of strengthening our position as a top leader in the Indian Life Insurance sector. Despite the implementation of open architecture at the bank, Max Life continued to dominate the life insurance counter in the bank in both individual and group business.
- **YES Bank** – The YES Bank and Max Life bancassurance relationship is one of the oldest relationships in this space, where in FY23, this relationship has completed 17 years of successful partnership. This stands as testimony to both the partners' commitment to growing the business and strengthening the relationship further in the years to come. Despite an open architecture set up in the Bank, the channel holds a dominant share of the individual business.
- **Other bancassurance partnerships** – Our Urban Cooperative Banks' partnership business grew despite being impacted due to the pandemic with the geographic concentration of these brank branch networks in Maharashtra.
- In line with the long-term strategy of leveraging inorganic growth (M&A) and business development to build a robust distribution footprint, your company decided to re-enter the Broker segment and in a short period tied up with the top 6 offline brokers and entered the bank assurance partnership agreement with Tamilnad Mercantile Bank and Ujjivan Small Finance Bank to distribute Life insurance products in the southern part of the country. Your Company will continue to focus on inorganic growth to grow its distribution footprint sustainably in the years to come.

- In FY23, your Company set up a subsidiary company Max Life Pension Fund Management Ltd., aiming to become a leader in the pension business. Max Life Pension Fund Management Ltd. is registered as a Pension Fund Manager (PFM) under Pension Fund Regulatory and Development Authority (PFRDA) to manage pension corpus for the subscribers of NPS.

RISK MANAGEMENT

Governance of enterprise risk at Max Life

The Company's overall approach to managing risks 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 the 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 fiduciary capacity is also construed to provide an additional third line of defence.

The entire implementation is monitored both at the management level as well as the Board level committees, and the overall risk management framework and its effectiveness is subject to periodic assurance reviews. These sub-committees report on periodic basis to the Management Risk Committee chaired by the CEO and MD, which appraises to the management regarding the Top Risks, Risk Appetite, Material Risk and other statutory and internal risk matters to the Board sub-Committee on Risk

THE BOARD OF DIRECTORS

MANAGEMENT OVERSIGHT

First Line – Business Owners, Management and Internal Controls

- Risk Management is integral to all aspects of MLI's activities and is the responsibility of all staff.
- Managers have a particular responsibility to evaluate their risk environment and put in place appropriate controls.
- The risk management culture emphasises careful analysis and management of risk in all business processes

RISK MANAGEMENT COMMITTEE OF THE BOARD

Second Line – Governance Functions like Risk, Compliance

- The CRO facilitates and provides advice to the first line on risk management activities
- Additionally, the CRO also monitors the risks for the organisation and is responsible for the governance of the entire RMF
- Also includes the Compliance function for ensuring adherence of all statutory compliances

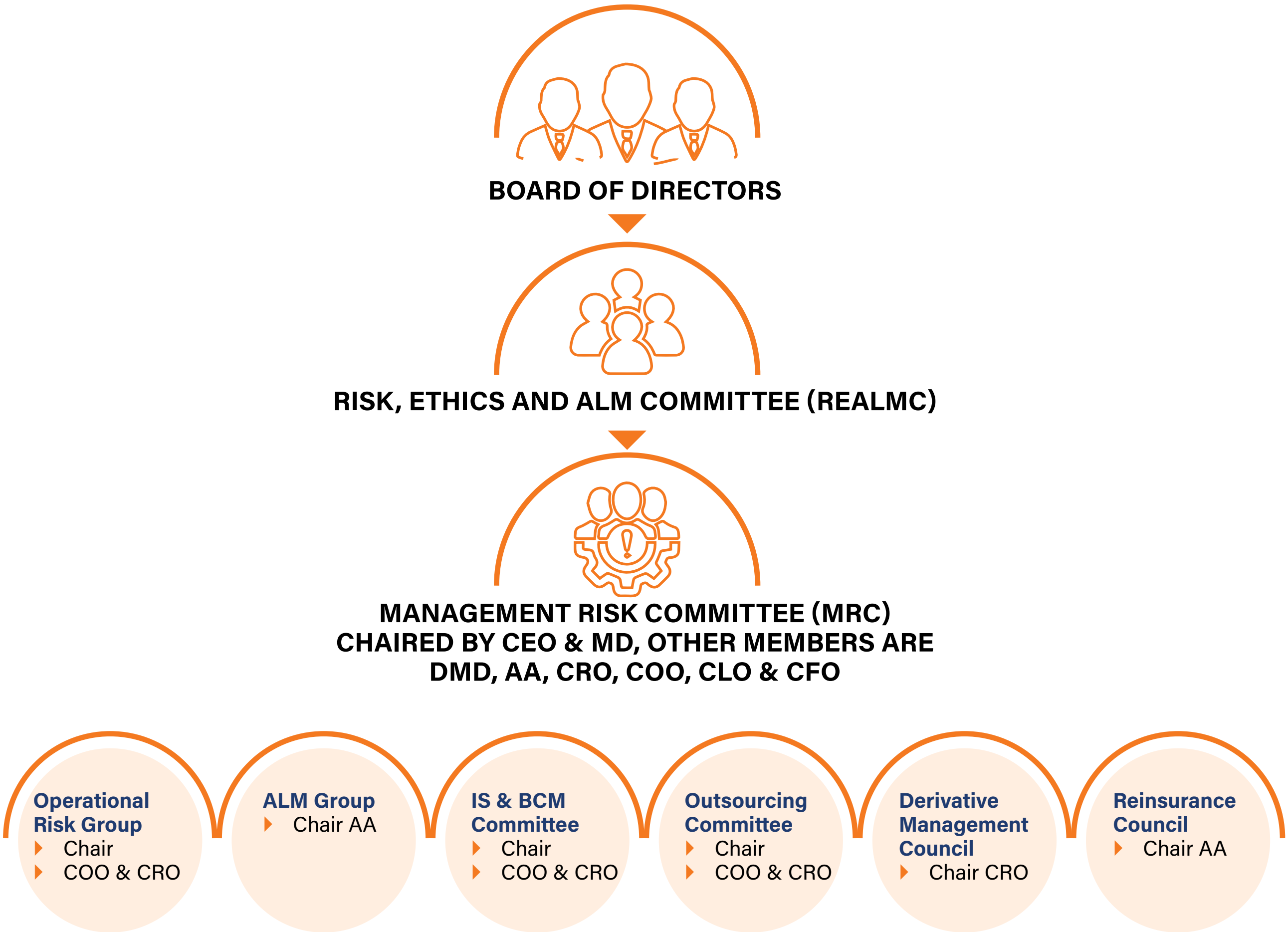
AUDIT COMMITTEE OF THE BOARD

Third Line – Review and Audits

- Provides independent objective assurance to the audit committee and the Board on effectiveness on control environment
- Undertake consulting activities designed to add value and improve the Company's operations
- Monitoring, follow-up and closure of recommended improvements and/or changes

EXTERNAL AUDITORS REGULATOY OVERSIGHT AIDED APPOINTED ACTUARY

BOARD OVERSIGHT AND MANAGEMENT COMMITTEAES



Management.

A ROBUST RISK MANAGEMENT FRAMEWORK TO ADDRESS ENTERPRISE-WIDE RISKS

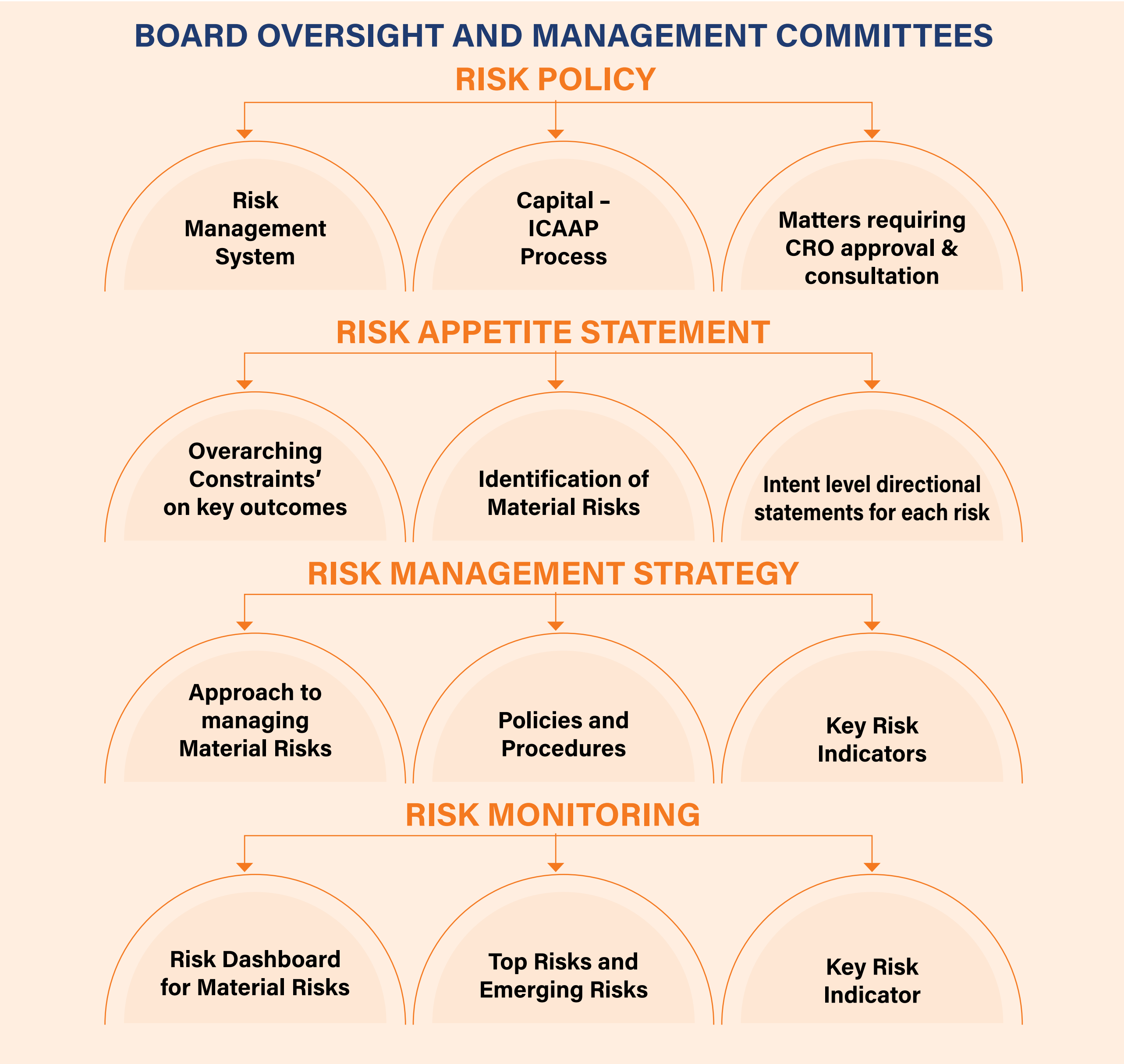
Max Life has a Risk Management Framework (RMF) that enables it to appropriately develop and implement strategies, policies, procedures and controls to manage different types of material risks. The RMF is Max Life's totality of systems, structures, policies, processes and people that identify, measure, monitor, report and control or mitigate all internal and external sources of material risk. This framework provides reasonable assurance to the management that each material risk is being prudently and soundly managed, having regard to the size, business mix and complexity of Max Life's operations.

The RMF is maintained by the independent risk management function, headed by the Chief Risk Officer who reports directly to the Chief Executive Officer (CEO) of the Company. He also has direct access to the Board and the Risk Committee of the Company to share his independent view of key risks affecting the Company. Under RMF, the risk function is responsible for the supervision of all risk management activities in the Company, including:

- Developing the Risk Appetite Statement (RAS) which states the material risk and the degree of risk that Max Life is prepared to accept.
- Appropriateness and adequacy of the Risk Management Strategy (RMS) that states Max Life's strategy to address the material risks and the policies and procedures supporting the management of the material risks in Max Life
- Internal Capital Adequacy Assessment Process.
- Ensuring through various management submissions that the Board is adequately informed

on top risks and key emerging risk-related issues and, if necessary, provides supplementary advice to the Board through the Risk Committee.

- Max Life's Risk Management Policy sets the broad contours of the management system, which is used to identify, assess, monitor, review, control and report risks and controls within the Company. It is also the Company'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 implementation of the RAS is a continuous cycle of improvement over the Company's existing risk management elements. Max Life continues to progress well on its vision of a mature state of risk culture where every individual takes responsibility or risks and has a thorough understanding of all



risk tolerances.

EVOLUTION OF ENTERPRISE RISK MANAGEMENT AT MAX LIFE

Material Risks	Standard Practices	New Practices
Credit Risk	Monitoring of financial risks Risk assessment based on external credit ratings	Monitoring of non-financial risks Risk assessment based on internal rating models Sectoral frameworks for assessing credits
Market Risk	Monitoring of concentration risk Performance analysis/ Peer Ranking Early warning framework for impairment	Performance risk analysis along with attribution analysis Early warning framework for performance
Interest Rate Risk	Classical Asset-Liability Management techniques Prudent pricing philosophy and balanced product mix	Interest Rate Risk Appetite through product boundaries (non-par savings), with defined ALM tolerances Hedging of interest rate risks in saving products using multiple instruments (FRA, IRS) to minimize volatility in P&L Hedging of interest rate risks in protection products to support long- term protection product designs Interest rate stress scenario analysis for hedged exposure Management of counterparty risk in derivatives portfolio Margin management strategies for derivative exposure
Material Risks	Standard Practices	New Practices
Protection or Mortality Risk	Traditional Underwriting practices Reinsurance Strategies Fraud control unit	In-house proprietary analytical model deployed for savings and protection business separately Enhanced fraud and UW models deployed with risk scores leveraging credit scores and other industry databases. Formulation of risk appetites for self-retention in mortality
Reputation Risk	Focus only on social media and crisis management	Industry first, set of simulations for identified scenarios are being conducted for managing reputation risk against high fidelity events. Crisis action manual rolled out to the management to standardize firm wide response to such situations
Operational Risk	Risk Control and Self Assessments (RCSA)	Real time incident reporting framework along with operational loss appetite defined. Detailed aggregation of all non-financial risks in the company for enhanced management control
Information Security Risk	Security framework based on ISO 27001	Enhanced security maturity with industry leading advanced capabilities such as Breach attack simulation, Dark web monitoring, Shift Left Security, Private bug bounty and continuous benchmarking against leading industries
Business Continuity Risk	ISO 22301 certified robust Business continuity management system	Full business coverage with practical experience (@ COVID) across the value chain for better resilience – crisis, recovery, and business as usual

APPROACH TO IDENTIFYING RISKS

On a quarterly basis, the CRO discusses with the Management the items posing risks within one or more of the risk areas identified along with its potential implications. All of the items listed are assessed based on residual risks i.e. after considering the existence and reliability of controls. A monitoring and mitigation plan is agreed and tracked by the CRO on an ongoing basis. The high rated risks are presented to the Management Risk Committee (MRC) as well as the Board Risk Committee on a quarterly basis along with the CRO's assessment of the risks.

The Risk team pro-actively assesses the topical and emerging situation like intensity of cyber risk and global events and their possible implications on the economy of the country and on the overall planned growth and solvency of the Company. Basis the assessment, the risk team along with relevant stakeholders, deploys possible mitigating actions to ensure minimal impact on the Company. Shared

CASE STUDY - ILLUSTRATION ON COVID-19 PANDEMIC RESPONSE AT MAX LIFE

COMPLIANCE

- Adherence to guidelines issues by MoHFW and State Government
- Promoting digital medium for customer interactions.
- Non-opening of offices in containment/ red zones
- Staffing level maintained as per the guidelines issued by Govt. authorities

WORKPLACE PREPAREDNESS

- Mandatory thermal checks upon entrance for all customers and employees
- Seating arrangements as per social distancing and face masks it worn at all the times
- Periodic sanitisation with approved chemicals
- COVID protections shield installed at the branch offices
- Arrangements with multiple vendors for deep sanitisation (with approved chemicals) if COVID positive case is reported from office

EMPLOYEE AWARENESS AND SAFETY

- Regulating in-office employee attendance through Max Life Mobile App for employees
- Only approved employees, within permitted limits, allowed to work from office post self-declaration of health status of self and family members
- Periodic awareness sessions, posters and communications (emails, SMS, and so on) for employee and ground staff
- COVID Kawach Insurance Policy for providing additional insurance cover for employees
- COVID vaccination camps for employees and their family members

CUSTOMERS

- Enabled digital support and sales tools for customer servicing and sales
- Periodic communications to customers providing details of alternate methods of communication
- Video-conference and other digital means of communication to restrict physical meetings with customers
- Hygiene standards were maintained across offices/ branches

below is a broad approach implemented by ERM across the Company in response to the pandemic.

BUSINESS CONTINUITY FRAMEWORK AND PLANNING (BCP)

Max Life has a comprehensive Business Continuity Program to build and manage the resiliency and redundancy across Facility, Infrastructure, IT and utility components. The BCMS (Business Continuity Management System) framework focuses on the safety of employees, sites and system to ensure uninterrupted delivery of services. The framework is aligned and certified to ISO22301 standard and the deployed mechanisms are reviewed and tested per defined timelines.

In addition, annual risk assessment is conducted for all Max Life offices (circa 300) across India to identify the gaps and assess impact basis the geographic location and existing controls. Systemic BIA (Business Impact Analysis) is undertaken to assess all the processes and recovery strategies are then identified and deployed to ensure continuity during a crisis situation which may impact- Site, System, Supplier, Service and Staff.

Effectiveness of devised continuity plans are tested through multiple exercises such as communication cascades, call tree testing, table-top and BCP-DR drill periodically.

INFORMATION SECURITY AND DATA PRIVACY

Information security continues to be focus area for Max Life. As part of ISO 27001 and ISMS assessment programme, independent auditors review and certify controls implemented by us, basis IRDAI cyber security guidelines. 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 benchmarks.

Company has well defined Information security policy which is approved by Board and is reviewed every year to stay current with ecosystem demands. There is robust governance structure including management risk committee of the Board where matters pertaining to Information Security are discussed on quarterly basis.

Periodic awareness sessions for employees, vendors and even customers are conducted with clear Do's and Don'ts. In addition, table top exercises and simulation on advanced attack scenarios are conducted for preparedness to ensure speed of response in any eventuality.

> As part of ISO 27001 and ISMS assessment programme, independent auditors review and certify controls implemented by us, basis IRDAI cyber security guidelines. 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

ACCOLADES FOR THE ERM TEAM

The ERM team has been in receipt of several prestigious awards and nominations both at domestic and international levels. A few of these have been listed below:

Achieved 800 BitSight score (out of 900) which is one of the best in the financial services industry for FY 2023

HUMAN RESOURCES

Values-driven culture & Superior human capital are key differentiators for Max Life. Our Performance Management Process and Compensation Philosophy are critical elements that enable this differentiation. They provide structure and direction to the way we evaluate performance. This ensures fairness and consistency. One standout feature of our approach is the focus on assessing employees based on Organization Values. This assessment feeds directly into annual increments, promotions, and career progression. This methodology is employed by very few organizations, and it enables us to foster an aspirational work culture, making Max Life a Great place to work.

To further enhance our commitment to performance and potential, we conduct annual Organization and Talent Review process. This process allows us to evaluate our talent through the lenses of Performance, Potential and Values, enabling the leadership team to leverage talent effectively, address any skill gaps, and create a more agile organization that can respond quickly to customer needs.

Inclusivity is another cornerstone of our ethos at Max Life. We are resolute in creating an environment where individuals from diverse backgrounds, possessing a wide range of experience, knowledge, and skills, feel valued, heard, and empowered. Our leadership team continually exemplifies and prioritizes diversity, equity, and inclusion (DEI), embodying these principles in their leadership roles.

Our persistent efforts in maintaining high levels of engagement and fostering a healthy organizational culture have yielded favourable results. In the Annual Employee Engagement Survey for FY23, 95% of employees rated their experience positively (top 2 box score rating), outperforming industry benchmarks and placing Max Life among the top-rated companies amongst its peers.

Max India Foundation CSR Initiatives

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.

It is prestigious to give rather than have a lot

~ Tara Singh Vachani

In the year gone by, our partner schools navigated 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

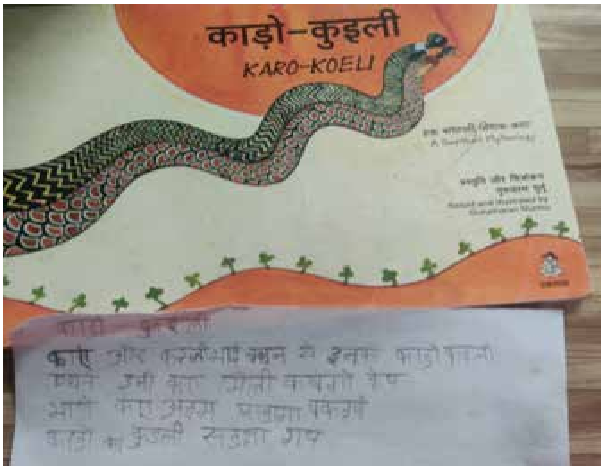
Working through not-for-profit partners in the field of education holds immense significance in fostering sustainable and impactful change. These partnerships enabled Max India Foundation to leverage the expertise, local knowledge, and community networks of established nonprofits, ensuring that efforts 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.

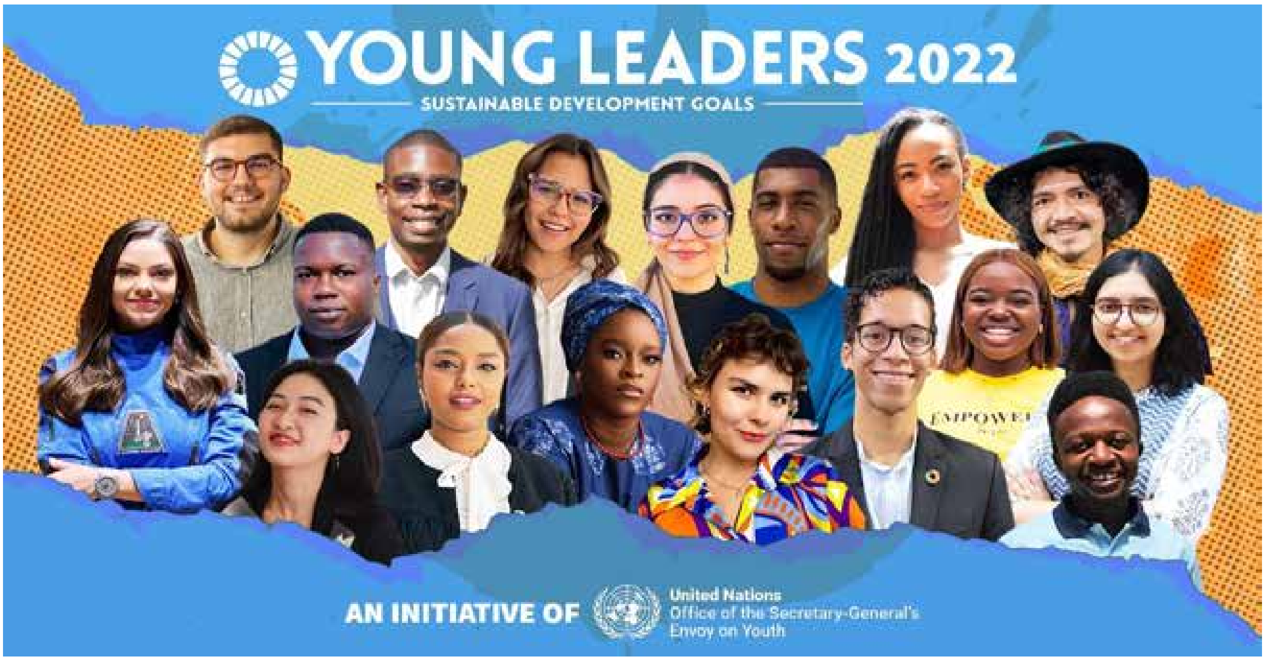
Voice at UN platform: Our partners were recognised at international platforms for their incredible work in the field of education. Richa Gupta, co-founder of Labhya Foundation, was recognised by the UN Youth Envoy as a Sustainable Development Goals (SDG) as

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.

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.

MAX FINANCIAL SERVICES

MAX | FINANCIAL SERVICES

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
Date: May 12, 2023

Sahil Vachani
Director

Amrit Pal Singh
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

MAX | FINANCIAL SERVICES

Strategic Review

GENERAL SHAREHOLDER INFORMATION – 2022-23

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:

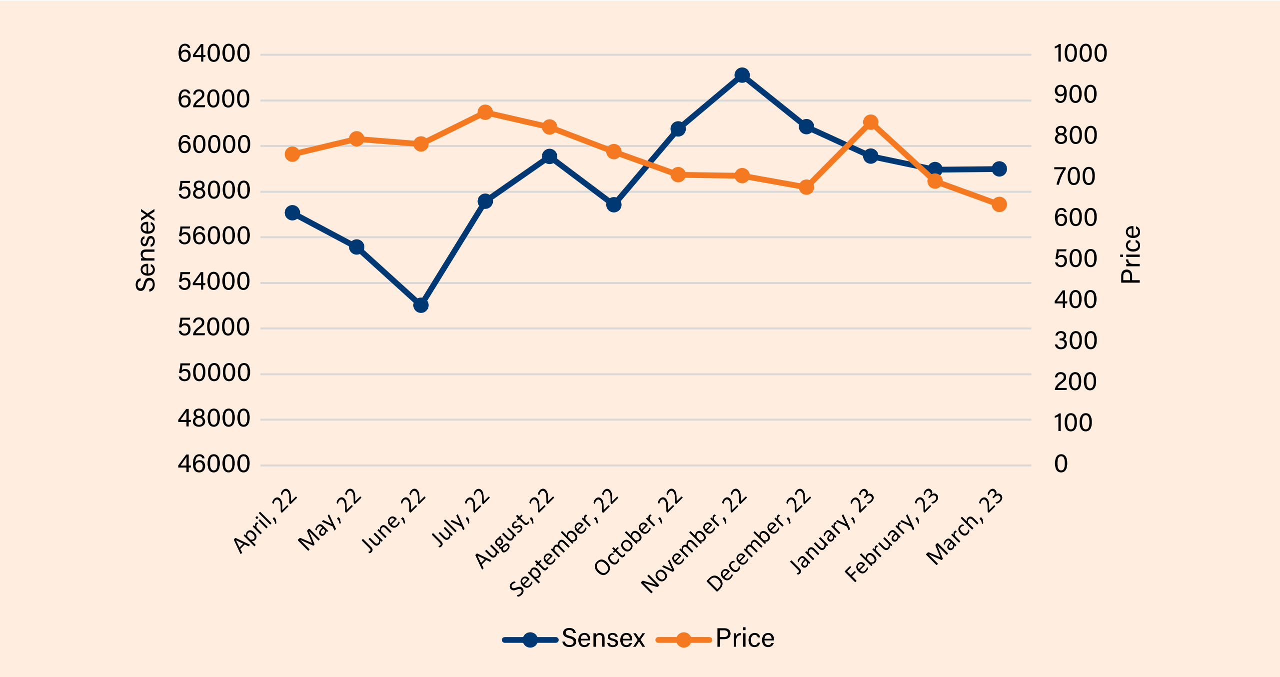
BSE - 500271
NSE - MFSL
Demat ISIN No. for NSDL and CDSL - INE180A01020

	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

Sahil Vachani
Director

Amrit Pal Singh
Chief Financial Officer

Place: New Delhi
Date: May 12, 2023

MAX FINANCIAL SERVICES

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 Commence-ment 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 2028. 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				
Penalty/Fine	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				
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	CO2	Metric tonnes		
	CH4	Metric tonnes		
	N2O	Metric tonnes		
	HFCs	Metric tonnes		
	PFs	Metric tonnes		
	SF6	Metric tonnes		
	NF3	Metric tonnes		
	Total	Metric tonnes	265.64	228.53
Total Scope 2 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	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				

MAX FINANCIAL SERVICES

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

MAX FINANCIAL SERVICES

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)

Place : Noida
Date : May 12, 2023

V Krishnan
(Company Secretary)
M.No. - FCS-6527

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**
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(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)
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DIN No:00761695

Amrit Singh
(Chief Financial Officer)

V Krishnan
(Company Secretary)
M.No. - FCS-6527

Place : Noida
Date : May 12, 2023

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

1. Corporate information

Max Financial Services Limited ("the Company") is a public limited company domiciled in India and incorporated on 24 February, 1988 under the provisions of the Companies Act, 1956. The shares of the Company are listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The Company is primarily engaged in the business of growing and nurturing business investments and providing management advisory services to group companies in India. The registered address of the Company is Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144533

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.

MAX FINANCIAL SERVICES

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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**

MAX FINANCIAL SERVICES

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 equip-ment	Comput-ers	Furni-ture and fixtures	Vehicles	Lease-hold improve-ments	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**

MAX FINANCIAL SERVICES

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**

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

(₹ 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

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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		

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

(₹ 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	-

(₹ 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.

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

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(₹ 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.

NOTES FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS

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

MAX FINANCIAL SERVICES

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

MAX FINANCIAL SERVICES

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)

V Krishnan
(Company Secretary)
M.No. - FCS-6527

Place : Noida
Date : May 12, 2023

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.

2.02Principles 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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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**

MAX FINANCIAL SERVICES

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

MAX | FINANCIAL SERVICES

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**

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.

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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**	**-**	**-**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ 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	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 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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NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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 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**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

(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)**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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**

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.

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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.

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**

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.

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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(₹ 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.

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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:

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:

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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).

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.

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.

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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

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

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	-	-	-	-	-

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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)

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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

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(₹ 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**

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

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**

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**

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					
			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	-	-	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

Strategic Review

Directors' Report

DIRECTORS' REPORT OF MAX LIFE INSURANCE COMPANY LIMITED (THE 'COMPANY' OR 'MAX LIFE')

Your directors are pleased to present the Twenty-Third Annual Report of your Company with the audited accounts for the financial year ended March 31, 2023.

(INR crore)

Particulars	Financial Year 2023 (Apr. 22-Mar. 23)	Financial Year 2022 (Apr. 21-Mar. 22)	Growth %
Financial Performance			
New Business Premium (First Year Premium and Single Premium)	8,960	7,905	13%
Adjusted Individual First Year Premium*	6,025	5,442	11%
Renewal Premium	16,382	14,509	13%
Commission Expenses**	1,614	1,403	15%
Operating Expenses (Policyholders)	3,581	3,019	19%
Shareholders Profit / (Loss) After Tax	435	387	12%
Key Business Parameters			
Solvency Ratio	190%	201%	-1,100 bps
Share Capital (including Reserves and Surplus)	3,547	3,195	11%
Assets Under Management	122,857	107,510	14%
No. of Policies In-Force (individual) ('000s)	4,955	4,774	4%
Sum Assured In-Force	1,397,142	1,174,515	19%
No. of Employees	19,338	15,224	27%
No. of Offices	269	269	0%

*Adjusted First Year Premium = Individual Regular First Year Premium plus 10% of Single Premium **Incl. of rewards

BUSINESS HIGHLIGHTS

Highlights for the financial year (FY) ended March 31, 2023, are as follows:

THE STATE OF THE INDIAN ECONOMY

Over the past three years, the global economy has been hit hard by three major shocks. The COVID-19 pandemic, which started in 2020 was the first shock. Two years later, as the global economy was recovering from the pandemic-induced output contraction, the Russia-Ukraine conflict broke out in February 2022, triggering a sharp spike in commodity prices, which accelerated already high inflationary pressures and caused supply-chain bottlenecks, posing the second challenge. The third challenge emerged as most global central banks undertook monetary tightening to rein in inflation, putting a brake on economic growth. Monetary tightening also drove capital flows to safe-haven US markets and contributed to rising sovereign bond yields across all markets and the depreciation of most currencies against the US dollar.

Global growth data showed remarkable resilience during the uncertain times in 2021-22 and advanced economies came out more or less unscathed as employment remained strong. However, in 2023, the impact of monetary tightening started to materialise and we saw significant stress in the banking sector in the US and Europe. Regulators acted fast and strongly and have so far managed to contain the contagion effects.

The Indian Government refrained from populism and delivered a growth-oriented and 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.

Continuing the trend over the past few years, the budget allocated INR 10 trillion towards capital expenditure for the financial year 2023-24 (FY24), a healthy 33% increase. This will help create more jobs, support non-inflationary growth and also act as an incentive for the private corporate sector to increase investments. According to the Reserve Bank of India's (RBI) surveys, capacity utilisation is increasing and inflation expectations are moderating, which should encourage investments and consumption demand.

Despite the impact of COVID, strong industrial output and rapid vaccination coverage provided strong momentum to India's economy, with estimated GDP growth of 7% for FY23, making India one of the fastest-growing major economies in the world. Today, multiple parameters such as good growth in Goods and Services Tax (GST) collections, growing adoption of UPI-based transactions, positive growth in the Index of Industrial Production (IIP) and growing private consumption point towards an encouraging economic recovery.

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. Such leading developments by India are critical as India now has the largest population in the world.

Backed by overall macroeconomic stability and favourable conditions for economic growth, India is expected to remain one of the fastest-growing nations among the G-20 nations in the coming years. India's presidency of the G20 Summit in 2023 has also reinforced its global stature. Additionally, the IMF has reported that India and China are expected to contribute over 50% of global growth in FY24. Today, there is an encouraging momentum in the Indian economy due to a pick-up in economic activity and a conducive demand environment. The country's sustained growth trajectory is poised to make it an attractive destination for investments. Stronger prospects for manufacturing, services, agriculture and related industries, improved business and consumer confidence, along with accelerated credit expansion are expected to facilitate domestic consumption and investment. The Government's incentives to drive investment in infrastructure and productive capacity are expected to trigger a multiplier impact, enhancing India's potential for further growth and employment generation.

LIFE INSURANCE INDUSTRY OVERVIEW

The banking sector and capital markets have been expanding their reach and this growth has been reflected in the insurance and pension sectors as well. In India, insurance penetration has been steadily increasing, with life insurance penetration being higher than the global and emerging market averages. The insurance market has seen government interventions and a favourable regulatory environment, leading to partnerships, product innovations and dynamic distribution channels. There has been a significant rise in the number of subscribers and Assets Under Management (AUM) across financial institutions. Government measures such as relaxation of Central Civil Services (Pension) Rules, 1972, integration of electronic Pension Payment Order (e-PPO) with DigiLocker and relaxed timelines for submitting Digital Life Certificates have contributed to the sector's growth.

Following are some examples of insurance growth drivers to better protect our population at large:

- **Pradhan Mantri Suraksha Bima Yojana**

  The programme offers beneficiaries risk coverage of INR 2 lakh for accidental death and full disability, as well as INR 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 INR 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 INR 84,659.4 crore.

Future Outlook for Insurance

India's overall insurance sector is experiencing rapid growth and is well-positioned to become the world's sixth largest by 2032. The total insurance premiums in nominal local currency are estimated to witness an average increase of 14% annually over the next ten years, with a real-term growth rate of 9% each year (Source: Swiss Re Institute - India's Insurance Market Report - Jan 23). 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 OVERVIEW

In FY23, Max Life secured a 9.8% market share amongst the private players in terms of individual adjusted first year premium, 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 INR 8,960 crore. Also, in terms of adjusted individual first year premium, your Company recorded a 11% growth to INR 6,025 crore. Further, the renewal premium income (including group) grew by 13%to INR 16,382 crore, taking gross written premium to INR 25,342 crore, an increase of 13% over the previous financial year. Your Company generated a post-tax shareholders' profit of INR 435 crore in FY23, as compared to INR 387 crore in the previous financial year, recording an increase of 12%.

Your Company's Share Capital (including Reserves and Surplus) increased from INR 3,195 crore in FY22 to INR 3,547 crore in FY23, a growth of 11%. The Sum Assured in-force also saw an increase of 19%, up from INR 1,174,515 crore in FY22, to INR 1,397,142 crore in FY23.

THE STATE OF YOUR COMPANY'S AFFAIRS

STRATEGISING FOR CONSISTENT AND PROFITABLE GROWTH

In FY22, Max Life refreshed and shared its 5-year strategy framework (FY21-FY26) with 6 key pillars along with FY26 aspirations. Max Life continued to anchor its strategic initiatives and investments in FY23 around the same.

1. Consistent market outperformance by focusing on priority areas.

a. **Leadership in e-commerce:** Your company aspires to become a market leader in the online life insurance market - both protection and savings categories - through product innovations, entry into new untapped segments, building e-com as a platform to create phygital synergies with offline channels and expanding ecosystem partnerships across the insurance value chain.

b. **Building fastest growing profitable distribution:** Proprietary distribution continues to be a critical focus area for the company, with its aspiration to be among the top 3 players in offline proprietary distribution. Your Company will drive growth through office footprint expansion, adding new business models and propositions, focusing on top advisor growth, agent recruitment growth, and building a high-performance culture.

c. **Leadership in Protection and Wellness:** Protection penetration and Sum Assured coverage continue to be low in the country. Your company aspires to be among the top 3 players in protection and health by creating fit-for-customer value propositions, simplifying onboarding through digitization, and strengthening distribution execution to improve protection penetration.

d. **Building retirement business:** Your Company continues to focus on improving annuity penetration by enhancing the product suite, strengthening distribution execution, digitizing fulfilment journeys for customers, and creating a holistic retirement ecosystem for an improved customer engagement.

Leveraging synergies with Axis Bank - Your Company will continue to drive synergies in the Axis Bank partnership by scaling new-age and untapped channels (e.g. mobile banking, Tele-banking), augmenting deployed manpower in traditional channels, and improving productivity through focused onboarding, training rhythms, and digital-led sales management practices.

Inorganic expansion (M&A) & Business Development - Your Company will continue to explore opportunities to further augment Banca partnerships, along with building proprietary fintech capabilities for accelerated growth.

Digitization for efficiency and intelligence - Your Company continues to pursue its digitization agenda and build artificial intelligence to offer best-in-class customer/distributor service experience and reduce back-office costs. Your Company has launched various digital assets over time, adopted a "Cloud-First Approach" for all new workloads, and has embedded intelligence to drive efficiency. Your Company was the first life insurance partner to go live on the Axis Bank marketplace to ensure seamless customer onboarding.

People Capability - Your Company believes in engaging and retaining top talent, enabling key cultural shifts to drive superior employee outcomes, and building organizational capabilities to prepare for the future.

Creating a sustainable business (ESG) -Your Company had identified imperatives around work, people and community, green operations, and financial responsibility. To ensure that the true spirit of ESG pillars is translated into practice, the company has set ambitious targets under each pillar to track the progress. It has 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 compliance and 80% carbon neutrality by 2028.

STRENGTHENING DISTRIBUTION CHANNELS

Your Company has invested in and nurtured a diverse multi-channel distribution architecture that reaches people across the length and breadth of the country to offer product solutions. With our proprietary channel at the core, the distribution architecture has grown through a strong agency channel, direct employee sales force (Customer Advisory Team), new-age e-commerce online channel, efficient banca distribution, and addition of new relationships that have helped your Company reach its target audience with the best-in-class products and services.

PROPRIETARY DISTRIBUTION CHANNELS

At Max Life, proprietary distribution channels have been the core of consistent growth. This congregation of Agency Distribution, Customer Advisory Team, and e-commerce have combined to enable a stronger growth momentum for your Company, and have ensured exemplary performance in terms of business quality. The proprietary channels recorded a superlative growth of 43% during the year and closed the year with a 36% share in adjusted individual first-year premiums in FY23.

Agency Distribution - Being the oldest and most mature channel, that has been propelling Max Life's growth over the years, your Company launched the multi-year Agency transformation program at the beginning of the financial year to strengthen the channel further and with a vision to be the top 3 growing Agency channels among the top 10 insurers. The seeds sown at the beginning of the year started to fructify and show positive outcomes in Q.4FY23, leading to the agency distribution exit the year with 45% YoY growth, hence, enabling your Company to build a high-growth proprietary distribution by improving the efficiency and productivity of agency distribution. To enhance the scope of business and increase the share of proprietary channels overall, the focus continues to be on growing the top-performing advisors base exponentially along with activation and retention of agent advisors by building a strong performance culture with growth and entrepreneurial mind set.

Within the agency distribution, your Company has carved out the Agency Partners Channel driven by a variable agency model and leverages recruitment through a higher variable construct. This Agency Partners Channel recruited more than 1,165 agency leaders and 4,441 agent advisors during FY23. This model has continued to show promise with strong growth across key performance vectors.

As the Army and Paramilitary personnel of the country remain at the forefront to protect the country, to bring additional focus to this segment, your Company created a specialist team within proprietary distribution to provide relevant life insurance solutions to the armed forces.

Customer Advisory Team - At Max Life, we keep the customer at the core of everything we do as an organization. Hence, no customer is unaided in your organization, where the Customer Advisory Team acts as a specialized team that meets the needs of customers whose agent advisors are no longer part of the Max Life system. The channel continues to be the innovation hub of offline channels, where during the year, your channel experimented with multiple models to enhance customer engagement and experience to incubate new business models to grow exponentially in the coming years by serving the customers who were acquired vide online sales channels, and it continues to lead the 13th-month persistency across your Company's multiple channels and high margins due to productivity enhancement and adroit product mix management.

Online Channel -*The* Indian consumer behaviour has started to evolve over the years. In the past, the consumer used to research online and buy offline. However, today customers are getting increasingly comfortable buying online. In FY23, this channel registered a superlative 51% growth. Your Company has been maintaining leadership position in term plans purchased through life insurers' websites, leading web aggregators, and digital brokers in India. In line with your company's long-term strategy to be the industry leader in the online life insurance space, your Company took a first step towards that journey by launching Industry's first innovation product in the savings segment, and that helped the channel to capture a significant amount of counter share in web aggregators. Besides, Max Life became the first insurer in the industry to offer protection plans to the housewife segment on a stand-alone basis in FY23, which is in line with the organisation's long-term vision of becoming the leader in the protection space.

PARTNERSHIP DISTRIBUTION

Axis Bank - The vision of the Max Life and Axis Bank distribution relationship is to be the most admired bancassurance partnership in the country. With both partners being committed to providing superior value to the customers, the partnership continues to build on the vision of strengthening our position as a top leader in the Indian Life Insurance sector. Despite the implementation of open architecture at the bank, Max Life continued to dominate the life insurance counter in the bank in both individual and group business.

YES Bank-The YES Bank and Max Life bancassurance relationship is one of the oldest relationships in this space, where in FY23, this relationship has completed 17 years of successful partnership. This stands as testimony to both the partners' commitment to growing the business and strengthening the relationship further in the years to come. Despite an open architecture set up in the Bank, the channel holds a dominant share of the individual business.

Other bancassurance partnerships - Our Urban Cooperative Banks' partnership business grew despite being impacted due to the pandemic with the geographic concentration of these brank branch networks in Maharashtra.

In line with the long-term strategy of leveraging inorganic growth (M&A) and **business development** to build a robust distribution footprint, your company decided to re-enter the Broker segment and in a short period tied up with the top 6 offline brokers and entered the bank assurance partnership agreement with Tamilnad Mercantile Bank and Ujjivan Small Finance Bank to distribute Life insurance products in the southern part of the country. Your Company will continue to focus on inorganic growth to grow its distribution footprint sustainably in the years to come.

In FY23, your Company set up a subsidiary company Max Life Pension Fund Management Ltd., aiming to become a leader in the pension business. Max Life Pension Fund Management Ltd. is registered as a Pension Fund Manager (PFM) under Pension Fund

Regulatory and Development Authority (PFRDA) to manage pension corpus for the subscribers of NPS.

CONTINUOUS FOCUS ON OPERATIONAL EFFICIENCY FOR ENHANCING CUSTOMER EXPERIENCE

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 INR 1,242.15 crore during FY23. Since its inception, Max Life Insurance has paid INR 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 in line with our customer obsession to be there when needed.

Long-term customer retention is of critical importance in creating a win-win for customers, distributors, and your Company. Ongoing improvements in our structural solutions and services to improve persistence are one of the key focus areas for your Company. In FY23, the 13th-month persistency of Max Life Insurance was at 84.1% (Premium) and the 61st-month persistency stood at 51% (Cumulative, Premium).

In FY23, your Company also tracked performance on customer engagement and satisfaction through Net Promoter Score (NPS) across key customer touchpoints and at the overall Company relationship level, reflecting the difference between promoters and detractors of a Company. By doing so, your Company has generated greater insights into what delights or detracts customers and recommended our solutions and further implemented corrective actions to ensure that we meet our customers' expectations. During FY23, 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.

PRODUCT INTERVENTIONS TO ENABLE PLANNED PRODUCT MIX

Your Company has a balanced product portfolio with an optimal mix of traditional savings, retirement, unit-linked plans, and pure protection plans.

During FY23, your Company added new products and propositions to its portfolio in all categories. In the Unit-Linked category, we launched a new product, Max Life Flexi Wealth Advantage Plan (FWAP), which returns all charges except Fund Management Changes at maturity. In addition, FWAP is the only plan offering a Whole Life variant with a 5-pay option for the customer, whereas the industry offers 7-Pay onwards. FWAP also offers compelling retirement or child-centric investment propositions with features like smart withdrawals and an inbuilt option Waiver of Premium, respectively. Max Life also launched two new funds in FY23, sharply targeted at two distinct segments-the Sustainable Equity Fund (with a focus in investing in companies complying with ESG principles) and the Pure Growth Fund (with a focus on excluding companies dealing in Banking, Alcohol, Tobacco products).

Max Life offered two unique plans in Guaranteed Space with industry-first propositions. Max Life Smart Wealth Advantage Plan (SWAG) comes with multiple USPs a) SWAG is the most customisable and flexible Guarantee Savings Plan b) Protection as a hero to your guaranteed return story with offerings like Policy Continuance Benefit and 50% additional life cover on accidental death c) Power of instant liquidity with guaranteed income starting as early as the first month.

Max Life Smart Fixed Return Digital Plan (SFRD) is targeted at digital-savvy customers. It comes with the following USPs a) Shortest Policy Term variant - 5 Pay Regular variant b) Lowest penalty for the customer who has discontinued premium payment from the third year onwards c) 100% guaranteed surrender value from the fourth year onwards vs. 70%-80% of the industry norm.

Protection and retirement continued to be key focus areas in FY23. One in four individual policies underwritten by Max Life was a Protection policy. In Protection, Max Life launched two Protection plus savings propositions targeted at the self-employed segment with a low-friction journey. Max Life Smart Flexi Protect Solution (SSES) is a unit-linked solution that offers life insurance up to 300X of annual premium vs. lOXin normal unit-linked plans that offer market-linked returns at maturity. Smart Secure Easy Solution offers 360-degree coverage against death, disease and accident with a return on the base premium at the end of the maturity term.

In the retirement category, Max Life launched a refreshed version of the Guaranteed Lifetime Income Plan (GLIP) with an option of limited and regular premium payment terms targeted towards the pre-retiree segment.

In FY23, Max Life also worked on process innovation in addition to the above-mentioned product innovation. We launched an end-to-end combination journey for enhanced customer experience. A two-product combination in a single policy starting from illustration, proposal form, premium payment, underwriting, policy issuance and policy servicing, including renewals and maturity is offered to the customer to help achieve a particular financial goal.

REINSURANCE ACTIVITY

Reinsurance is an arrangement whereby one party (the reinsurer), in consideration for a premium, agrees to indemnify another party (the cedant) against part or all of the liability assumed by the cedant under one or more insurance policies or under one or more reinsurance contracts. Max Life is a purchaser of reinsurance and operates only on outward reinsurance.

Max Life uses reinsurance as one of the risk management mechanisms to transfer risks (insurance risks, including both mortality and morbidity risk) from our balance sheet onto that of the reinsurer in a way that reduces the volatility and uncertainty of our future results. Additionally, because of the global presence of the reinsurers, they have access to large volumes of data from different markets, based on which they provide their expertise and technical assistance to Max Life on certain product lines.

To appropriately control the reinsurance credit risk, Max Life selects reinsurers with credit rating thresholds (as prescribed by the insurance regulator) to ensure that reinsurers are financially strong and have high creditworthiness. Max Life also monitors the credit ratings and financials of its reinsurers regularly. To control the concentration risk from reinsurance arrangements, it is ensured that the reinsurer business is well-diversified across a minimum of three large reinsurers subject to the prescribed regulatory requirements.

Max Life has appropriate reinsurance arrangements in place that cover risks pertaining to individual businesses as well as group businesses. Additionally, Max Life is also adequately covered for certain types of catastrophe risks. The extent of risk retained by us for each of these arrangements depends on our evaluation of that specific risk and is subject to regulatory requirements, wherever applicable.

COST MANAGEMENT

The operating expenses (policyholders) to net premium ratio increased from 13.7% in FY22 to 14.4% in FY23 due to higher business growth offset by ways of investment in area of distribution and technology capabilities. The cost (Commissions plus total operating expenses) to net premium increased to 20.9% in FY23 from 20.1% in FY22.

DIGITISATION AND INFORMATION TECHNOLOGY - LEVERAGING TECHNOLOGY FOR BUSINESS TRANSFORMATION

Starting in FY22, many initiatives were taken to move towards becoming a truly digital organisation and delivering many industry-first digital processes.

1. **Digital Sales transformation:**

   We have rapidly digitised the sales governance and lead management processes to help build a superior execution-driven sales force. We have implemented activity management processes across all partnerships and proprietary channels. This has led to better sales input, leading to increased sales productivity. We have also implemented a new-age lead management system (LMS) across all partnership channels. This will help improve prospecting, leading to higher lead conversion.

2. **Onboarding:**

We have leveraged AI and automation to drive increased velocity in our issuance as measured through the Paid to Applied (P2A) ratio, resulting in the clear case being at an all-time high. To ensure frictionless underwriting and insta issuance, profile based medical and financial grids and KYC waivers were launched for existing customers. We leveraged digitisation to enhance persistency, control grievances and eliminate mis-selling, where Video POSV (Point of sale verification) was launched. Today, ~23% of business is on VPOSV.

Your Company has brought agility in the new product development cycle, and has reduced the cycle times for new pricing changes from earlier two weeks to two days. It has also increased agility in onboarding new partners. In this financial year, six new brokers and two banks have been onboarded in a record time of two weeks each. We have leveraged a platform approach to build new business models like "CAT Axis" which has enabled cross-sell to existing Axis customer base. This year, we have continued to leverage AI to drive superior risk profile. A superior Underwriting Governance AI model was implemented to ensure no breach of underwriting limits with operational losses and claims repudiation by the reinsurer of >INR 20 crore per annum.

As part of our commitment to a seamless experience with bank partners, we are deeply integrated with Axis Bank Marketplace with the MLI brand store on the Axis mobile app, Net banking and Seller-facing CRM for all bank verticals. All products have been onboarded on the Axis Bank Marketplace. This end-to-end integration has also enabled real-time policy status till issuance for both bank and MLI representatives.

Additionally, the New Insurance System (NIS) - Yes Bank Market Place has been enabled for all products. To diversify, we have also integrated with Yes Bank Spectrum banking for sourcing insurance, which has generated an additional business of ~ INR 1 crore.

3. **Ecommerce:**

Max Life also leveraged the customer on-boarding platform to enable an investment buying journey. The platform, which was built on a digital-first, cloud-native platform using open-source technologies, has helped achieve industry-leading page load performance (less than 3 seconds as verified by Google) and has helped increase the session-to-quote funnel by over 20%. The platform has also helped in attaining a leadership position in SEO, with Max Life being #1 in the top 15 keywords and #2 in the top 500 keywords. Additionally, the launch of the Max Life mobile app and ranking of 15,000 downloads in the first 30 days have opened new avenues for digital scale-up.

4. **Customer services:**

To have a standardised online payment check-out experience across all customer journeys—renewals and new business—a new unified platform was created. The platform has minimised redirection during the payment journey, thereby increasing the overall payment success rates from 67% to 74% for online transactions and improving NPS.

Additionally, the Customer Service Portal (AGRIM) was given a major revamp to ensure a seamless customer experience and best-in-class customer load. This has resulted in a 10-points uplift in website NPS. To ensure a seamless customer experience, a specific QR code was launched for customer servicing, which has enabled frictionless DIY digital transactions. An enhanced automation and digitisation of POS processes has led to an increase in straight through processing from 37% to 52%, while a revamped calling model launched leveraging a state-of-the-art in-house dialler has led to an improvement of 5% in the unique connect rate.

5. **Enterprise Digitisation: (Adopted Cloud Deployment Architecture):**

To simplify travel bookings and raise expenses on-the-go, your Company has launched the Happay Travel and Expenses Mobile App for 19,000+ employees. We have also set up a new subsidiary, Max Life Pension Fund Management Ltd. (PFM), with an Investment Management System (SAP Treasury) and a Corporate Accounting System.

6. **Technology Modernisation:**

   We have continued to bring agility, cost efficiency and scalability to our IT infrastructure through the transformation to cloud-native apps and services and now 56% of our entire IT infra is on the Cloud. We have undertaken major upgrades of all tech stacks related to databases and applications across the system to combat EOL/EOS. Also, Network Transformation to high-speed and high-capacity circuits has been done for all locations to resolve user issues and feedback. The Data Lake Foundation hosts real-time data from onboarding, servicing, sales, core policy admin and enterprise platforms, which has enabled several AI and analytics use-cases like MediCheck, dedupe, etc.

7. **Security**

   For the first time in Max Life, a real-time BCP Drill for three critical functions was performed. Also, a Parallel Drill for other business processes within a record RTO of 17 hours from the target of 24 hours and an RPO of 15 minutes against a target of 120 minutes was undertaken.

   It is the continual focus on security and investments in the areas of penetration testing, threat protection and data protection that have led to an increase in the BitSight Security Maturity Score to 810, which is the best in the industry.

AI Works at Max Life

With a continuous focus on leveraging the power of Data, AI and Analytics, this year we took forward the efforts on full-scale implementation of AI-driven products developed in FY22, along with creating a number of new AI/ML-driven products across the Max Life business value chain.

With a scaled implementation of the Medicheck solution, which is a real-time diagnostic centre fraud identification system to identify fraudulent practices at diagnostic centres, we have identified and delisted ~400 DCs and re-determined risk on policies worth INR 1300 crore.

We have fully integrated the Reassure solution, the comprehensive upfront on-boarding control machine learning model for predicting 13th and 25th month persistency risk, providing real-time upfront risk identification at the time of policy sourcing. This is now being leveraged to identify the high-risk (persistency risk) cases to be triggered for the Video POSV process, ensuring higher due diligence on these cases. This will help us ensure a better-quality incoming book to enhance 13M and 25M persistency.

Taking forward our work on the VOX solution, which leverages the power of Speech AI through linguistic speech models and NLP engines, we have integrated the solution into the e-commerce business sales call centre. The solution is being leveraged to gain insights into customer voice conversations and agent productivity. Insights drawn from the VOX solution, such as customer buying levers, objection handling, competition insights, pitch effectiveness and monitoring the quality of each call, have enabled an improvement of conversation rates by 20 bps for the selected cohort.

Additionally, Redact, the in-house computer vision-based Aadhar masking solution, has been completely deployed and has enabled full automation to comply with the regulator's notification to have Aadhar numbers masked from all customer documents. In the last year, the solution has scanned 22 crore historical documents, masking Aadhaar on 1.5 crore policy documents. This has saved significant costs compared to partner-driven services.

Apart from scaling up and integrating some key solutions into critical business processes, this year we developed a number of high-impact products that are helping us enhance the business value of Max Life.

With a high focus on enabling field sales governance and execution, we undertook the development of Lighthouse - personalised action ability scorecards for field forces to enable higher sales productivity. The lighthouse scorecards are backed by an AI-driven insights engine that analyses sales activity trends and provides actionable insights across inputs (mSmart activities), outputs (business) and business quality metrics (persistency, cancellations and complaints) to each individual sales team member across the entire sales hierarchy. This will help us increase seller productivity and drive revenue and growth targets.

As an initiative to improve the counter share at bank partners, we have developed a machine learning-powered intelligent seller nudge engine, i-Move. The solution enables insights from bank partner sales team performance, customer touchpoints and activity, along with on-ground sales team performance, to provide daily customised intelligent nudges on the WhatsApp for each sales team member, enabling proactive and intelligent actionable.

Focusing on the market conduct initiative for prevention of business leakage and complaints (cancellations and mis-sell-grievance cases), we developed ISA 2.0 - a machine learning-based cancellations and grievance prediction model. The solution proactively identifies customers who have a higher likelihood of cancelling the policy or logging a complaint. This is helping the onboarding team to proactively reach out to customers who are identified as high-risk and connect with them through issuance verification calls to minimise business leakage.

Further strengthening intelligence across the customer onboarding experience, we are working on the development of a Computer vision-based OCR (Optical character recognition) engine that has the capability to accurately read financial documents, validate them and digitise the details automatically, enabling automated document verification and financial underwriting for a specific set of portfolios.

Along with building some of these key solutions mentioned above, we also worked towards building intelligent data products such as VNB Profitability (Value of New Business) Insights and a forecast dashboard, Ratescan -(Investment Risk Identification) by flagging probable dealer misconduct, enabling the identification of opportunities to increase profitability and proactively identifying any potential investment risk.

Recognising our cutting-edge work in the area of AI and Machine learning, this year, Max Life Insurance is recognised as the winner of the overall Celent Model Insurer Award 2023 for the transformative initiatives through the application of Data analytics and AI across the Max Life Insurance business value chain. The award is the most prestigious and sought-after global award for insurance companies across the world.

ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE AT MAX LIFE

There has been a tremendous rise in conscious investors across the country and worldwide who are not only concerned with financial disclosures, but also the non-financial disclosures of the Company. There is no Board Room where discussions around Environmental, Social and Governance aspects are not undertaken.

At Max Life, we keenly take note of the developments occurring in the ESG space and the best practices followed by companies to advance the ESG framework.

Last year, India submitted five nectar elements, famously known as *Panchamrit*, to the United Nations Framework Convention on Climate Change. Max Life does not form part of the energy-intensive sector but recognising the responsibility it owes to its environment and society, it made a commitment to reduce its carbon emissions by 80% by 2028.

We have actively taken efforts for the tree plantation drive and to raise awareness of financial literacy among communities. Further, to sustain a robust corporate governance structure, emphasis is laid on the composition of directors, including the right mix of executive, non-executive and independent directors, the process to adhere to a proper and effective flow of information and maintaining diversity to enhance the effectiveness of the Board.

We encourage the culture to consider ESG as a way of doing business rather than looking at it as a mere regulatory requirement. For this, we have conducted several healthy dialogues with employees, especially the internal stakeholders and the Board, to sensitise them about the importance of ESG.

The four pillars of our ESG framework are:

- Working Ethically and Sustainably
- Care for People and the Community
- Financial Responsibility
- Green Operations

Working Ethically and Sustainably

Your Company has an ESG Management Committee comprising the CEO as the Chair along with the CFO, CIO and CPO as the other members of the said committee. We have also identified a leader to drive the ESG agenda for Max Life.

Max Life's governing committees and governing policies guide the organisation and the employees in their roles and responsibilities. Max Life has a robust mechanism for grievance addressing for employees, consisting of a listening platform, an ethics hotline and disciplinary action policies.

Max Life has a robust cyber security framework in line with regulatory requirements by the IRDAI and the Indian IT Act. Max Life is certified on international standards ISO 27001 and ISO 22301 for information security and business continuity respectively.

Max Life follows robust security practices to protect Personal Information in accordance with the information security and data privacy policy approved by the management. Our privacy policy is available on our website and compliant with the regulatory requirements.

The key to sustainable business is a robust corporate governance framework and adherence to moral business practices. This method enables us to effectively communicate with both internal and external stakeholders, control risk, and foster innovation across the work streams and activities. We constantly work towards earning our customers' trust as their preferred financial partner and ensuring their financial security. With this vision guiding us, we hope to positively impact the nation and propel sustainable growth in our local communities.

Care for People and Community

People are the bedrock of Max Life's success. Building a progressive organisation driven by our purpose of 'Inspiring people to increase the value of their life', remains our North Star. Diversity, equity and inclusion are at the heart of our operations and we had encouraging results in FY23 deploying enabling programmes and initiatives. Today, more than 45% of our sales agents are women, the highest percentage in India's life insurance sector. Our diversity ratios have seen a consistent upward trend and today, women constitute 26% of the organisation's workforce. We will continue to strive in our journey to create a workplace that is diverse and inclusive, where every individual can thrive and grow. Our CSR programmes include several community development programmes that positively impact society. We value societal rights and see it as our responsibility to uphold them. We ensure that people will benefit most from our social activities.

Financial Responsibility

We have a financial obligation to meet our customers' needs for long-term protection and savings, while protecting the interests of other stakeholders. We are conscious of the potential influence that our investments may have on people's lives. To encourage sustainable behaviour that will lead to the creation of wealth, we believe that we must take ESG concerns into account while making investment decisions. We have formulated stringent procedures over the past few years to engage with investee companies on their governance standards under our Stewardship Code of Conduct. We also engage with our customers regularly to address their issues and provide them with best-in-class services.

Green Operations

We ensure appropriate measures are taken to address key areas of concern within the organisation to reduce our environmental footprint. Through internal operations, we engage in addressing issues such as waste management, water conservation, emissions reduction and energy conservation. We also aim to promote best practices across our communities in order to tackle the key issues pertaining to climate change.

By targeting major impact areas within the organisation, we ensure that the necessary steps are taken to address environmental concerns and climate change risks. Our energy management, waste management, water conservation, and emissions reduction efforts help drive India's circular economy.

ENHANCED ENGAGEMENT WITH EMPLOYEES

Max Life believes that the employees' overall well-being represents the core of the business. The Company 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.

VALUES FRAMEWORK

At Max Life, all employees are guided by the following values:

- **CUSTOMER OBSESSION:** Customer at the core
- **GROWTH MINDSET:** Curious to learn, Hungry to win
- **COLLABORATION:** Stronger together
- **CARING:** Respect people, Act with compassion
- **With INTEGRITY at its core**
- **DIVERSITY, EQUITY AND INCLUSION (DEI)**

Over a third of today's workforce is of the millennial and post-millennial generation, or Generation Z. By 2025, this group will make up nearly 75% of the workforce. And an increasing number of millennials believe that organisations have a moral obligation to give back to society in ways that create an inclusive environment. They're placing businesses in charge of leading the way. COVID-19 wiped out years of advances that were made in supporting a diverse workforce; nevertheless, your Company ensured that we continued in our efforts to improve the diversity quotient and create an environment of inclusivity. This year, we also included the concept of 'Equity,' recognising the fact that, for true inclusion, the right resources have to be made available to our diverse employees, thereby creating an equitable playing field in order for them to be successful.

Then comes inclusivity: the degree to which employees are embraced and empowered to make meaningful contributions. This year, we launched a video series from our leaders explaining the concept of allyship and how it contributes to creating an inclusive environment. Being an ally means supporting and helping an underrepresented group of people, even if you are not a part of that group. It means working in solidarity and partnership with them to remove barriers that threaten the group's basic rights, equal access and ability to live and prosper in society.

Diversity, equity and inclusion are at the heart of our operations, and we had encouraging results in this year deploying enabling programmes and initiatives.

Other Efforts

- First insurance company to launch a product for homemakers.
- Utilisation of social media platforms to communicate our beliefs, thoughts and actions around the theme of diversity and inclusion. Sharing employee stories and celebrating success
- Participation in diversity job fairs to support and actively seek diverse candidates
- We marked June Pride Month with a mural painting by the Aravani Art Project, which has transgender artists painting the mural. We also have ensured gender-neutral washrooms on all floors in our new head office in Gurgaon.
- Recognising the International Day of Persons with Disability with performances by two people with disabilities in collaboration with Atypical Advantage
- We supported the CM IWN 7th Edition WomeNation Summit 2022: #BreakTheBias as a Sponsor
- Celebration of our annual DEI Week, which saw:
    - Launch video of DEI Vision featuring the CEO and our diverse set of employees. The video had ~5,000 views, ~14,500 impressions and ~300 reactions to the post on LinkedIn.
    - Panel discussion: "The CEO Perspective on DEI" with Mr. Prashant Tripathy and Ms. RM Vishakha (CEO, IndiaFirst Life Insurance).
    - Training workshop for all SLT members on 'Building Psychological Safety.'

- Panel: Understanding the Rainbow - The LGBTQIA+ Diaspora - a first of its kind conversation around inclusion of LGBTQIA+ community with LGBTQIA role models and leaders.
- National Potluck to celebrate ethnic diversity.
- Performance by Hobby Clubs to promote inter- generational inclusion.

- Two very special and meaningful initiatives were organised on International Women's Day:
  - An open house session with the CEO conducted exclusively for all female employees on Women's Day. All female employees had the freedom to ask the CEO any question and that too anonymously.
  - Kudos Recognition Campaign, where women recognised allies at work.

As an organisation committed to this purpose, through our continued efforts, your Company is trying to cultivate environments that allow each employee, regardless of age, gender, ability, etc., to contribute his /her best selves - and this is what leads to a highly productive and innovative workplace.

INVESTMENT PERFORMANCE

Your Company's assets under management (AUM) were INR 1,22,857 crore as of 31st March 2023. This is a growth of 14% over the previous year. Your Company ensures that its investment assets are managed in accordance with robust asset-liability management guidelines for traditional policies and a market-oriented approach for its Unit-Linked (ULIP) policies. The performance of both traditional and unit-linked funds is commensurate with the risks assumed in the respective funds.

With an endeavour to deliver optimal returns to policyholders, Max Life's investment team follows a disciplined approach. For the traditional policies, funds were invested keeping in mind the safety of capital and stability of returns over the long-term. The debt portfolio of your Company continues to be of high quality, with 96% of the portfolio carrying highest credit ratings of AAA (long-term) and A1+ (short-term). Most of the equity portfolios for Traditional funds and ULIP funds are large-cap-oriented.

Indian equity markets ended the year largely flat as relatively stable domestic macroeconomics were negated by a worsening global growth outlook. The large-cap index ended the year marginally down (-0.6%), while the mid-cap index was up 1.2%. India stood out vis-a-vis its global peers due to resilient demand. Globally, slow growth, high and sticky inflation and the prolonged Russia-Ukraine war impacted investor sentiment. Indian equity markets saw record foreign investor outflows as these investors reallocated to other geographies. However, domestic flows remained supported by domestic institutional and retail investors. Hence, equity markets held on in spite of large outflows by foreign investors.

FY23 witnessed the return of growth and inflation. Despite crude prices correcting from their peak, inflation measured by the Consumer Price Index (CPI) remained elevated. The Reserve Bank of India's (RBI) Monetary Policy Committee (MPC) hiked interest rates by a cumulative 2.5% during FY23 to address the challenge of inflation and changed its monetary policy stance from 'accommodative' to 'withdrawal of accommodation.' Rate increases, along with tight liquidity conditions and hawkish global central banks, led to rising yields in the domestic bond market.

For our participating funds, we increased our investments in long-term bonds in line with liability requirements. We continue to invest in other growth assets like listed equities, high-quality pre-leased commercial real estate with long-term lease commitments, Alternative investment funds, Infrastructure and Real Estate Investment Trusts (InvITs, REITS). We continue to use innovative interest rate hedging tools for non-participating funds that enable us to provide long-term guarantees to our policy holders.

The long-term performance of our ULIP funds remained strong, with above-benchmark returns overall (before fees). The yield on our traditional funds income was in line with the long-term objectives of various plans.

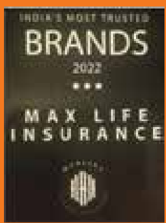
Your Company reviewed the Stewardship Code as prescribed by the IRDAI and stepped-up voting actions across investee companies in the best interests of the policy holders.

AWARDS AND RECOGNITION

Being in the business of building 'Customer Delight', Max Life has always strived to bring the best of experiences to its stakeholders. It is in this regard that our business performance and practices have earned sectoral admiration and have won us multiple awards and recognition. In this fiscal, your Company has won more than 40 awards and recognitions amongst industry forums, including but not limited to the following:

Marquee ICAI Award for Excellence in Financial Reporting – Plaque for Commended Annual Report FY22

Recognised by the Economic Times among Best BFSI Brands 2022



Awarded by WCRCInt among India's most trusted brands 2022

Awarded at the Economic Times Insurance Summit and Awards 2022 under the Swift and Prompt Insurer category

Recognised with the Celent Model Insurer of the Year Award

Awarded at e4m Pride of India Brands – North Conference and Awards

A ROBUST RISK MANAGEMENT FRAMEWORK TO ADDRESS ENTERPRISE-WIDE RISKS

Max Life has a Risk Management Framework (RMF) that enables it to appropriately develop and implement strategies, policies, procedures, and controls to manage different types of material risks. The RMF is Max Life's totality of systems, structures, policies, processes, and people that identify, measure, monitor, report, and control or mitigate all internal and external sources of material risk. This framework provides reasonable assurance to the management that each material risk is being prudently and soundly managed in regard to the size, business mix, and complexity of Max Life's operations.

The RMF is maintained by the independent risk management function, headed by the Chief Risk Officer, who reports directly to the Chief Executive Officer (CEO) of the Company. He also has direct access to the Board and the Risk Committee of the Company to share his independent view of key risks affecting the Company.

Under RMF, the risk function is responsible for the supervision of all risk management activities in the Company, including:

1. Review of the Risk Appetite Statement (RAS), which states the material risk and the degree of risk that Max Life is prepared to accept.
2. Appropriateness and adequacy of the Risk Management Strategy (RMS) that states Max Life's strategy to address the material risks and the policies and procedures supporting the management of the material risks in Max Life.
3. Internal Capital Adequacy Assessment Process.
4. Ensuring through various management submissions, that the Board is adequately informed on top risks and key emerging risk-related issues and, if necessary, providing supplementary advice to the Board through the Risk Committee.

Max Life's Risk Management Policy sets the broad contours of the management system, which is used to identify, assess, monitor, review, control, and report risks and controls within the Company. It is also the Company's policy that risks should be managed systematically, with the process of risk management well-defined and its various elements properly integrated. The implementation of the RAS is a continuous cycle of improvement over the Company's existing risk management elements.

Max Life continues to progress well on its vision of a mature state of risk culture where every individual takes responsibility for risks and has a thorough understanding of all risk tolerances.

The Company's overall approach to managing risks is based on the 'Three Lines of Defence' model, with 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 the risk environment and put in place appropriate controls to mitigate such risks or avoid them. The risk management function, along with the compliance function, forms the second line of defence. The internal audit function, guided by the Audit Committee, is the third line of defence and provides independent assurance to the Board.

The statutory auditors and regulatory oversight aided by the Appointed Actuary in his fiduciary capacity are also construed to provide an additional third line of defence. The entire implementation is monitored both at the management level and by board-level committees and the overall risk management framework and its effectiveness are subject to periodic assurance reviews.

The business continuity team under the risk management function works proactively to ensure business continuity while giving primacy to the safety and security of our people.

NUMBER OF CASES FILED AND THEIR DISPOSAL UNDER SECTION 22 OF THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed to providing a safe working environment for all and in particular, to eliminating sexual harassment against women in the workplace. Your Company is very sensitive to any complaints related to sexual harassment and has a well-defined policy on the prevention of sexual harassment against women in the workplace.

During FY23, your Company received 23 complaints under the sexual harassment category. All these complaints were investigated and 18 were closed. The investigation of the remaining five complaints is in progress and the same will be closed within the prescribed timelines. Your Company is compliant with respect to making the requisite filings with the competent authority in this regard.

Further, 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.

In addition, 15,385 employees were certified on Prevention of Sexual Harassment (POSH) via an e-learning module and Annual Compliance Exercise (ACE) and 149 training sessions were conducted through various interventions like new employee induction, refresher training and digital platforms.

NAME OF COMPANIES THAT HAVE BECOME OR CEASED TO BE ITS SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR, ALONG WITH REASONS THEREOF

No Company has become or ceased to be a subsidiary, joint venture or associate Company of your Company during the year.

MAX LIFE PENSION FUND MANAGEMENT LIMITED

In FY23, your Company has announced the receipt of the Commencement of Business (COB) Certificate for its wholly owned subsidiary - 'Max Life Pension Fund Management Limited.' The Pension Fund will manage pension assets for private sector and government sector subscribers. With this development, the Company and Pension Fund will now cater to all product categories including pension products, annuities, and pension fund management to help customers plan their retirement. This wholly owned subsidiary of Max Life Insurance aims to manage pension fund assets under the National Pension Scheme (NPS).

GENERATING INSURANCE AWARENESS AMONG CUSTOMERS

Max Life believes that it is important that Indian consumers 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. During FY23, Max Life led the industry initiative on insurance awareness. This was supported by digital and social media initiatives and PR campaigns. Max Life supported this industry initiative through its continued work towards increasing life insurance awareness amongst its existing and prospective customers.

Your Company worked on four specific themes:

Campaign on the benefits of life insurance

Max Life is working diligently to drive life insurance awareness amongst people through varied media that include mass media campaigns, social media, public relations, knowledge articles on online portals and Max Life's website.

In FY23, the Company initiated the Protection Campaign featuring our new brand ambassadors - Indian cricket team captain Rohit Sharma and his spouse Ritika Sajdeh, which led to the highest ever brand consideration score of 71 for FY23. The last quarter of FY23 saw Max Life enter into a partnership with the Mumbai Indians (MI) in the first-ever Women's Premier League (WPL) 2023 and the men's team in the Indian Premier League (IPL). These partnerships continued to give us an opportunity to carry our insurance awareness messages to a larger audience and drive on-the-ground partner engagement.

Today's customers are looking for information on the go and heavily rely on the perceptions they form based on their online research. Naturally, social media has become an integral part of the lives of a large part of the Indian population. Max Life continues to increase its reach through its own social media handles to educate the public at large about the importance of life insurance as a financial solution for protection and meeting life stage needs. In FY23, Max Life reached out to 37,99,38,401 people, through 182 static and 67 video posts on Youtube, Facebook, Linkedin and Instagram. In addition, 183 knowledge articles related to life insurance were published on Max Life's official website and 423 on third-party websites, reaching 1,10,19,430 people.

Continuing with its commitment to making India aware of the benefits of Life Insurance, Max Life reached a milestone with the fifth edition of its marquee consumer survey, the India Protection Quotient (IPQ), in partnership with Kantar. Conducted entirely online, the India Protection Quotient 5.0 surveyed 4,610 respondents across 25 Indian cities [between November and December 2022], making this one of the most comprehensive financial studies on understanding India's life insurance awareness. This was followed by the launch of the first sub-edition of IPQ with rural insights on the protection quotient and awareness of India's rural populace. Besides the organic media reach of 88 lakh print readers and 25,500 lakh online readers, IPQ 5.0 was featured in Linkedin News India, which reaches more than 43 million readers in 96 countries and 9 languages and featured in the 'Economy Wrap' column of the FICCI monthly newsletter. First launched in 2019, the study was also conducted during the most uncertain and challenging times of the pandemic and has so far reached out to more than 30,000 respondents in seven different surveys.

Beginning with a Protection Quotient of 35 in 2019, India has come a long way. As per the latest edition of the IPQ survey, urban India showcased a positive movement, climbing up 8 points on the Protection Quotient to 43 (as per IPQ 5.0) from IPQ 1.0, signalling steady progress in the country's overall insurance awareness levels. The highest progress was seen in awareness of life insurance products, with a more than 45% rise in the Knowledge Index since IPQ 1.0. According to IPQ 5.0, with respite from health-related worries, urban India has begun reprioritising investments in savings plans for life insurance showcasing sustained growth in ownership, up from 24% in IPQ 1.0 to 38% in IPQ 5.0, while term plan 1 adoption rates have grown ~50% in 5 years.

Campaign focusing on the protection of consumers

Fraudulent activities and spurious calls to defraud life insurance consumers are a reality that the life insurance industry continues to tackle through individual and joint efforts. During FY23, messages related to protecting oneself from such activities were shared with your Company's existing policyholders by incorporating such messages in most customer communication. Similar information was also shared through SMS and articles with policyholders.

Campaign for customers

Max Life offers a variety of plans and policies that can help meet the financial requirements of our large customer base. Your Company regularly shares relevant details about life insurance through direct mail with our existing customer base that is contactable through email. Keeping customer awareness and engagement as the prime focus, we celebrate Super Customer Week every month. These sessions have helped our customers understand more about life insurance benefits by connecting with them every month digitally through various emails and SMSs. During these week-long sessions every month, multiple activities were carried out digitally through which customers were educated about the need for the protection, benefits of various life insurance plans, and tax savings through life insurance.

Campaign for the underprivileged, rural and socially backward

Max Life continued steering the insurance awareness campaign with active support of a social enterprise called Haqdarshak. The project includes the identification of women volunteers from the local community and training them as representatives, who in turn educate the community on government welfare and insurance schemes-based entitlement.

Camps and door-to-door activation were driven across 5 blocks of Haridwar (Bahadrabad, Bhagwanpur, Khanpur, Laksar, Narsan) and 6 blocks of Purbi Singhbhum (Patamda, Potka, Boram, Ghatshila, Dumaria, Musabani). The intent of the activities was to highlight the social security programmes aiming to bring the excluded under the fold of formal financial services, such as the Jan Dhan Yojana, the Pradhan Mantri Suraksha Bima Yojana (PMSBY), the Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) and the Atal Pension Yojana (APY). In FY23, over 1.7

lakh individuals were reached through door-to-door mobilisation and 125 camps, leading to more than 50,000 direct beneficiaries of various government financial welfare schemes.

For FY23, your company insured 37,56,877 lives in the social sector, well above the prescribed minimum and 21% of its premium was sourced from the rural sector.

CORPORATE SOCIAL RESPONSIBILITY

Your Company and its directors firmly believe that the ultimate objective of Max Life is to contribute to the well-being of the society in which it operates. While your Company is focused on education, healthcare, environment protection, financial literacy and insurance awareness, our employees volunteer initiatives saw great impetus driving various CSR activities across the country.

During FY23, Max Life supported 8 leading NGOs towards social, emotional and ethical learning, benefiting 24,768 children directly and additionally, more than 18 lakh students in Delhi, 89 lakh plus students in Madhya Pradesh and 7.41 lakh students in Tripura were reached indirectly through an NGO partner, the Education Alliance. Through these NGOs, support was also provided for the training of 44 fellows, 2,39,164 teachers, and 98 community members.

Intending to participate in and contribute to diverse community service initiatives, Max Life Insurance CSR, Pehal, continued with significant momentum in FY23. Overall, through various initiatives under Pehal, the Company was able to positively impact approximately 1 lakh beneficiaries across the country.

The obligatory spend for FY23 was INR 6.16 Cr. and the company went above the minimum spend and spent an additional discretionary amount of Rs. 3.84 Cr., thereby arriving at a total spend of 10 Cr.

Financial Literacy and Insurance Awareness

Max Life partnered with Haqdarshak, a social enterprise that conducts financial literacy and insurance awareness camps in Haridwar (Uttarakhand) and Purbi Singhbhum (Jharkhand).The project trained 264 citizens from the local community to enrol eligible citizens into government welfare and insurance schemes of which 70% were women, thus creating sustainable livelihood for them and positively impacting over 5 lakh beneficiaries.

Environment Conservation

Metro greening project with Gurugram Metropolitan Development Authority (GMDA): The greening and maintenance work of the central verge of the 4.5 km stretch from IFFCO Chowk, Gurugram to the Delhi border was completed as per plan. A total of 17,500 saplings were planted during this period resulting in carbon sequestration of ~3,000 kilograms.

Afforestation Project at Wazirabad and Pachgaon with GMDA

Sapling plantation and maintenance work at the Wazirabad Lake site and the Pachgaon site was undertaken and approximately 81,000 saplings of 32 species were planted at these sites, sequestering ~14,000 kilogrammes of carbon. A former garbage dump yard was converted into a green lung for Gurugram, with a water body in the centre as well. Our project has resulted in the eco-restoration of that site, with many bird species sighted there.

Joy of Giving - Office activities: Our employees gain a sense of purpose when they volunteer for a social cause. Enabling social impact through volunteerism not only helps them feel more connected, productive and purposeful but also drives happier, more engaged humans.

Some of the key highlights under 'Joy of Giving' in FY23:

- 80+ volunteering activities were conducted on the selected themes of Education, Environment and Financial Literacy
- Reached out to 42,500 beneficiaries (including children, women, the elderly, people with disabilities)
- Supported three skill centres in Kolkata, Kupwara and Dehradun, which enabled income enhancement for women.

In line with the requirements under Section 135 of the Companies Act, 2013, your Company contributed INR 10 crore towards these CSR activities during FY23 through its execution partner, Max India Foundation and through the Company directly. The detailed Annual Report on the CSR activities undertaken by your Company is placed in **Annexure II.**

CORPORATE GOVERNANCE

Your Company has an optimum combination of executive, non-executive and independent directors on its Board, which comprises 2 executive directors, 8 non-executive (non-independent) directors (including one-woman director) and 4 independent directors. Your Company believes that a well- informed and independent Board is essential to ensuring the high standards of corporate governance. Your Company has had a woman Director on its Board even before this became a mandatory requirement and continues to benefit from a diversified board composition.

Max Life's corporate governance philosophy stems from its belief that corporate governance is an integral element in managing the Company's operations and growth as well as enhancing investors' confidence. The Company's corporate governance philosophy is set out as follows:

"As a good corporate citizen, the Company is committed to sound corporate practices based on compliance, openness, fairness, professionalism and accountability in building the confidence of its various stakeholders, including policyholders, distributors, shareholders, regulator and employees, thereby paving the way for its long-term sustainable success."

The Company's corporate governance philosophy is based on the following principles:

Satisfying the spirit and not just the letter of the law.

- Going beyond the law in upholding corporate governance standards.
- Driving the business on the basis of the belief that 'when in doubt, disclose.'
- Maintaining transparency and a high degree of disclosure.
- Making a clear distinction between personal convenience and corporate resources.
- Communicating externally in a truthful manner about the Company's financial results and operational practices.
- Having a simple and transparent corporate structure driven by business needs.
- Embracing a trusteeship model in which the Management is the trustee of the shareholders' and policyholders' funds.

Your Company believes in sustainable corporate growth that emanates from the top leadership down through the organisation to the various stakeholders, which is reflected in its sound financial system, enhanced market reputation and improved efficiency. Our corporate structure, business, operations and disclosure practices have been strictly aligned with our corporate governance philosophy. Transparency, accountability, fair treatment of policyholders and open communication with all our stakeholders are integral to our functioning.

For Max Life, adherence to corporate governance stems not only from the letter of the law but also from our inherent belief in doing business the right way. Corporate governance encompasses practically every sphere of management in your Company, from action plans and internal controls to performance measurement and corporate disclosures.

Your Company remains committed to excellence in its corporate governance and recognises that it is the result of value-driven leadership and high standards of accountability, transparency and ethics across your Company.

Further, your Company confirms that we are compliant with the applicable provisions of the Companies Act, 2013, the Insurance Act, 1938 and the Secretarial Standards issued by ICSI.

In line with the requirements under the IRDAI Corporate Governance Guidelines **('Guidelines')** issued by IRDAI dated May 18, 2016 and subsequent amendments till date, the disclosures under the Guidelines are made in **Annexure I.**

Your Company's commitment to corporate governance is also reflected in the composition and structure of its Board of Directors, as enumerated in **Annexure I.**

Your Company believes in implementing the highest standards of governance and transparency across all spheres of its operations, be it in the areas of disclosure, compliance, dealing with stakeholders, including its customers, vendors and employees or paying back to society through CSR initiatives. Your Company gives utmost importance to regulatory and statutory compliance and in this pursuit, it has implemented an automated Compliance Management System (COMS) across all of its corporate functions and in all the offices across India, thereby establishing accountability and ownership and strengthening the compliance culture across the organisation.

BOARD OF DIRECTORS AND COMMITTEES

There were conscious efforts to continue to strengthen the Board of Directors in terms of its diversity, effectiveness and corporate governance. No changes were made in the board composition of your Company during the year.

In accordance with the provisions of the Companies Act, 2013, Mr. Rajesh Kumar Dahiya, Mr. Rajiv Anand and Mr. Subrat Mohanty shall retire by rotation, and being eligible, have offered themselves for re-appointment in the ensuing annual general meeting.

A resolution seeking the re-appointment of Mr. Rajesh Kumar Dahiya, Mr. Rajiv Anand and Mr. Subrat Mohanty has been included in the notice convening the forthcoming annual general meeting of your Company.

The details regarding the number of meetings of the Board and its Committees as required under Section 134(3)(b) of the Companies Act, 2013 also form a part of **Annexure I.**

KEY MANAGERIAL PERSONNEL ('KMP') U/S SECTION 203 OF THE COMPANIES ACT, 2013

During the financial year 2022-23, the following employees of your Company held the position of key managerial personnel:

1. Mr. Prashant Tripathy as Managing Director and CEO;
2. Mr. V. Viswanand as Deputy Managing Director (Whole-time director);
3. Mr. Amrit Pal Singh as Chief Financial Officer;
4. Mr. Anurag Chauhan as Company Secretary.

CHARTER OF BOARD AND VARIOUS COMMITTEES AS A MEASURE OF INTERNAL GOVERNANCE

With a view to following sound corporate practices based on compliance, openness, fairness, professionalism and accountability in building the confidence of its various stakeholders, your Company has adopted the charter of the Board, which defines the respective roles, responsibilities and authorities of the Board of Directors (both individually and collectively) and of the Management in setting the direction, management and control of the Company.

Further, each committee of the Board operates within its own defined charter, which sets out the specific roles and responsibilities of each committee. The committees are constituted to discharge their statutory duties and responsibilities as required under various applicable laws as may be amended from time to time. Each committee has a board-approved charter to ensure oversight of important policy issues outside the main board meetings.

The charter of the Board and Committees are reviewed at periodic intervals.

ANNUAL EVALUATION

For FY23, the annual evaluation of the performance of the Board, the committees, individual directors, including independent directors and the chairman has been carried out in line with requirements under the Companies Act, 2013. This was carried out by obtaining feedback from all directors through an online survey mechanism/ hard copy questionnaires. The outcome of the said performance evaluation was placed before the nomination and remuneration committee of your Company and the Board on May 12th, 2023, respectively.

In addition, the independent directors met separately without the attendance of non-independent directors and members of management, wherein they discussed and reviewed the performance of non-independent directors, the Board as a whole and also the performance of the chairman of the Company. They further assessed the quality, quantity and timeliness of the flow of information between the Company's management and the Board. Overall, the independent directors expressed their satisfaction with the performance and effectiveness of the Board, individual non-independent board members, and the chairman, as well as with the quality, quantity and timeliness of the flow of information between the Company management and the Board.

A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (7) OF SECTION 149 OF THE COMPANIES ACT, 2013

Your Company has received declarations from the independent directors of the Company confirming that:

i) They meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

ii) They have duly complied with the provisions of sub-rules (1) and (2) of Rule 6 of the Companies

(Appointment and Qualification of Directors) Rules, 2014, i.e., inclusion of their names in the databank for independent directors.

DECLARATION BY THE DIRECTORS REGARDING FIT AND PROPER CRITERIA AS PRESCRIBED UNDER IRDAI REGULATIONS

All the directors of the Company have confirmed that they satisfy the 'Fit and Proper' criteria as prescribed under regulation 5.3 of the IRDAI Corporate Governance Guidelines.

CONTRACTS OR ARRANGEMENTS WITH RELATED PARTY U/S 188(1) OF THE COMPANIES ACT, 2013

All the related-party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. The requisite disclosure of the related party transactions has been made in the notes to accounts of your Company's financial statements for FY23. In addition, the particulars of contracts or arrangements as entered into with related parties of your Company are enclosed herewith in the prescribed format, i.e., Form AOC-2, as **Annexure III.**

ANNUAL RETURN AS PROVIDED UNDER SUB-SECTION (3) OF SECTION 92 OF THE COMPANIES ACT, 2013

In line with the Companies Act, 2013, a copy of the annual return for FY22 is placed on the website of the Company, which can be viewed on weblink:

https://www.maxlifeinsurance.com/content/dam/corporate/public-disclosures/2022-23/Q4-FY-22-23/Annual Return FY 2022-23.pdf

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF A DIRECTOR AND OTHER MATTERS PROVIDED UNDER SUB-SECTION (3) OF SECTION 178 OF THE COMPANIES ACT, 2013 AND IRDAI GUIDELINES ON REMUNERATION OF NON-EXECUTIVE DIRECTORS AND MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER/ WHOLE-TIME DIRECTORS OF INSURERS DATED AUGUST 05, 2016

Your Company has a relevant framework and a nomination and remuneration policy as required under Section 178 of the Companies Act, 2013, the Insurance Act, 1938, IRDAI Corporate Governance guidelines, guidelines issued by IRDAI on remuneration of non-executive directors, managing director, chief executive officer and whole-time directors dated 5th August 2016 (the 'Remuneration Guidelines'). Any shareholder, interested in obtaining a copy of the policy may obtain it from the official website of the Company. The Nomination and Remuneration Policy is enclosed herewith as Annexure **IV.**

Qualitative Disclosure:

a. Information relating to the design and structure of remuneration processes and the key features and objectives of remuneration policy

   The level and composition of remuneration are reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully. The interests of the CEO, MD and WTD are aligned with the business strategy and risk tolerance and adjusted for risk parameters as mentioned in the Nomination and Remuneration Policy. The remuneration of the Managing Director and CEO/Dy. Managing Director is inclusive of fixed pay, perquisites, bonuses, allowances, short-term and long-term incentives, retirals (superannuation or any other pension plan, gratuity, provident fund), Employee Phantom Stock Option, severance package (by whatever name called) and other components.

Your Company's remuneration structure does not have guaranteed a bonus of any kind as part of the remuneration plan of the CEO, MD and WTD, except a sign-on or joining bonus, if required.

b. Description of the ways in which current and future risks are taken into account in the remuneration processes

Remuneration of the Managing Director and CEO/Dy. Managing Director will be linked to performance parameters such that it is adjusted for all types of risks like persistency, solvency, grievance redressal, expenses of management, claim settlement, claim repudiations, overall compliance status and overall financial position such as net-worth position, asset under management (AUM) and so on. Remuneration outcomes are symmetrical with risk outcomes. The pay outs are sensitive to the time horizon of the risk. The pay mix should be consistent with risk alignment. The total payout of variable pay will be directly proportional to the financial performance of the Company and the risk parameters mentioned above. In case there is deterioration in the same, the variable payout will contract in accordance with the adjustment for these parameters.

c. Description of the ways in which the insurer seeks to link performance during a performance measurement period with levels of remuneration.

The relationship of remuneration to performance is clear, meeting appropriate performance benchmarks and being consistent with the 'pay-for-performance' principle. Remuneration to directors and key managerial personnel involves a balance between fixed and incentive pay reflecting short- and long-term performance objectives, appropriate to the workings of the Company and its goals. The Nomination and Remuneration Committee (NRC) and Board track the performance of the risk parameters of the relevant line of business every year. In the case of negative performance, the NRC/ Board will review the same and based on appropriate facts, may consider appropriate measures for clawback. For further details, please refer to the Nomination and Remuneration Policy.

Quantitative Disclosure:

a. Number of MD/ CEO/ WTDs having received a variable remuneration award during the financial year:

2 (Two) namely - Mr. Prashant Tripathy, Managing Director & CEO and Mr. V. Viswanand, Dy. Managing Director

b. Number and total amount of sign on awards made during the financial year: Nil

c. Details of guaranteed bonus, if any, paid as joining/ signing bonus: Nil

d. Total amount of outstanding deferred remuneration, split into cash, shares and share linked instruments and other forms:

Nil, except the grant of ESOP/ PSP, amount of which cannot be ascertained at this stage

e. Total amount of deferred remuneration paid out in the financial year:

Nil except for the exercise of PSP units, if any, amount of which is mentioned elsewhere in this report

f. Break up of amount of remuneration awarded for the financial year to show fixed and variable, deferred and non-deferred:

As mentioned elsewhere in this report

SECRETARIAL AUDIT REPORT

Your Company, in a meeting held on October 19, 2022, appointed M/s Chandrasekaran Associates, Company Secretaries, Delhi, to conduct a secretarial audit for FY23 as per the requirement under Section 204 of the Companies Act, 2013. M/s Chandrasekaran Associates has shared its report for FY23 in the prescribed format, i.e., form no. MR-3, which is enclosed herewith as **Annexure V** for your reference.

DIRECTORS' COMMENTS ON QUALIFICATION, RESERVATION, DISCLAIMERS AND ADVERSE REMARKS

(a) Statutory Audit

Joint Statutory Auditors, i.e., M/s Fraser and Ross, Chartered Accountants and M/s. B. K.

Khare and Co., Chartered Accountants, have no qualification, reservation, disclaimers or adverse remarks in their joint auditors' report for FY23.

(b) Secretarial Audit

M/s. Chandrasekaran Associates, Company Secretaries, Delhi, Secretarial Auditors of the Company, have mentioned the details of penalty/ fine levied by Insurance Regulatory and Development Authority of India (IRDAI)/ National Stock Exchange of India Limited (NSE) respectively during the year and have no other qualification, reservation, disclaimers or adverse remarks in the Secretarial Audit Report for FY23. The said details can be referred from the report attached as Annexure V.

The Board noted the same and instructed the Management to be more cautious in meeting the timelines of compliances with applicable laws, adhere with the instructions of IRDAI and to comply with the provisions of applicable laws in letter and spirit.

DEMATERIALISATION OF SECURITIES:

The status of dematerialisation of shares of the Company as of March 31, 2023, is given below:

Mode of holding	% to paid-up capital
Electronic	100.00% (approx.)
Physical	0.00%(approx.)
Total	100.00 (approx.)

Further, the non-convertible debentures issued by the Company on August 2, 2021, are in dematerialised form.

The Company confirms that the entire holding of securities of its promoters, directors and key managerial personnel is in dematerialised form and the same is in line with Rule 9A of the Companies (Prospectus and Allotment of Securities) Rules, 2014.

SHAREHOLDERS DIVIDEND

No dividend was declared or paid during FY23 by your Company. **PARTICULARS OF DEPOSITS** Your Company has not accepted any deposits under Section 73 of the Companies Act, 2013.

ISSUE AND LISTING OF NON-CONVERTIBLE DEBENTURES

In August 2021, your Company has issued the 4960 numbers of Non-convertible debentures of INR 10,00,000 each @ 7.50% annual interest and raised INR 496.00 crore. The said debentures are listed on National Stock Exchange of India Limited.

During the year, the Company has paid an interest of INR 37.2 crore to the debenture holders.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE 2013 ACT

In accordance with Section 186(II)(a) of the Companies Act, 2013, read with clarification issued by t h e Ministry of Corporate Affairs on February 13, 2015, Section 186 does not apply to an Insurance Company. Accordingly, your Company does not have any loan given, investment made, guarantee given, or security provided as required under Section 186 of the Companies Act, 2013.

CHANGE IN THE NATURE OF BUSINESS DURING THE FINANCIAL YEAR

There was no change in the nature of business during the financial year.

MATERIAL CHANGES AND COMMITMENT

During the year, there were no material changes and/ or commitments that had an effect on the financial position of the Company, except as mentioned elsewhere in this report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN THE FUTURE

There were no significant and material orders passed by the regulators, courts or tribunals impacting the going concern status or the Company's operations during the year as well as in the future.

AUDITORS

The joint statutory auditors of the Company viz; Fraser and Ross, Chartered Accountants and M/s B.K. Khare and Co., Chartered Accountants, shall retire at the conclusion of the ensuing Annual General Meeting ('AGM').

Further, the 10 years' term of M/s Fraser and Ross, Chartered Accountants is ending in the ensuing AGM in line with the applicable provisions of the Companies Act, 2013 and the Insurance Act, 1938 and it is now proposed to appoint M/sS.R. Batliboi and Co. LLP, Chartered Accountants in place of M/s Fraser and Ross as the Joint Statutory Auditors of the Company for the period of five (5) years, from the conclusion of the ensuing 23rd AGM till the conclusion of the 28th AGM to be held in FY29.

M/s B.K. Khare and Co., Chartered Accountants, have provided services as Joint Statutory Auditors of the Company for the last 8 years and they are proposed to be re-appointed for the period of one (1) year from the conclusion of the ensuing 23rd AGM till the conclusion of the 24th AGM to be held in FY25.

The Company has received the required declarations, consent letters and eligibility certificates from M/s B.K. Khare and Co. and S.R. Batliboi and Co. LLP. The proposed Joint Statutory Auditors 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 Sections 141 and 144 of the Companies Act, 2013 and the IRDAI Corporate Governance Guidelines.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of your Company confirms that:

a. In the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards were followed along with a proper explanation relating to material departures;

b. The directors had selected such accounting policies, applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit and loss 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 Companies Act, 2013, for safeguarding the assets of your Company and preventing and detecting fraud and other irregularities;

d. The directors had prepared the annual accounts on a going-concern basis; and

e. The directors had laid down internal financial controls to be followed by the Company and such internal financial controls were adequate and operating effectively;

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.

REPORTING OF FRAUD BY AUDITORS OF THE COMPANY UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013

No frauds have been reported by the auditors of your Company to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013.

MAINTENANCE OF COST RECORDS

The maintenance of cost records for the services rendered by the Company, as specified by the Central Government under Section 148 of the Companies Act, 2013, is not required.

DETAILS OF THE DEBENTURE TRUSTEE

Name of the Debenture Trustee: IDBI Trusteeship Services Limited **Contact details of IDBI Trusteeship Services Limited as notified to the Company as of date:**

Address: Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai - 400 001

Phone: 022 40807000
Contact Person: Mr. Aditya Kapil
e-mail: itsl@idbitrustee.com

ADDITIONAL INFORMATION

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, for the year ended March 31, 2023, is as follows:

A.	Conservation of energy	NA
B.	Technology absorption	As below
C.	Foreign Exchange Earnings/Inflow and Outflow	Year ended 31.03.2023 (INRcrore)
	Earnings/Inflow (including equity infusion)	Will be inserted
	Outgo	Will be inserted
	Activities relating to exports, initiatives taken to increase exports, develop new export markets, export plans, etc.	NA

REPORTING OF FRAUD BY AUDITORS OF THE COMPANY UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013

No frauds have been reported bytheauditorsof your Company to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013.

MAINTENANCE OF COST RECORDS

The maintenance of cost records for the services rendered by the Company, as specified by the Central Government under Section 148 of the Companies Act, 2013, is not required.

ACKNOWLEDGMENTS

Your directors take this opportunity to express their sincere thanks to valued customers for their continued patronage.

Further, the board of directors wishes to place on record their deep appreciation for the hard work, dedicated efforts, teamwork and professionalism shown by its employees and agent advisors, its corporate agents and other intermediaries, channel partners and vendors, which have enabled your Company to establish itself amongst the leading private life insurance companies in India.

Your directors also express gratitude to the Insurance Regulatory and Development Authority of India, the Reserve Bank of India, Pension Fund Regulatory and Development Authority of India, the Central and State Governments, the co-promoters, Max Financial Services Limited, Axis Bank Limited, Axis Capital Limited and Axis Securities Limited, for their continued cooperation, support and assistance.

For and on behalf of the Board of Directors

Prashant Tripathy
Managing Director and CEO
DIN:08260516

V. Viswanand
Deputy Managing Director
DIN:08260553

Date: May 12,2023
Place: New Delhi

"CERTIFICATION FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES"

I, Anurag Chauhan, hereby certify that Max Life Insurance Company Limited has complied with the corporate governance guidelines for Insurance Companies as amended from time to time and nothing has been concealed or suppressed.

Anurag Chauhan
Company Secretary
(Membership No. F9899)
Place: Gurugram Date: May 12, 2023

LIST OF ANNEXURES

S. No.	Particulars	Relevant Rules	Relevant Form	Annexure No.
1.	Disclosures for Financial Year 2022-2023	IRDAI Corporate Governance Guidelines	-	**1**
2.	Annual Corporate Social Responsibility Report	Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Report) Rules, 2014	Prescribed format as per Annexure to the Companies (Corporate Social Responsibility Report) Rules, 2014	**II**
3.	Contracts and arrangements with Related Parties	Section 188(1) read with Section 134(3)(h) of the Companies Act, 2013	Form AOC-2	III
4.	Nomination & Remuneration Policy	Section 178(4) of the Companies Act, 2013 read with Section 134(3)(e)	NR Policy	**IV**
5.	Secretarial Audit Report	Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014	Form MR-3	**V**

ANNEXURE I: DISCLOSURES AS PER THE CORPORATE GOVERNANCE GUIDELINES

Following are the disclosures as mandated by the Corporate Governance Guidelines:

a. **Board of Directors:** The Board of Directors (individually and collectively) is responsible to act in the best interest of the Company, its Policyholders and Shareholders. In discharging their duties, the Directors comply with the Code of Conduct as adopted by the Board. The Directors attend and actively participate in Board meetings and Committee meetings in which they are members.

The Board of Directors primarily reviews the Company's strategic direction and annual financial plan, monitors Company's performance, counsels management on business related matters, monitors and manages potential conflict of interests between management, Board and shareholders, approving frameworks and policies and monitors their implementation, monitors the effectiveness of Company's governance practices, provide oversight of the integrity of financial information and that of legal & compliance related matters.

During FY23, the Board of Directors met four times as follows and the time gap between two successive Board meetings did not exceed 120 days:

May 10, 2022
August 1, 2022
October 19, 2022
January 31, 2023

Number of Board meetings held and attended by the Directors during FY ended March 31, 2023 and the attendance of directors at the Annual General Meeting (AGM) held during said FY:

Name of the Director	Designation	No. of Board Meetings held	No. of Board Meetings attended	22nd Annual General Meeting held on May 10, 2022 Attended: Yes/No
Mr. Analjit Singh	Chairman, Nonexecutive Director	**4**	**4**	Yes
Mr. Prashant Tripathy	Managing Director &CEO	**4**	**4**	Yes
Mr. V. Viswanand	Deputy Managing Director	4	4	Yes
Mr. Girish Srikrishna Paranjpe	Independent, Non-executive Director	4	4	Yes
Mr. K. Narasimha Murthy	Independent, Non-executive Director	4	4	Yes
Ms. Marielle Theron	Non-executive Director	4	4	Yes
Mr. Mitsuru Yasuda	Non-executive Director	4	4	Yes
Mr. MohitTalwar	Non-executive Director	4	4	Yes
Mr. Pradeep Pant	Independent, Non-executive Director	4	3	No
Mr. Rajesh Khanna	Independent, Non-executive Director	4	4	Yes
Mr. Rajesh Kumar Dahiya	Non-executive Director	4	4	Yes
Mr. Rajiv Anand	Non-executive Director	4	4	Yes
Mr. Sahil Vachani	Non-executive Director	4	4	Yes
Mr. Subrat Mohanty	Non-executive Director	4	4	Yes

b. **Audit Committee:** This Committee assists the Company by providing oversight on all matters relating to financial management and controls, financial accounting, internal & external audit and reporting & disclosure requirements pertaining to the Audit Committee under applicable laws.

All the members of the Committee are financially literate and/ or have accounting or financial management expertise/ background. Mr. K. Narasimha Murthy, Chairman of the Committee is a fellow member of the Institute of Chartered Accountants of India (ICAI) and a fellow member of Institute of Cost & Works Accountants of India (ICWAI) with expertise in financial management and analysis.

During FY23, the Audit Committee met 4 times as follows:

May 9, 2022
July 28,2022
October 18, 2022
January 30,2023

Constitution of the Audit Committee, number of meetings held and attended by the Members during FY ended March 31, 2023:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. K. Narasimha Murthy	Chairperson, Independent Nonexecutive Director	4	4
Mr. Girish Srikrishna Paranjpe	Member, Independent Non-executive Director	4	4
Ms. Marielle Theron	Member, Non-executive Director	4	4
Mr. Mitsuru Yasuda	Member, Non-executive Director	4	4
Mr. Pradeep Pant	Member, Independent Non-Executive Director	4	4
Mr. Rajesh Khanna	Member, Independent Non-Executive Director	4	4
Mr. Rajiv Anand	Member, Non-executive Director	4	3

During FY 2023, there was no such incident when your Company's Board of Directors did not accept any recommendation of the Audit Committee.

c. **Investment Committee:** This Committee assists the Company by providing oversight on matters relating to the investment of assets, including the implementation and review of the Investment Policy and the Standard Operating Procedure (SOP), investment risks and reporting & disclosure requirements pertaining to the Investment Committee under applicable laws.

During FY23, the Investment Committee met 4 times as follows:

May 9, 2022
July 28,2022
October 18, 2022
January 30,2023

Constitution of the Investment Committee, number of meetings held and attended by the Members during FY ended March 31, 2023:

Name of the Member	Designation	*No. of Meetings Held	No. of Meetings attended
Mr. Rajiv Anand#	Chairperson, Non-executive Director	4	4
Mr. Amrit Singh	Member, Chief Financial Officer	4	4
Mr. Jose John	Member, Appointed Actuary	4	4
Ms. MarielleTheron	Member, Nonexecutive Director	4	4
Mr. Mihir Vora	Member, Chief Investment Officer	4	4
Mr. Mitsuru Yasuda	Member, Nonexecutive Director	4	4
Mr. Mohit Talwar #	Member, Nonexecutive Director	3	3
Mr. PrashantTripathy	Member, MD & CEO	4	4
Mr. Rajesh Khanna	Member, Independent Non-executive Director	4	4
Mr. Sachin Saxena	Member, Chief Risk Officer	4	4
Mr. Sahil Vachani	Member, Nonexecutive Director	4	4

* Number of meetings which were held during the tenure of the member during FY23.

1. The Committee was re-constituted w.e.f July 1, 2022 and Mr. Rajiv Anand was designated as the Chairperson of the Committee in place of Ms. Marielle Theron, who continued to be a member of the Committee.

2. Mr. Mohit Talwar has stepped down from the Investment Committee and the Committee was re-constituted w.e.f. January 7, 2023.

d. **Policyholder Protection Committee:** This Committee assists the Company by providing oversight on matters relating to Treating Customer Fairly (TCF), multiple performance customer indicators, Policyholder Service Delivery, Market Conduct, Legal, Regulatory & Compliance matters involving policyholders' interest and reporting & disclosure requirements pertaining to Policyholder Protection Committee under applicable laws.

During FY 23, the Policyholder Protection Committee met 4 times as follows:

May 9, 2022
July 28,2022
October 18, 2022
January 30,2023

Constitution of the Policyholder Protection Committee, number of meetings held and attended by the Members during FY ended March 31, 2023:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Ms. Marielle Theron	Chairperson, Non-executive Director	**4**	4
Mr. Jose John	Member, Appointed Actuary	**4**	4
Mr. Mitsuru Yasuda	Member, Nonexecutive Director	**4**	4
Mr. PrashantTripathy	Member, MD & CEO	**4**	4
Mr. Rajesh Khanna	Member, Independent Non-executive Director	**4**	4
Mr. Subrat Mohanty	Member, Nonexecutive Director	**4**	2
Mr. V. Viswanand	Member, Deputy MD	**4**	4

Further, Mr. Kapil Mehta, External Customer Expert, attended all the meetings (4 out of 4) of the Policyholder Protection Committee held during the FY 23.

e. Risk, Ethics and Asset Liability Management Committee: This Committee assists the Company by providing oversight on matters relating to the identification of plans and strategies to mitigate risks on short term as well as long term basis, Company's risk management framework, assessment & evaluation of capital, finance and other operating decisions, fraud monitoring strategy, monitoring of Company's risk profile in respect of compliance with applicable laws, Asset Liability Management ("ALM") matters and reporting & disclosure requirements pertaining to the Risk, Ethics & ALM Committee under applicable laws.

During FY23, Risk, Ethics and ALM Committee met 4 times as follows:

May 9, 2022
July 28, 2022
October 19, 2022
January 30, 2023

Constitution of the Risk, Ethics and ALM Committee, number of meetings held and attended by the Members during FY ended March 31, 2023:

Name of the Member	Designation	*No. of Meetings held	No. of Meetings attended
Mr. Girish Srikrishna Paranjpe #	Chairperson, Independent Non-executive Director	**3**	3
Mr. K. Narasimha Murthy	Member, Independent Non-executive Director	**4**	4
Mr. Jose John	Member, Appointed Actuary	**4**	4
Ms. Marielle Theron	Member, Nonexecutive Director	**4**	4
Mr. Mitsuru Yasuda	Member, Nonexecutive Director	**4**	4
Mr. PrashantTripathy	Member, MD& CEO	**4**	4
Mr. Subrat Mohanty	Member, Nonexecutive Director	**4**	4
Mr. V. Viswanand	Member, Deputy MD	**4**	4

Further, Mr. Sachin Saxena, Chief Risk Officer of the Company attended all the meetings (4 out of 4) of the Risk, Ethics and ALM Committee held during the FY23.

* Number of meetings which were held during the tenure of the member during FY23.

The Committee was re-constituted w.e.f July 1, 2022 and Mr. Girish Srikrishna Paranjpe was appointed as the Chairperson of the Committee in place of Mr. K. Narasimha Murthy, who continued to be a member of the Committee. Mr. Girish Srikrishna Paranjpe attended his first Risk, Ethics and ALM Committee meeting on July 28, 2022.

f. **Product & Actuarial Committee:** This Committee assists the Company by providing oversight on matters relating to Products' design and pricing, Policyholder's annual bonus declaration, Actuarial Practice Standards, Product & Fund Performance, Product Operational Readiness, actuarial updates and reporting & disclosure requirements pertaining to the Product & Actuarial Committee under applicable laws.

During FY23, the Product & Actuarial Committee met 2 times as follows:

May 10, 2022

October 18,2022

Constitution of the Product & Actuarial Committee, number of meetings held and attended by the Members during FY ended March 31, 2023:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Ms. Marielle Theron	Chairperson, Non-executive Director	2	2
Mr. Jose John	Member, Appointed Actuary	2	2
Mr. Mitsuru Yasuda	Member, Nonexecutive Director	2	2
Mr. PrashantTripathy	Member, MD & CEO	2	2
Mr. Subrat Mohanty	Member, Nonexecutive Director	2	2
Mr. V. Viswanand	Member, Deputy MD	2	2

g. **Nomination & Remuneration Committee:** This Committee assists the Board in the discharge of its responsibilities and oversight matters relating to the appointment, remuneration and performance of the Key Management Persons, senior executives and Directors of the Company, implementation & review of Nomination & Remuneration Policy and reporting & disclosure requirements pertaining to the Nomination & Remuneration Committee under applicable laws. The Committee also ensures that the Board has the appropriate balance of skills, experience, independence and knowledge to enable it to effectively discharge its duties and responsibilities.

During FY23, the Nomination and Remuneration Committee met 4 times as follows:

- May 9,2022
- July 28, 2022
- October 18, 2022
- January 31, 2023

Constitution of the Nomination and Remuneration Committee, number of meetings held and attended by the Members during FY ended March 31, 2023:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. Pradeep Pant	Chairperson, Independent Non-executive Director	**4**	**4**
Mr. K. Narasimha Murthy	Member, Independent Non-executive Director	**4**	**4**
Mr. Mitsuru Yasuda	Member, Nonexecutive Director	**4**	**4**
Mr. MohitTalwar	Member, Nonexecutive Director	**4**	**4**
Mr. Rajesh Khanna	Member, Independent Non-executive Director	**4**	**4**
Mr. Rajesh Kumar Dahiya	Member, Nonexecutive Director	**4**	**4**

h. With Profits Committee: This Committee assists the Company by providing oversight on matters relating to the determination of the share of assets attributable to the policyholders, the investment income attributable to the participating fund of policyholders, the expenses allocated to policyholders, analysis of internal rate of return and reporting & disclosure requirements pertaining to With Profits Committee under applicable laws.

During FY23, With Profits Committee met 2 time as follows:

- May 10,2022
- January 30, 2023

Constitution of the With Profit Committee, number of meetings held and attended by the Members during FY ended March 31, 2023:

Name of the Member	Designation	*No. of Meetings held	No. of Meetings attended
Mr. Girish Srikrishna Paranjpe#	Chairperson, Independent Non-executive Director	**1**	**1**
Mr. Amrit Singh	Member, Chief Financial Officer	2	2
Ms. Hema Malini Ramakrishnan #	Member, Independent Actuary	1	1
Mr. Jose John	Member, Appointed Actuary	2	2
Mr. K. Narasimha Murthy	Member, Independent Nonexecutive Director	2	2
Mr. PrashantTripathy	Member, MD& CEO	2	2
Mr. Sai Srinivas Dhulipala #	Member, Independent Actuary	1	1

* Number of meetings which were held during the tenure of the member during FY23.

1. The Committee was re-constituted w.e.f July 1, 2022 and Mr. Girish Srikrishna Paranjpe was appointed as the Chairperson of the Committee in place of Mr. K. Narasimha Murthy, who continued to be a member of the Committee. Mr. Girish Srikrishna Paranjpe attended his first With Profits Committee meeting on January 30, 2023.

2. The Committee was further re-constituted w.e.f September 18, 2022 pursuant to appointment of Ms. Hema Malini Ramakrishnan as the Independent Actuary and a member of With Profits Committee of the Company in place of Mr. Sai Srinivas Dhulipala, who ceased to be associated with the Company w.e.f end of the day of September 17, 2022.

Corporate Social Responsibility Committee: This Committee assists the Company by providing oversight on matters relating to the implementation of Corporate Social Responsibility ("CSR") Policy, CSR Annual budget & annual action plan, activities to be undertaken for CSR and reporting & disclosure requirements pertaining to CSR Committee under applicable laws.

During FY23, the Corporate Social Responsibility Committee met 2 times as follows:

- May 6, 2022
- October 18, 2022

Constitution of the Corporate Social Responsibility Committee, number of meetings held and attended by the Members during FY ended March 31, 2023:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. Pradeep Pant	Chairperson, Non-executive Independent Director	2	2
Ms. Marielle Theron	Member, Nonexecutive Director	2	2
Mr. Mitsuru Yasuda	Member, Nonexecutive Director	2	2
Mr. Rajesh Kumar Dahiya	Member, Nonexecutive Director	2	2
Mr. V. Viswanand	Member, Deputy MD	2	2

j. During FY23, the Independent Directors met on May 6, 2022, attended by the members as follows:

Name of the Member	No. of Meetings held	No. of Meetings attended
Mr. Rajesh Khanna (Chairman)	1	1
Mr. Girish Srikrishna Paranjpe	1	1
Mr. Pradeep Pant	1	1
Mr. K. Narasimha Murthy	1	Nil

k. Details of Board of Directors and other Committee Members, designation, qualification, field of specialization, status of directorship held for FY23 as on March 31, 2023:

Name	DIN	Designation	Qualifications and Field of Specialization	#Status of Directorship held in other companies
Mr. Analjit Singh	00029641	Chairman & Nonexecutive Director	Graduate from Shri Ram College of Commerce, University of Delhi, MBA from Graduate School of Management, Boston University, USA. Awarded with the Degree of Honorary Doctorate by Amity University. Field of Specialization - Business Leader and Industrialist	**11**
Mr. Prashant Tripathy	08260516	Managing Director & Chief Executive Officer	B TECH (chemical engineering) - NT Kharagpur, PGDBM-IIM Bangalore Field of Specialization - Finance, Strategy, Business Development, Risk Management, Business Leadership	**1**

Name	DIN	Designation	Qualifications and Field of Specialization	#Status of Directorship held in other companies
Mr. V. Viswanand	08260553	Deputy Managing Director	Master of Management Studies - BITS Pilani Field of Specialization - Industry veteran in financial services sector	Nil
Mr. GirishSrikrishna Paranjpe	02172725	Independent, Nonexecutive Director	B. Com, Associate Member of the Institute of Chartered Accountants of India and Associate of the Institute of Cost and Works Accountants of India Field of Specialization - Finance and Technology	**4**
Mr. K. Narasimha Murthy	00023046	Independent, Nonexecutive Director	B.Sc, Fellow member of the Institute of Chartered Accountants of India (ICAI), Fellow member of Institute of Cost & Works Accountants of India (ICWAI). Field of Specialization - Chartered Accountancy and Cost & Management Accountancy	**8**
Ms. MarielleTheron	02667356	Non-executive Director	Fellow of Society of Actuaries, USA and B.Sc. majored in Actuarial Science, Laval University, Canada. Field of Specialization - Actuarial and Financial services	Nil
Mr. Mitsuru Yasuda	08785791	Non-executive Director	BA in Social Science from Waseda University, Tokyo Field of Specialization - Accounting and Finance	**1**
Mr. MohitTalwar	02394694	Non-executive Director	Postgraduate from St. Stephen's College and completed his Management Studies in Hospitality from the Oberoi School Field of Specialization - Corporate Finance, Investment Banking, M&A and Strategic Planning for large businesses	2
Mr. Pradeep Pant	00677064	Independent, Nonexecutive Director	Masters degree in Management Studies (MMS) from Jamnalal Bajaj Institute of Management Studies, Bombay University and Bachelor's Degree with Hons in Economics from Shri Ram College, Delhi University. Field of Specialization - Consumer facing business with expertise in General Management, Marketing and Sales	3

Name	DIN	Designation	Qualifications and Field of Specialization	#Status of Directorship held in other companies
Mr. Rajesh Khanna	00032562	Independent, Nonexecutive Director	PGDM from the Indian Institute of Management, Ahmedabad and a Chartered Accountant Field of Specialization - Investments	1
Mr. Rajesh Kumar Dahiya	07508488	Non-executive Director	Bachelor of Engineering (Civil), Masters in Human Resources Management Field of Specialization - Corporate Governance, Sustainability, Regulatory requirements, Human Resource	2
Mr. Rajiv Anand	02541753	Non-Executive Director	Chartered Accountant and a commerce graduate Field of Specialization - Accounting	5
Mr. Sahil Vachani	00761695	Non-Executive Director	Bachelor's degree in Management Sciences from the University of Warwick, U.K. backed up by an Executive Management Programme on Disruptive Innovation from the Harvard Business School Field of Specialization - Business Leader, Strategy	17
Mr. Subrat Mohanty	08679444	Non-Executive Director	BE (Hons), MBA (MM Calcutta) Field of Specialization - Insurance, Strategy, Operations	1
Mr. Amrit Singh	NA	Chief Financial Officer	Bachelor of Engineering from Pune University in Computers, 2002, Post Graduate Programme in Management at ISB Hyderabad in Analytical Finance and Strategic Marketing, 2006 Field of Specialization - Strategy, Finance	Nil
Mr. Jose John	NA	Appointed Actuary	B. TECH, MBA (Finance), Cardiff Business School, Fellow member of the Institute and Faculty of Actuaries, UK (FIA), Fellow of the Institute of Actuaries, India (FIAI) Field of Specialization - Actuarial	Nil
Mr. MihirVora	NA	Chief Investment Officer	B.E., Mechanical - Maharaja Sayajirao University, Baroda, 1991; Post Graduate Diploma in Management - IIM, Lucknow, 1994; and Chartered Financial Analyst - Association for Investment Management and Research (AIMR), USA, 2004 Field of Specialization - Investments	Nil

Name	DIN	Designation	Qualifications and Field of Specialization	#Status of Directorship held in other companies
Mr. Sachin Saxena	NA	Chief Risk Officer	B.Tech (Mechanical Engineering), IIT-Varanasi (earlier IT- BHU), Year 2002, Fellow of Institute of Actuaries of India, Year 2009, Fellow of Institute and Faculty of Actuaries, UK, Year 2009, LLB., Chaudhary Charan Singh University, Meerut, Year 2018 Field of Specialization - Risk Management, Products and Pricing	Nil
Ms. Hema Malini Ramakrishnan	NA	Independent Actuary	Fellow member of the Institute of Actuaries of India Field of Specialization - Risk management, product development, pricing, shareholder reporting, statutory reporting, capital modelling, asset liability management, business planning and reinsurance	Nil

No. of other directorship includes directorships in public limited Companies, private Companies and Companies incorporated under Section 8 of the Companies Act, 2013 excluding Max Life Insurance Company Limited.

l. Brief profile of the Directors of your Company as on date may be read on https://www.maxlifeinsurance.com/about-us/board-of-directors

m. All pecuniary relationships or transactions of the Non-executive Directors.

The Non-Executive Directors and Independent Directors of the Company do not have any relationship or transactions with your Company other than:

i. insurance policies, if any, taken by any of them in the ordinary course of business.

ii. shares held by certain Non-executive Directors as a nominee of Max Financial Services Limited, and sitting fees for attending Board and Committee meetings and commission on profits paid to Independent Directors.

During FY23, your Company paid profit-based commission to the independent directors for FY22, not exceeding 1% of net profits the Company, amounting as follows:

Independent Director	Commission paid in FY23 for FY22 (in INR)
Mr. K. Narasimha Murthy	10 lacs
Mr. Girish Srikrishna Paranjpe	10 lacs
Mr. Pradeep Pant	10 lacs
Mr. Rajesh Khanna	10 lacs

In addition to the above, your Company paid sitting fees to its Independent Directors for attending the Board and Committees meetings of your Company held during FY23. Details of which are hereunder:

Independent Director	Total Meetings attended in FY 23	Total amount paid in INR
Mr. Girish Srikrishna Paranjpe	**13**	13,00,000
Mr. K. Narasimha Murthy	**18**	18,00,000
Mr. Pradeep Pant	14	14,00,000
Mr. Rajesh Khanna	21	21,00,000

n. Elements of remuneration package (including incentives) as per clause 9 of the IRDAI Corporate Governance guidelines:

(In INR)

Total Fixed Pay Includes Basic, Retirals (PF, Gratuity), Flexible Benefits Plan (including expenses on account of Car, Medical Reimbursement, Communication, LTA etc)	150,179,484/-
Total Bonus Variable Plan contingent on Company and Individual Performance (5)114.7% Bonus pool in FY 2021-22, Deferred Bonus, LTIP	51,986,424/-
PSP amount	83,300,066/-

Note:

This includes the remuneration details of KMPs except Managing Director, Deputy Managing Director, CFO, Company Secretary and other Directors, the details for which are provided elsewhere in the Directors' Report.

Key Management Persons as defined under IRDAI Corporate Governance guidelines includes members of the core management team of an insurer including all whole-time directors/ Managing Directors/ CEO and the functional heads one level below the MD/CEO, including the CFO, Appointed Actuary, Chief Investment Officer, Chief Risk Officer, Chief Compliance Officer and the Company Secretary.

o. Details in respect of remuneration paid to the Executive Directors:

- Details of fixed component and performance linked incentives along with the performance criteria;

  The performance of the Managing Director and Dy. Managing Director is linked to the achievement vis-a-vis, the Measure of Success ("MOS")forthe respective year, duly approved in advance by the Nomination & Remuneration Committee each year. The payout of incentive/ bonus is subject to approval of Insurance Regulatory Development Authority of India (IRDAI).

- Service contracts, key terms;

  1. <u>Mr. Prashant Tripathy</u>

  Mr. Prashant Tripathy has been appointed as the Managing Director & Chief Executive Officer of the Company w.e.f January 01,2019 for a period of 5 years till December 31,2023.

  2. <u>Mr. V. Viswanand</u>

  Mr. V. Viswanand has been appointed as Deputy Managing Director of the Company w.e.f. January 01, 2019 for a period of 5 years till December 31, 2023.

p. Disclosure in respect of remuneration or commission, if any, received by Managing or whole-time director of your Company from the holding company or subsidiary company, who is also in receipt of commission from the Company:

i. Mr. Prashant Tripathy, Managing Director & Chief Executive Officer of the Company did not receive any commission or remuneration from the holding company or the subsidiary company of the Company during the FY 2023.

ii. Mr. V. Viswanand, Deputy Managing Director of the Company did not receive any commission or remuneration from the holding company or the subsidiary company of the Company during the FY 2023.

Details of remuneration paid to Managing Director detailing elements of remuneration package (including incentives) are provided in detail elsewhere in the Directors' Report.

Place: Gurugram
Date: May 12, 2023
For and on behalf of the Board of Directors

Annexure II

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. **A brief outline of the company's Corporate Social Responsibility (CSR) policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes:**

Your Company's Corporate Social Responsibility (CSR) Policy was presented in the 18th CSR Committee Meeting held on 7th May 2021 through video conferencing and was approved by the Committee. As per the CSR Policy, your Company identified Education, Healthcare, Environment, Financial Literacy & Insurance Awareness, and NGOs support as the key areas for CSR initiative.

Through its volunteering programme, Pehal, your Company decided to undertake multiple activities in key areas of education, financial literacy & insurance awareness, healthcare, environment and other volunteering activities under its Joy *of Giving* initiative.

Key highlights of the various CSR initiatives may be noted as under:

Education - Max Life has been providing support to multiple NGOs in the field of education for many years and with an enhanced focus on education. The NGOs were selected to support CSR interventions in education through the year as approved by the CSR Committee.

In FY '23, Max Life supported leading NGOs working in the field of education and towards Social, Emotional and Ethical Learning. The list of NGO partners includes:

1. Teach for India
2. The Education Alliance
3. Shally Education Foundation (Saarthi)
4. Foster & Forge Foundation
5. Latika Roy Foundation
6. Kshamtalaya Foundation
7. Raphael Ryder Cheshire International Centre
8. SPVirmani Charitable Trust

24,768 students benefitted directly and 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 FY '23. Through these NGOs, support was also provided for training of 44 fellows, 2,39,164 teachers and 98 community field workers.

During FY '23, the company provided financial support of INR 800 lakhs to 8 NGOs benefitting children, teachers and fellows.

Financial Literacy & Insurance Awareness - Max Life continued its partnership with Haqdarshak; a social enterprise, with an aim to ensure financial and social protection of communities, by bridging the information access gap and connecting citizens with social welfare schemes in villages of Haridwar (Uttarakhand) and East Singhbhum (Jharkhand). 54,720 beneficiaries reached in FY '23 and 125 Digital and Financial Literacy camps were organized. Through these efforts, 10% of the target population was covered.

Environment -

Metro greening project with Gurugram Metropolitan Development Authority (GMDA)

o The greening and maintenance work of central verge of the 4.5 kms stretch on MG Road, Gurugram was undertaken. o A total of 17,335 saplings were planted.

Afforestation Project at Wazirabad and Pachgaon with Gurugram Metropolitan Development Authority (GMDA)

o Sapling plantation and maintenance work at Wazirabad Lake site (Gurugram) and Pachgaon (Manesar) site was undertaken o 80,761 saplings of 32 species were planted at these sites.

Joy of Giving -

Employees of Max Life continued to bring a positive change in society by leading various CSR initiatives. Below are some of the key highlights that of the social impact created:

o **80+ volunteering activities conducted,** reaching out to **42,500 beneficiaries** (including children, women, elderly, PwDs)

o 700 saplings planted across Bengaluru, Chennai, Kolkata & Gurugram o 3 skill centres supported in Kolkata, Kupwara and Dehradun which enabled income enhancement for women.

2. A total of INR 200 lacs were booked as expenses under all the above Pehal projects in FY '23. **2. Composition of the CSR Committee:**

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Pradeep Pant	Chairperson, Non-executive Independent Director	**2**	2
2.	Ms. Marielle Theron	Member, Non-executive Director	**2**	2
3.	Mr. Mitsuru Yasuda	Member, Non-executive Director	**2**	2
4.	Mr. Rajesh Kumar Dahiya	Member, Non-executive Director	**2**	2
5.	Mr. V. Viswanand	Member, Deputy MD	**2**	2

3. Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:
Composition of CSR Committee:
https://www.maxlifeinsurance.com/content/dam/corporate/csr-and-media-centre-policies/csr-policies/FY-2021-22/composition-of-csr-committee.pdf
CSR Policy:
https://www.maxlifeinsurance.com/content/dam/corporate/pdfs/CSR Policy Max%20Life%20Insurance.pdf
CSR Projects:
https://www.maxlifeinsurance.com/content/dam/corporate/csr-and-media-centre-policies/csr-policies/FY-2022-23/Max%20Life List%20of%20CSR%20Projects%20for%20FY-24.pdf

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).
Impact assessment reports are attached as annexure.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs)	Amount required to be set-off for the financial year, if any (in Rs)
NIL			

6. Average net profit of the company for last three financial years as per Section 135(5) and prescribed CSR Expenditure:

During the Financial Year 2022-23, your Company decided to spend INR 1000 lacs, which is above the minimum calculation of *2%* of the average Profit Before Tax of your Company in the last three years, on CSR initiatives. The calculation of the CSR expenditure for the Financial Year 2022-23 is as follows:

Annual CSR Expenditure FY '23 - Max Life Insurance Company Limited (in INR)	
Profit Before Tax FY 20	427.17 Crs
Profit Before Tax FY 21	301.37 Crs
Profit Before Tax FY 22	195.92 Crs
Average Profit Before Tax	308.15 Crs
2% of Average PBT	616 Lacs
Discretionary contribution	384 Lacs
CSR Budget FY '23	1000 Lacs

Dividend income adjusted in terms of Rule 2(l)(h) of the Companies (CSR Policy) Rules, 2014

7. (a) Two percent of average net profit of the company as per section 135[5]

As provided above in point no. (6), 2% of the average net profits of the Company as per Sec. 135(5) for FY 2022 - 23 is INR 616.00 lacs plus the discretionary amount of INR 384 lacs

Surplus arising out of the CSR projects or programmes or activities of the previous financial years

Nil

Amount required to be set off for the financial year, if any

Nil

(d) Total CSR obligation for the financial year (7a+7b-7c)

INR 1000 lacs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
INR 1000 lacs	Not Applicable		Not Applicable		

(b) Details of CSR amount spent against ongoing projects for the financial year: Nil

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		*Amount spent for the project (in Rs. lacs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Education-through NGOs support	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. Financial Literacy in Districts adopted as per IRDAI guidelines Green Gurugram Project with GMDA	Yes	All over India		800	No	Max India Foundation	CSR00004734
2.	Financial Literacy & Insurance Awareness		Yes	Haridwar and Purbi Singhbhum		111.61	Yes	Not Applicable	
3.	Environment		Yes	Delhi NCR		58.41	Yes	Not Applicable	
4.	Employee volunteering		Yes	All over India		29.88	Yes	Not Applicable	
Total						**1000**			

'Amount includes administrative overheads

Amount spent in Administrative Overheads INR 28.15 lacs

Amount spent on Impact Assessment, if applicable INR 9.52 lacs

Total amount spent for the Financial Year (8b+8c+8d+8e)

INR 1000 lacs

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	616.00 lacs
(ii)	Total amount spent for the Financial Year	1000 lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	384.00 lacs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. **(a) Details of Unspent CSR amount for the preceding three financial years: Nil**

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

   Not Applicable

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year - Not Applicable (NA)**

    Date of creation or acquisition of the capital asset(s) - NA

    Amount of CSR spent for creation or acquisition of capital asset - NA

    Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. - NA

    Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). - NA

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).**

    Not Applicable

    Prashant Tripathy Managing Director & CEO DIN: 08260516

    Pradeep Pant
    Chairman, CSR Committee
    DIN: 00677064

Network for Quality Education Foundation
CSR impact assessment | Final report
For the year ended March 31, 2021

MAX INDIA FOUNDATION

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MGC GLOBAL RISK ADVISORY LLP

Page 1

Member of Allinial GLOBAL. An association of legally independent firms

Max India Foundation
Max Towers
Level 20M Sector 16B
Noida Uttar Pradesh 201 301
For the kind attention of the management
Dear Madam/Sirs,
CSR impact assessment | Year ended March 31, 2021 | Final report

We refer to the defined scope of work forming part of the engagement letter with Max India Foundation ('MIF' or 'the Foundation') dated September 07, 2022. In accordance with the same, MGC Global Risk Advisory LLP ('MGC Global, 'our firm', 'us, 'we') has undertaken assigned procedures pertaining to the CSR impact assessment for the projects undertaken by Network for Quality Education Foundation ('the NGO Partner' or 'The Education Alliance') during the year ended March 31, 2021, in the context pf the grant given to the NGO Partner by MIF.

We are pleased to enclose our report covering our observations.

Our main observations have been summarized in the executive summary in section 01 of this report, while section 02 provides the background and context; and section 03 provides an overview of our approach and methodology. Our detailed observations are stated in section 04 of the report. Summaries of our interactions with specific stakeholders *(including beneficiaries)* with their perspectives on the impact of the projects and their experience are in section 06.

The sufficiency of the work plan and the contents of our observations are solely the responsibility of your management. Consequently, we make no representation regarding the sufficiency of the work plan either for the purpose for which our observations have been requested or for any other purpose.

Please note that since this report is based on limited procedures as assigned to us, our observations should be read in light of the caveats in section 05 of this report.

Our work does not constitute an audit or review of the financial or other data; the objective of which is the expression of an opinion or limited assurance, or a part thereof, or verification of the accuracy of management responses to our inquiries or commenting on the control framework prior to our appointment. Further, our work should not be relied upon to disclose errors, irregularities, or illegal acts, including fraud or defalcations in the financial records and data, which were used for the management review.

This report is sensitive, privileged, strictly confidential and for the use of the addressee only. It cannot be reproduced, either wholly or partly for any circulation or discussion with any other party, without the prior written consent of our firm.

Yours faithfully,

MGC Global Risk Advisory LLP

Contents

Executive summary | Key facts

MGC
GLOBAL RISK ADVISORY LLP

1.1 MIF had committed INR 2 crore towards the following CSR projects led by the NGO Partner during the year ended March 31, 2021.

a) School Quality Enhancement Program ('SQEP') with South Delhi Municipal Corporation ('SDMC');
b) Principal-Led Program ('PLP'), Delhi; &
c) System Design and Delivery Unit with Education Department, Madhya Pradesh ('SATH-E').

1.2 These activities sought to enhance student enrolment & attendance, improve student learning outcomes, provide professional development for teachers and to 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. Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects are eligible for CSR expenditure in pursuance of Schedule VII of the Companies Act 2013.

1.3 The methodology of CSR impact evaluation adopted by MGC Global was based on the normative framework set out by The Organization for Economic Co-operation and Development ('OECD') DAC Network on Development Evaluation. On this basis all activities undertaken by the NGO Partner for each of the three projects were identified and evaluated on the basis of the 5-point criteria *(relevance, efficiency, effectiveness, impact & sustainability)*.

1.4 The ensuing table provides an overview of the impact assessment for the SQEP with SDMC.

Nature	Partnering with select non-profit organizations and government schools to improve student learning outcomes and overall school development in a sustainable manner.			
Target	1 NGO partner; 2 schools; & 816 students			
Actual	3 schools covered, 908 students covered, reached 681+ students digitally & had an attendance of 73%.			
Activities	No	Calculated score	Score upper limit	Accomplishment
	5	317	375	84.53%

1.5 The ensuing table provides an overview of the impact assessment for the PLP.

Nature	Aimed to support select SDMC government schools build their leadership capacity by onboarding partners, experts and technical advisors, who provide support to create and deliver on a plan for holistic development.			
Target	4 schools; & 800 students			
Actual	Nil			
Activities	No	Calculated score	Score upper limit	Accomplishment
	1	65	75	86.66%

1.6 The ensuing table provides an overview of the impact assessment for SATH-E.

Nature	Executed by a join team of Boston Consulting Group and NQEF personnel to engage with the state authorities for end-to-end education system transformation and includes key areas of governance restructuring, academic program design, learning outcomes assessments, etc.			
Target	1.23 lakh government schools			
Actual	For SATH -E program - covered 1 Lakh schools & 90 Lakh students.			
Activities	No	Calculated score	Score upper limit	Accomplishment
	9	481	555	86.66%

1.7 The ensuing table provides a comparison between the planned and actual deployment of funds during the year ended March 31, 2021, as provided to us by the NGP Partner.

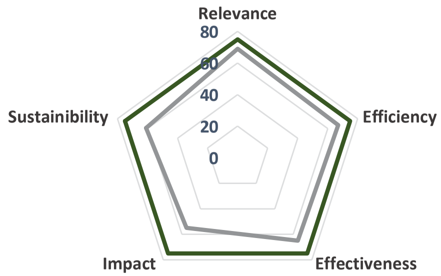
Programs	Budget	Actual
SQEP Schools with SDMC	INR 50 lakhs	INR 87 lakhs
SQEP schools - PLP	INR 74 lakhs	Nil
SATH-E (Madhya Pradesh)	INR 76 lakhs [3 Program Associates @ 12 lakhs, 1 Program Manager @ 30 lakhs]	INR 27 lakhs
Total	INR 2 crore	INR 1.14 crore

MAX LIFE INSURANCE

Executive summary | Assessment

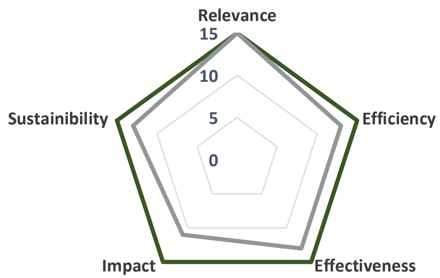
1.8 The ensuing table & radar chart provides an overview of the ability of the activities relating to SQEP with SDMC to fulfill the 5-point criteria.

Attribute	Score	
	Limit	Actual
Relevance	75	69
Efficiency	75	67
Effectiveness	75	65
Impact	75	55
Sustainability	75	61
Total	375	317



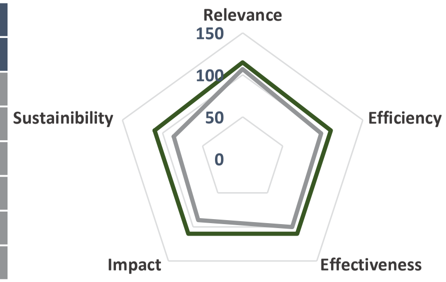
1.9 The ensuing table & radar chart provides an overview of the ability of the activities relating to PLP to fulfill the 5-point criteria.

Attribute	Score	
	Limit	Actual
Relevance	15	15
Efficiency	15	13
Effectiveness	15	13
Impact	15	11
Sustainability	15	13
Total	75	65



1.10 The ensuing table & radar chart provides an overview of the ability of the activities relating to SATH-E to fulfill the 5-point criteria.

Attribute	Score	
	Limit	Actual
Relevance	115	107
Efficiency	110	98
Effectiveness	110	100
Impact	110	90
Sustainability	110	86
Total	555	481



Appreciation

1.11 We are thankful to the representatives of MIF and the NGO Partner for their cooperation that was extended to us for this engagement.

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Background & context | MIF's CSR focus

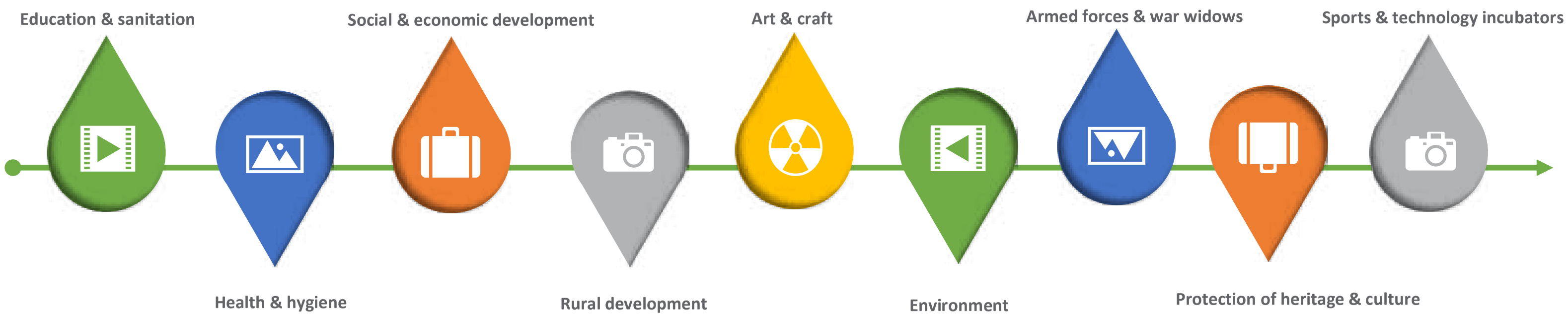
2.1 The Max group of companies ('the Group') strive to achieve a balance between economic growth, environmental protection and various social imperatives. MIF was created in 2002 with the inclination to give back to society and included aspects of philanthropy such as education, sports, and health among other areas of focus. In 2008, the MIF's Charter was reconstituted with a specific focus on healthcare for the underprivileged. Since then, 35 lakh individuals have benefitted from wellness-related support including preventive health measures, screening, awareness, surgeries, treatment and cure.

2.2 MIF has also adopted two village clusters in Uttarakhand - Dhakrani and Chandrothi and one in Punjab - Rail Majra, primarily for intervention on health-related issues such as sanitation and waste management to improve the quality of life for those who reside in villages. Since it's inception, the Foundation has benefitted over 34 lakh people in over 800 locations in partnership with more than 450 NGOs. From April 2019, MIF has identified education as its new area of focus and has been facilitating, monitoring and ensuring quality and value-based education to underprivileged children. MIF has been supporting initiatives that empower children in need with quality education to help them build a bright future. Most government-run and NGO-run schools have insufficient staff and facilities, hence by filling in these gaps through support and monitoring the use and methods employed, MIF has through different organizations and its own initiatives brought about significant change in the performance and productivity of the next generation.

"To fund and support Corporate Social Responsibility projects with Sustainability as a guiding principle giving priority to issues of foremost concern as in the national development agenda likesafe drinking water for all, provision of toilets, health, sanitation, education, etc., and to reach a wide spectrum of beneficiaries with a view to empower economically and socially backward communities, children, youth, etc., by contributing in rural development, environmental protection, sanitation, creation of livelihood, skill development, etc."

Max India Foundation's CSR and sustainability vision and mission

2.3 MIF conducts interventions in the following 9 domains.



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Background & context | The NGO Partner's CSR mandate

2.4 The Education Alliance was founded in 2014 with a mission to transform under-performing government schools into centres of quality education by enabling partnerships between state and non-state actors. The NGO Partner plays the role of the lead project management partner to facilitate an ecosystem where government and non-profit organizations work together to support the government schools in an effective manner.

2.5 The Education Alliance has been working with various state government authorities in India NGOs to create exemplary government schools where economically underprivileged children get access to free and high-quality education through Government-Partnership Schools.

2.6 Its initiatives have included research to study existing models and impact of partnership schools, a pilot program with SDMC in 1 school where the enrollment had increased from less than 20 to over 150 in a relatively short span of 3 months, a partnership with SDMC that is recognized as the SQEP, where 11 additional schools and 7 new NGO partners were added, a memorandum of understanding with Samagra Shiksha in Tamil Nadu to monitor NGOs working in government schools and a systems reform approach for public education department in partnership with various leading and esteemed such as Boston Consulting Group and Central Square Foundation to partner with state education departments.

2.7 MIF had executed a MoU with the NGO Partner on June 30, 2020, for the provision of support in the following.

(a) SQEP with SDMC | A school quality enhancement program *(setting-up of government partnership schools with an aim to improve student enrolment, attendance, student learning outcomes, teacher professional development, community engagement and overall school development in a sustainable manner);*

(b) PLP, Delhi | A school quality enhancement program focused on a principal-led partnership model to work with government school principals to build their capacity and work with them/ support them to create a vision and a plan for the development of the school, help strategize and operationalize a plan by providing support to execute the strategy by bringing in partners, experts and technical advisors; &

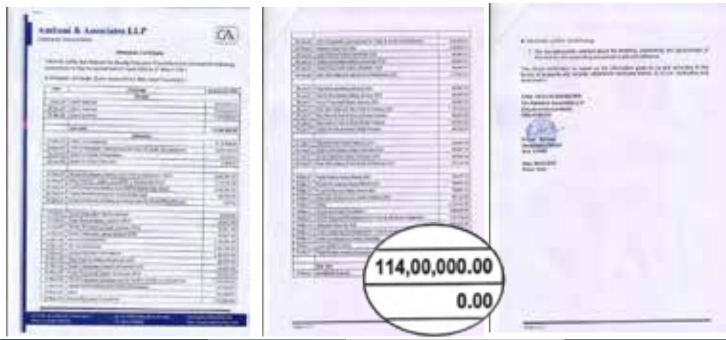
(c) SATH-E | A system design and delivery unit with the Education Department of Madhya Pradesh, in partnership with Boston Consulting Group, for sustainable action for transformation of human capital in education.

2.8 The Foundation has committed funding support of INR 2 crore to The Education Alliance for the afore-stated projects in South Delhi and Madhya Pradesh.

2.9 The ensuing table provides the timelines for the proposed disbursement of the grant.

Instalment	Period of proposed disbursement	Amount
First	April 2020 to June 2020	INR 50 Lacs
Second	July 2020 to September 2020	INR 50 Lacs
Third	October 2020 to December 2020	INR 50 Lacs
Fourth	January 2020 to March 2021	INR 50 Lacs
Total		**INR 2 Crore**

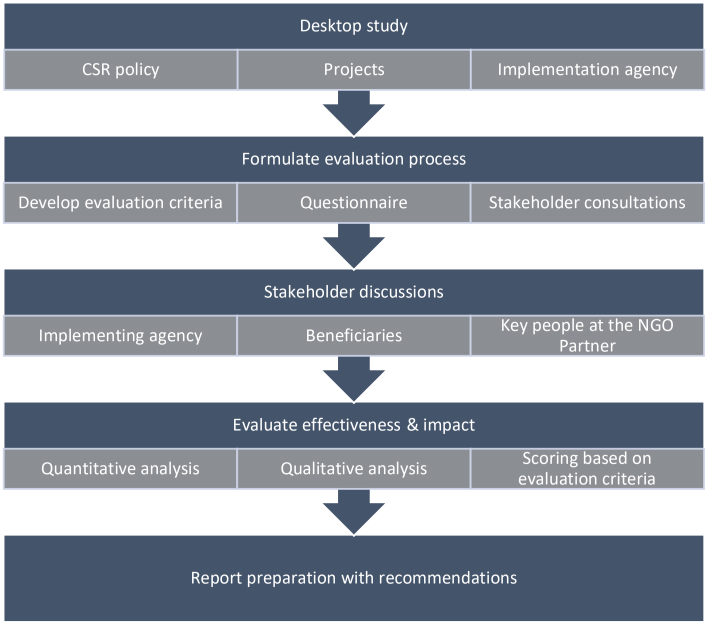
2.10 MIF had disbursed a total cumulative grant of INR 1.14 crore till March 31, 2021, which was based on the requirements stated by the NGO Partner. Screen shots of certificates from the chartered accountants of the NGO Partner for utilization of the grant have been pasted below.



Approach & methodology | Overview, desk top study & evaluation process

Overview

3.1 The ensuing chart provides an overview of the approach and methodology adopted by MGC Global for the impact assessment.



3.2 This methodology has been more fully described in the paragraphs that follow.

Desktop study

3.3 At the inception of evaluation, a desktop study was initiated by MGC Global. The CSR policies of MIF and the NGO Partner were inspected to gain an understanding of the thematic and geographic areas of focus and coverage. A list of projects implemented by the NGO Partner were obtained and examined with a specific focus on the objectives, what the projects intended to achieve, the geographical spread, the stakeholders targeted, and the thematic area covered. Financial aspects of the projects undertaken by the NGO Partner were obtained to gain an understanding of in terms of how much funds were deployed and under what mechanism.

3.4 On inquiry and inspection of the project reports, a list of implementation agencies, who were involved in the execution of the projects, were identified. On inquiry we gained an understanding of the organizational structure of NGO Partner, the implementation agency, manpower deployment and their experience with track record, Section 135 of The Companies Act, 2013 relating to Companies (Corporate Social Responsibility) Rules, 2014 and Schedule VII which prescribes mandatory provisions for Companies to fulfil their CSR were studied and retained as reference to assess if the projects and implementation agencies were eligible and as such the expenditure relating to the same would not be disallowed from claiming credit under the CSR spent.

Formulate evaluation process

3.5 The evaluation process was developed in accordance with The Organization for Economic Co-operation and Development ('OECD') DAC Network on Development Evaluation that provides a normative framework used to determine the merit or worth of an intervention *(policy, strategy, program, project or activity)*. Based on the OECD framework, MIF's and the NGO Partner's CSR policies, the following 5-point evaluation criteria was developed for assessment for each of the projects.

a) **Relevance** | Effectiveness of the intervention *(steps and the target beneficiaries)* and how well were they suited to the priorities and policies of MIF and the MOU with the NGO partner.

b) **Efficiency** | Specific qualitative and quantitative outputs concerning the inputs defined and whether the most efficient processes were adopted *(example cost-efficient; time; skill sets, technology and other influencing factors)*.

c) **Effectiveness** | The extent by which the intervention attained or did not attain its objectives. Outline the positive or negative changes produced by an intervention, directly or indirectly, intended or unintended.

d) **Impact** | Measurement of the validity and attainment of the objectives through the activities and outputs.

e) **Sustainability** | Would the ownership of activity would remain and continue even after MIF stops investment, interventions or withdraws to move into other projects.

Approach & methodology | Stakeholder consultation & evaluation

Formulate evaluation process *(cont...)*

3.6 The CSR activities implemented by the NGO Partner were grouped together and classified under the three categories as listed below. These categories are in concurrence with the CSR policy of MIF and the NGO Partner.

No	Title	Brief
1	SQEP with SDMC	Involving partnering with select non-profit organizations with government schools to improve student learning outcomes and overall school development in a sustainable manner.
2	PLP, Delhi	A program aimed to support select SDMC government schools build their leadership capacity through onboarding partners, experts and technical advisors, who will provide support create and deliver on a plan for holistic development.
3	System Design and Delivery Unit with Education Department, Madhya Pradesh	System Design and Delivery Unit with Education Department of Madhya Pradesh (SATH-E) is being executed by a join team of Boston Consulting Group and the NGO Partner's personnel to engage with the State for end-to-end education system transformation and include key areas of governance restructuring, academic program design, learning outcomes assessments, etc.

3.7 Activities undertaken for each of the afore-stated three projects were identified and evaluated on the basis of a curated 2D model with the previously-mentioned 5-point criteria and the extent of fulfilment with relation to I. Inputs, II. Coverage, & III. Outcome.

3.8 If the activity had no impact on the criteria, no points were assigned to the same. In the event of a minimum impact "1" point was assigned, for moderate impact "3" points were assigned and for high impact "5" points were assigned. Though the process of assigning points was qualitative in nature, once the same were assigned, the evaluation became quantitative, whiling minimizing subjectivity on assessments.

Stakeholders' consultation

3.9 Consultations were carried out by social experts in a scientific and objective manner and facts obtained from the same have been presented ion this report after verification with different stakeholders. This has enabled the evaluation team from MGC Global form a professional basis to evaluate the activities and projects on the 5-point evaluation criteria.

3.10 While the focus of interaction was on evaluation of the long-term sustainable benefit accrued out of the project activity, our interactions with the implementation agency revealed the process adopted and the nature of further investment that may be required.

3.11 Site visits were undertaken by representatives of MGC Global at SDMC School, Ambedkar Nagar; SDMC School, Hauz Khas; and Andrews Ganj School; all in New Delhi to physically verify the CSR activities, in addition to visiting the NGO Partner's office in Kailash Building, KG Marg in New Delhi. During the site visits, interactions with around 20 stakeholders were held. Consultations with beneficiaries were also carried out through video/teleconference arranged by the NGO Partner at various project sites. Due to the limitations of not getting a physical appointment with the stakeholders in Madhya Pradesh, virtual meetings were held with the representatives of BCG Consulting. The NGO Partner's personnel involved in implementation of the project activity were also interviewed to understand the involvement of their staff and capacity build out.

Evaluate effectiveness and impact

3.12 The effectiveness and impact of CSR activity was evaluated on both qualitative as well as quantitative terms. In quantitative terms amount of funds spent, number of facilities covered, and number of direct beneficiaries were evaluated; while in qualitative terms, the sustainability of the project activity, extent of employee involvement, empowerment of weaker sections, community engagement was evaluated. The qualitative evaluation of the impact depended predominantly on the professional judgment of the professionals undertaking the evaluation. Radar tables were used to evaluate effectiveness and impact for each project, which have been presented based on the 5-point evaluation criteria in clauses 1.8, 1.9 & 1.10.

Findings and recommendations

3.13 The contents of this report are stated on the basis of information and documentation provided to us and are subject to the caveats stated in section 5 of this report. Our recommendations may be considered by MIF to further improve and rationalize its CSR expenditure in the coming years.

Detailed observations

SQEP with SDMC

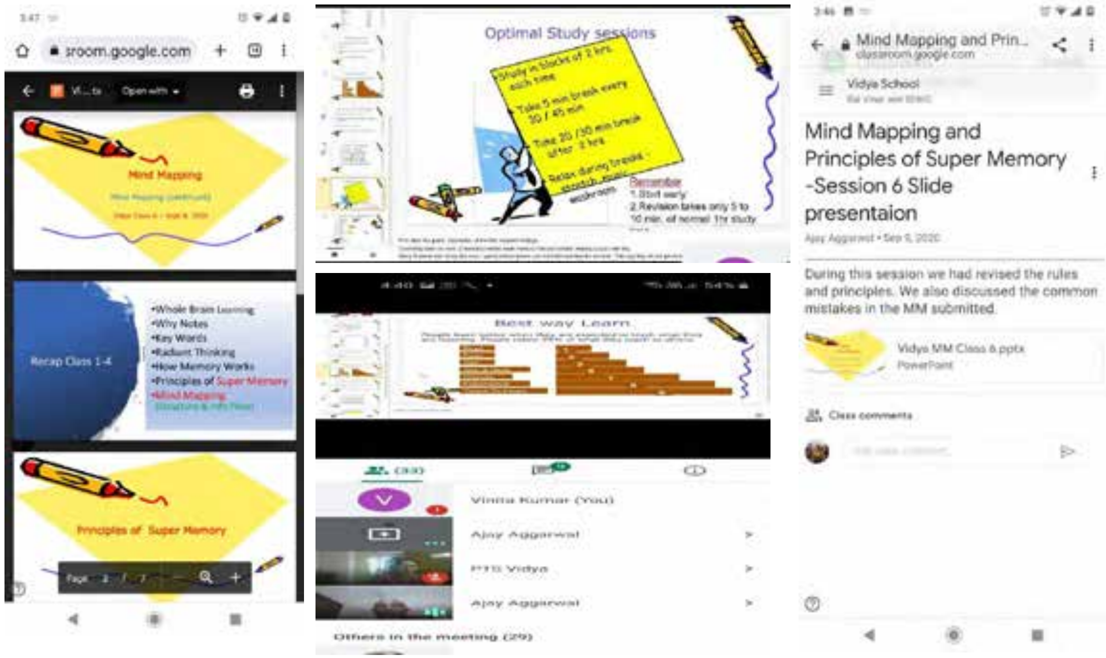
4.1 **Training of teachers |** The ensuing table provides the assessment of the support provided to teachers with the objectives of enhancing their teaching techniques and professional development.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	• Conduct of external seminars with experts and internally designed training sessions. • The NGO partner further collaborated with other NGOs for support. • Activities and modules were planned by teachers for academic years in collaboration with Katha & Vidya.	• Conducted training workshops in excel, smart teaching, online class platforms such as Zoom and Google meet for teachers. • Simple Education Foundation ('SEF') provided support teaching staff.	Teacher trainings covered aspects *(such as mental health of students, time management, mind mapping, etc)* that were pertinent during times of COVID.	Enhancement of psychological health of teachers by taking up sessions with them.	• Recordings of the seminars and training can be used for subsequent sessions. • The NGO partner has attempted to ensure that trained teachers continue for a minimum of 2 years. In many cases, these teachers have stayed for as long as 6 years.	Score 23/25
	Score 3/5	Score 5/5	Score 5/5	Score 5/5	Score 5/5	
Coverage	Teachers.	Collaborated with Katha, Vidya and SEF for enhancing the teaching capacity of the faculty by providing support staff and conducting training sessions.	Focussed on the provision of an engaging classroom presence, value in real-world learning, exchange of best practices and a lifelong love of learning.	Enhancement of skills in communication, listening, collaboration, adaptability, empathy and patience.	Current set of teachers can train a new set of teachers.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 3/5	Score 5/5	
Outcome	17 NGO teachers and 21 SDMC government teachers.	• Katha continued to share its learning content through google drive. • Vidya carried forwarded online teaching through the medium of google classrooms.	Improvement of student decorum and individual behaviour in the classroom.	Improvement in teaching and Leadership skills.	Motivated teachers & students can serve as ambassadors to others, as a result of which the overall attendance and grades can improve on an ongoing basis.	Score 23/25
	Score 5/5	Score 3/5	Score 5/5	Score 5/5	Score 5/5	
Total	Score 13/15	Score 13/15	Score 15/15	Score 13/15	Score 15/15	69/75
Comments & recommendations:	• In situations where physical assessments are not feasible *(such as during a pandemic)*, a secure link to the repository of dates of seminars, recording of the training sessions & attendance records *(maintained by the collaborated NGO partners)* can be provided to TEA for monitoring the progress. • The ongoing initiatives by the current set of teachers in training additional faculty, may be tracked, saved in a repository with the link to the same provided to TEA for reference and monitoring.					

Detailed observations

SQEP with SDMC

4.1 **Training of teachers | Cont...**



Summary of training

- Series of workshops for teachers were conducted on mind mapping tools by Mr Ajay Aggarwal *(Author, MasterTrainer and Business leader)*.
- Teachers were instructed on modern teaching skills covering speed reading, long-term memory development, listening and managing teaching time.

Detailed observations
SQEP with SDMC

4.1 **Training of teachers | Cont…**

Interaction with Grace Gulab Kujur *(Principal of SDMC School, Ambedkar Nagar)*, Deepti *(Katha)* & Astha *(The NGO Partner)* at SDMC School, Ambedkar Nagar on November 15, 2022

Summary of our interaction

- Katha had provided smart books training, excel training, training for Zoom, Google meet & smart teaching practices.
- The frequency of such training was generally once in a week or based on requirement, which has not got calendarized as monthly trainings for teachers.
- KPI trackers were maintained by Katha and shared with the NGO Partner.
- The main challenge was to get teachers to agree and adapt to the new teaching method in the initial days.

Detailed observations

SQEP with SDMC

4.1 **Training of teachers | Cont...**

SDMC and NGO teachers.
Source: TEA's coffee table book.

Detailed observations

SQEP with SDMC

4.2 **Online teaching & learning |** The ensuing table provides the assessment of the continuity of learning in collaboration with Katha & Vidya.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	• Access was given for the 'Katha Khazana', an application that was made in accordance with National Council of Education Research & Training guidelines. This was for reading purposes. • Study based content in the form of stories such as 'laapata sabun ki kahani' *(translates to 'the mystery of the missing soap')*. • Mental wellbeing was also an area of focus, with children being encouraged to engage in regular exercise and plays by PITARA International TYA festival.	• Virtual sharing of academic content. • Workbooks were also delivered to students.	Combination of virtual sharing with students & parents to maintain continuity of learning & physical delivery of workbooks.	Students received exposure through engaging means to grasp academic and wellbeing concepts.	Durability in terms of learning with the help of moral based stories that retain interests in the focus group *(i.e. students in this case).*	**Score 21/25**
	Score 5/5	**Score 5/5**	**Score 5/5**	**Score 3/5**	**Score 3/5**	
Coverage	Grade 3 to 5 students.	• Story access was provided through the application; and also otherwise shared via social mediums such as WhatsApp. • Analysis for ascertaining the number of student viewing the shared content was undertaken.	Creation of new-age teaching material helped in enhancing teaching approaches and redefining the ways in which students learnt and grasped concepts by making them more entertaining.	Activities conducted ensured continuity in learning and minimal gaps in education during times of COVID.	Ongoing usage of the developed application *(katha khazana)* going forward.	**Score 23/25**
	Score 5/5	**Score 3/5**	**Score 5/5**	**Score 5/5**	**Score 5/5**	
Outcome	3 Schools, 900 children & 73% attendance.	Enhancement of learning outcomes through the hybrid methods of virtual means and delivery of tangible study related material.	Making learning easy, and entertaining through storytelling and usage of applications.	Significant number of students were given access to experiential learning which was a change from the regular curriculum, making them aware of other learning platforms.	The enhanced mediums of learning made concepts clearer and enhanced the retention of the same amongst students.	**Score 21/25**
	Score 5/5	**Score 3/5**	**Score 5/5**	**Score 5/5**	**Score 3/5**	
Total	**Score 15/15**	**Score 11/15**	**Score 15/15**	**Score 13/15**	**Score 11/15**	**65/75**
Comments & recommendations		• Acknowledgement of students to whom data packs/smartphones were provided, could be retained. • Documentation requests by TEA to its collaborated NGO partners could be more expansive in pandemic-like situations to track activities holistically. • Students had limited access to internet and limited space in their house to carry out activities and their studies.				

Detailed observations
SQEP with SDMC

4.2 **Online teaching & learning | Cont...**

Katha Khazana's app available on playstore.

Edit for 'Laapata sabun ki kahani' ***(the mystery of the missing soap).***

Detailed observations
SQEP with SDMC

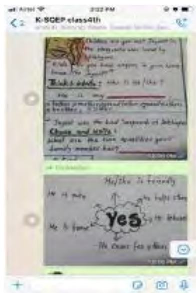
4.2 **Online teaching & learning | Cont...**



Images of students sharing their learnings and work through the on-line modes, emphasis on wellness as well as forms of engagement through amusing stories.

Online teaching during COVID.






Detailed observations

SQEP with SDMC

4.3 **Extracurricular activities |** The ensuing table provides the assessment of holistic development of students through extracurricular activities such as arts theatre, public speaking, music & sports.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	• Engagement activities were planned for students with music, culture, art & science being the central themes. • Awareness campaigns were organized on safety measures, healthy habits and internet safety for students.	• Student participation was encouraged through posting prompts online. • Shared artwork and other articles by students were posted on groups and other online platforms to encourage them to indulge in such activities.	Skill building, wellness habits and values of team spirit were a part of the theme.	Activities focussed on holistic development of students.	Once engaged effectively, students will be inclined towards creating artwork and following healthy lifestyles on their own.	Score 21/25
	Score 5/5	Score 5/5	Score 5/5	Score 3/5	Score 3/5	
Coverage	Students.	Students actively engaged in music, art, dance, storytelling and science programs in collaboration with Music Basti, MyStem Lab and Artly.	Creative approaches for interdisciplinary teaching by using musical and story sessions as mediums to teach English, while also promoting art and crafts & sports.	Children were provided the opportunity to explore different areas of interest, increase self-confidence, build leadership skills and even improve grades - all while having fun.	Student participation in cultural events and environmental projects have facilitated the holistic personality development of students while giving a balanced shape to their perspectives.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 3/5	Score 5/5	
Outcome	3 schools, 900 children & 73% attendance.	Entertaining activities enhanced the levels of engagement, as a result of which attendance observed an upscale movement during COVID.	Online student participation was increased as a result of interesting activities being conducted.	Extracurricular activities have helped children develop their social skills and learn how to work in a team to achieve a shared goal.	Increase in awareness of healthy habits enabling students set examples for others to follow.	Score 25/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 5/5	
Total	Score 15/15	Score 15/15	Score 15/15	Score 11/15	Score 13/15	69/75
Comments & recommendations		• Documentation requests by TEA to its collaborated NGO partners could be more expansive in pandemic-like situations to track activities holistically.				

Detailed observations
SQEP with SDMC

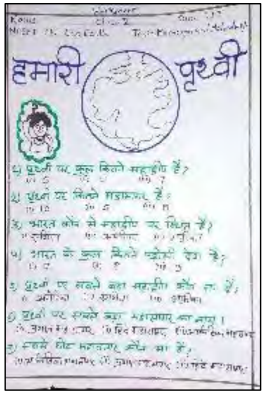
4.3 **Extracurricular activities | Cont...**

Students learning computers.

Art and craft by students.

Detailed observations
SQEP with SDMC

4.3 **Extracurricular activities| Cont...**



Images of students sharing their experience & creative work.

Detailed observations

SQEP with SDMC

4.4 **Parental engagement & community events** | The ensuing table provides an assessment of the parental engagement through community events.

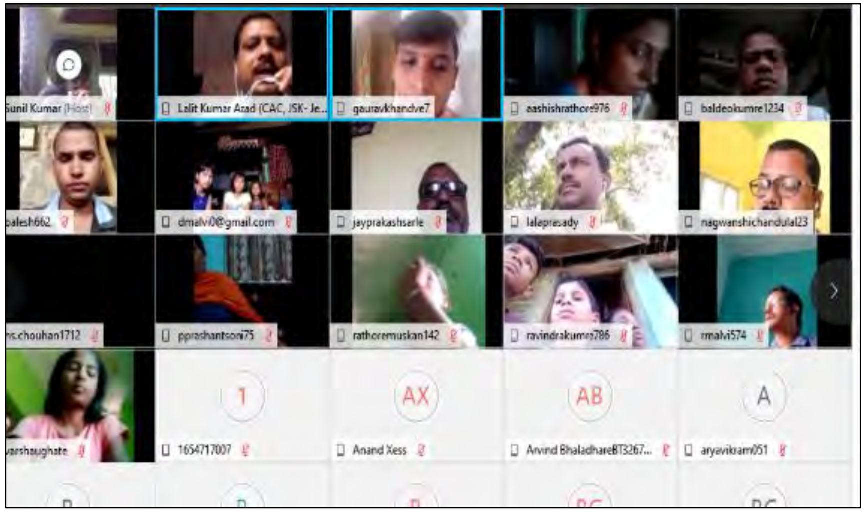
Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	Connections between volunteers and parents were established.	Parent teacher meetings were conducted through virtual platforms and community visits were undertaken to discuss each students' progress.	Parents were apprised of their wards' performance and briefed on the importance of online education.	Created a stronger connect between students and their parents.	Ongoing participation of parents in the progress of their wards.	Score 21/25
	Score 5/5	Score 5/5	Score 3/5	Score 3/5	Score 5/5	
Coverage	Parents and through them, the students.	Awareness of online learning modes and application usage was spread amongst parents by the volunteers conducting visits to students' residences.	Involvement of family members as key stakeholders in the development of the children.	Improved attendance and student participation that led to an enhancement of the reputation of the concerned schools.	Parents staying continuously engaged with faculty and were aware of their children's' performance.	Score 21/25
	Score 5/5	Score 5/5	Score 3/5	Score 3/5	Score 5/5	
Outcome	Numbers could not be provided due to inherent restrictions during COVID & reverse migration of students to their villages.	Several parents who could not be contacted due to digital challenges were met in person.	Community visits helped in strengthening the trust of the parents in the schooling system.	Regular communication lines between parents & teachers helped in understanding and tracking the students' performance.	Results of this exercise along with regular involvement of parents can lead to higher attendance, better behaviour and adaptation to the school environment and sociable skills.	Score 15/25
	Score 3/5	Score 3/5	Score 3/5	Score 3/5	Score 3/5	
Total	Score 13/15	Score 13/15	Score 9/15	Score 9/15	Score 13/15	57/75

Comments & recommendations

- Many families had lost their jobs due to COVID lockdown and with no source of livelihood in cities, they had migrated back to the villages making it challenging for the teachers to reach the students and their parents.
- Achieved outcomes can be continued with the ongoing support and supervision of parents.
- The role of parents in the ongoing education of their ward/s may be measured through predetermined criteria.
- All training & workshops whether virtual or in-person could be recorded for reference purposes.
- Acknowledgement of parents upon community visits may be recorded.

Detailed observations
SQEP with SDMC

4.4 **Parental engagement & community events | Cont...**



Parental engagement & community events through virtual modes.

Detailed observations
SQEP with SDMC

4.3 **Extracurricular activities| Cont...**

Clean and inviting class / reading rooms resulting into happy students.

Detailed observations

PLP model with SDMC

4.5 **Partnering with principals** | The ensuing table displays an overview of the collaboration between the NGO partner and the selected principal(s) / school(s).

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	• Brought in productive partners in the form of experts and technical advisors. • TEA collaborated with its NGO partners to support the SDMC school staff.	Support in terms of teaching was provided by SEF *(to SDMC Andrews Ganj)*.	Assessments were undertaken to shortlist schools under the PLP model.	Created the base for partnerships with school principals to enhance overall vision and strategy for their schools.	Partnerships enable current principals to pass down an effective model of teaching to future principals.	Score 19/25
	Score 5/5	Score 5/5	Score 3/5	Score 3/5	Score 3/5	
Coverage	Public schools as an entity, state administration, teachers and students.	TEA personnel stayed connected with the school principal and teachers-in-charge to remove roadblocks in the system whenever required.	Skill building for students, infra development and support to school teachers were provided.	A dedicated resource for computers and additional teaching staff for English and other need-based subjects were provided.	Base for expansion of coverage established with participation from experts, technical advisors and SEF.	Score 19/25
	Score 5/5	Score 5/5	Score 3/5	Score 3/5	Score 3/5	
Outcome	1 school i.e. Andrews Ganj.	Educators were motivated by way of the partnerships formed with the school and its senior administration.	The collaboration resulted in educational support for teachers and students and skill enhancement such as computer learning.	From the intended 10 schools, 1 had was onboarded while 3 were shortlisted in March of 2022.	The intended objective is to make the selected schools centres of excellence and capable of conducting activities and filling shortages on their own.	Score 19/25
	Score 3/5	Score 5/5	Score 5/5	Score 3/5	Score 3/5	
Total	Score 13/15	Score 15/15	Score 11/15	Score 9/15	Score 9/15	57/75

Comments & recommendations

- Timelines can be instated for mitigating teacher shortages in order to avoid delays in delivery.
- TEA and SEF should finalize the need and intervention areas in consultation with SDMC's school staff.
- Planned activities under the model could not be executed as per set timelines due to inherent restrictions during COVID.
- The overlap in terms of this activity and others being assessed as part of SQEP *(due to similarity in the model during COVID)* has been considered.

Detailed observations

PLP model with SDMC

4.5 **Partnering with principals | Cont...**

Interactions with SDMC teachers, NGO support partners and students *(who were enthusiastic about sharing their learning experiences).*

Detailed observations

PLP model with SDMC

4.5 **Partnering with principals | Cont…**

Source: PLP plan shared by SEF & TEA.

Vision plan in the Principal's office.

Detailed observations

PLP model with SDMC

4.5 **Partnering with principals | Cont...**

THE EDUCATION ALLIANCE

2nd April 2021

To,
Director (Education)
South Delhi Municipal Corporation,
Civic Centre, New Delhi.

Subject: Permission to work with 3 schools (SDMC Andrews Ganj School, SDMC Lajpat Nagar IV (girls) School, SDMC Garhi Jharia Maria School under the SOFP- Principal Led Program (PLP) in partnership with Simple Education Foundation

Respected Ma'am,

The Education Alliance (TEA) is a non-profit organisation founded with the mission of creating exemplary government schools and reviving public education system to deliver a high-quality and relevant education.
TEA is the lead project management partner facilitating the establishment and operations of Government-Partnerships schools by setting up rigorous selection and monitoring processes and collecting data to drive accountability conversations between the NGOs and SDMC. Additionally, we support the SDMC on building internal capacity to identify, select and performance manage partner organisations thus enabling them to scale the program using its own staff and resources.

Permission letter extended by the founder, TEA to the Government for their approval for the PLP model.

Indu Batra, Principal, Andrews Ganj school | A teams call was conducted with her for the PLP model.

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.6 **Hamara Ghar, Hamara Vidyalaya *(remote learning program)* |** The ensuing table lays out the effectiveness of the program that was run for all students of grades 1 to 12 as a COVID response measure.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	Development of a home-learning model titled, 'Hamara Ghar, Hamara Vidyalaya' to ensure continuity of education during COVID.	• Educational radio programs for grades 1-8 *(with one hour for academic activities and half an hour for physical and mental wellness)*. • Edu-classes on TV for grades 6-8 *(for 1.5 hours daily)*. • DigiLEP videos via whatsapp *(an awareness and know-how session was also conducted for parents)*. • Home-based activities and textbooks / worksheets disseminated. • Mohalla classes for community teaching. • Textbook content made available on diksha portal. • Telephonic outreach by teachers to students to keep them motivated.	Continuity of learning through online and community programs ensured that restrictions during COVID did not impinge upon students' education by breaking the flow.	Students were taught the importance of creating a learning environment in places other than their schools.	• Regular classes continued to be conducted for grade 10 to 12 *students (except for lockdown districts)* using a monthly academic calendar with DigiLEP links mapped. • The program acted as model for replication during similar force majeure events in future.	Score 21/25
	Score 5/5	**Score 5/5**	**Score 3/5**	**Score 3/5**	**Score 5/5**	
Coverage	Students and parents.	Guidance to students was provided via phone calls and mohalla classes were conducted for students that were not using digital platforms.	Access to education was ensured for students digitally and even otherwise.	• The awareness session on DigiLEP successfully motivated approximately 100 parents who attended the session. • A network of more then 50K WhatsApp groups connecting over 21 lakh parents was created.	• Technological awareness will benefit parents & students in the long run. • Linkage of content to chapters and making the same accessible via the DIKSHA portal, will provide long term benefits.	Score 21/25
	Score 5/5	**Score 3/5**	**Score 5/5**	**Score 5/5**	**Score 3/5**	
Outcome	81 lakh students.	A repository of 10K *(high)* quality videos was developed for learning purposes.	96% elementary and 80% secondary students were the recipients of text books/workbooks.	• Provided a holistic school atmosphere at home. • Continuity maintained in the curriculum through the project.	Enabled learning for all students in a structured and effective manner, even when at home.	Score 23/25
	Score 5/5	**Score 5/5**	**Score 5/5**	**Score 3/5**	**Score 5/5**	
Total	**Score 15/15**	**Score 13/15**	**Score 13/15**	**Score 11/15**	**Score 13/15**	**65/75**
Comments & recommendations		• All training & workshops whether virtual or in-person could be recorded for reference purposes. • For technology to be an enabler, access to smart phones and enhanced internet connectivity are imperatives. • Students had limited access to internet and limited space in their respective houses to carry out activities and their studies.				

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.6 **Hamara Ghar, Hamara Vidyalaya *(remote learning program)* | Cont...**

Fostering effective use and learning

The central curriculum team in the state has been disseminating messages to District DigiLEP WhatsApp groups targeting district and block level education officers in the state along with cluster level officials, who in turn have their own WhatsApp groups with school principals and teachers to disseminate daily messages. (Clusters and blocks are administrative levels in the state.) A dedicated WhatsApp helpline has been added to all 3 000+ WhatsApp groups for monitoring, and video messages were circulated to set norms at the beginning of the exercise. In addition to WhatsApp, the material is uploaded on the DIKSHA platform, where lessons are packaged into courses and sent out to teachers with clear targets and deadlines. After about 8 weeks, there were 51 000 WhatsApp groups with almost 2.1 million parents. However, only 600 000-700 000 students have watched the videos shared with the groups on any given day. This number has been rising continuously through consistent communication campaign by the state, but points to the challenges in the field, which are elaborated subsequently: awareness, motivation, technical and various other challenges given the COVID-19 situation among the target segment of the population.

Digital learning materials

Resources for students. Competency-aligned videos for Grades 1-12 were curated as part of the DigiLEP video library and launched on 9 April 2020 by the Chief Minister. (DigiLEP is the Digital Learning Enhancement Programme launched to support online studies in the state.) High-quality content from existing service providers, such as Khan Academy, Pratham Open School, Bodhaguru, The TeacherApp, Avanti Learning, etc. and new video libraries, such as TicTacLearn, were mapped to key competencies for these grades to ensure that learning continued during the lockdown. The TicTacLearn video library was developed by Central Square Foundation, in partnership with Google.org. It was launched in April with over 10 000 high-quality videos for mathematics and science in 5 languages. The byte-sized video sequences curated for the DigiLEP programme provide topic-wise seamless learning experiences for all subjects, and include a variety of examples and activities. The DigiLEP library and the learning apps are disseminated through WhatsApp and the existing national DIKSHA portal run by the government of India. The cascade method of dissemination through WhatsApp groups across multiple levels reaches grade-specific parent-teacher groups, where a 20-minute lesson or educational sequence is shared every day at 9 a.m. Boston Consulting Group co-ordinated the curation efforts as part of the ongoing Sustainable Action for Transforming Human Capital project mentioned above.

Information related to DigiLEP.

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.6 **Hamara Ghar, Hamara Vidyalaya *(remote learning program)* | Cont…**

Innovation under HGHV - Bike School.

A teacher in Damoh district engaging with students at the fields during the harvest season.

Parental awareness of digiLEP.

The teacher regularly called and visited the students.

As shared by TEA, the students were so dedicated to keep up with the learning material shared that in case of phone shortages, they would gather and play the sound / video on the nearby temple's speakerphones.

Note: OECD has done a case study on the HGHV project considering its magnitude.

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.6 **Hamara Ghar, Hamara Vidyalaya *(remote learning program)* | Cont...**

Review deck for DigiLEP initiated from April 2020.

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.7 **Board examinations' result enhancement *(helping students succeed in their post-secondary studies)* |** The ensuing table gives an overview of the initiative wherein NQEF analysed the students' performance based on 4 years of results to help them achieve better marks.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	• Carried out an analysis to identify trends in student performance. • Developed optimization strategies for performance enhancement covering study and wellness aspects. • Set performance benchmarks for grades 10 and 12 at >70% and >80% respectively. • Enabled data-based governance at district/block/school level, soft skills development.	• Data was acquired by the schools and interpreted by the NGO partner. • Workshops on tips and tricks for board examinations were conducted for grades 10 to 12. • Progress review meetings between district officials and principals were held.	• The NGO partner studied and prepared an analysis framework for the activity. • Question banks containing important. questions *(prepared by subject experts using the QP blueprint, past 4-5 years' QPs etc.)* was created for subjects in grades 9 to 12) and distributed to students at school level.	Better results served as motivation for students to enhance their performance.	Question banks as a form of learning material will serve as a point of reference for students till the course is revised.	Score 21/25
	Score 5/5	Score 5/5	Score 5/5	Score 3/5	Score 3/5	
Coverage	The school as an entity and students as the eventual beneficiaries.	Every student's performance was assessed in this exercise through data interpretation.	Targets based on past performance were set by principals. Dedicated attention was planned for low-performing schools.	An increase in results was observed.	Low performing schools have benchmarks to follow for continuous improvements.	Score 21/25
	Score 5/5	Score 5/5	Score 5/5	Score 3/5	Score 3/5	
Outcome	1 lakh schools, 90 lakh students.	Board results were assessed through data mining for a wide outreach.	Benchmarks were created to ensure better performance.	Data-driven optimization strategies were put in place.	Since the initiative has been handed over to the state government it is expected to gain further traction.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 3/5	
Total	Score 15/15	Score 15/15	Score 15/15	Score 11/15	Score 9/15	65/75

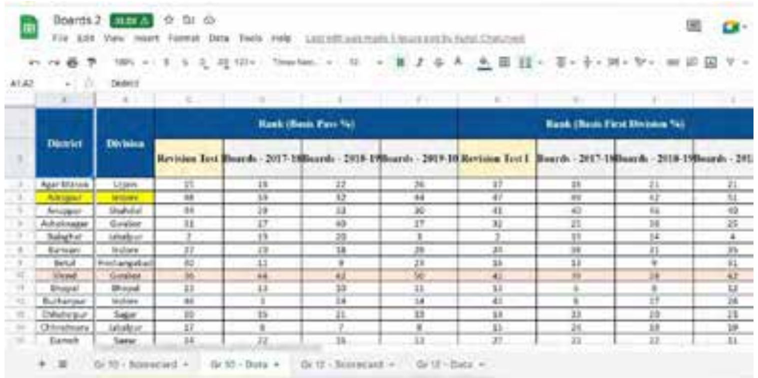
Comments & recommendations

- The activity performed for the board results' enhancement and best practices could be shared as a case study for reference.
- The conduct of half yearly examinations and review meetings between the district officials and principals may be monitored through a collaborative approach to address ongoing challenges.

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.7 **Board examinations' result enhancement *(helping students succeed in their post-secondary studies)* | Cont…**



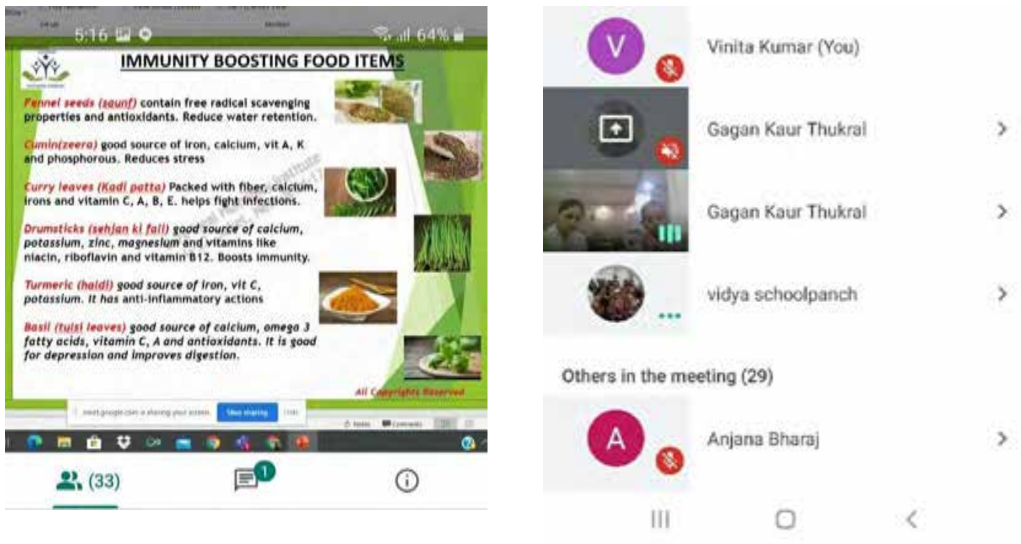
Assessments conducted and data set prepared.

*For internal use only by MIF.

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.7 **Board examinations' result enhancement *(helping students succeed in their post-secondary studies)* | Cont…**



Workshop on 'health and nutrition management'.

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

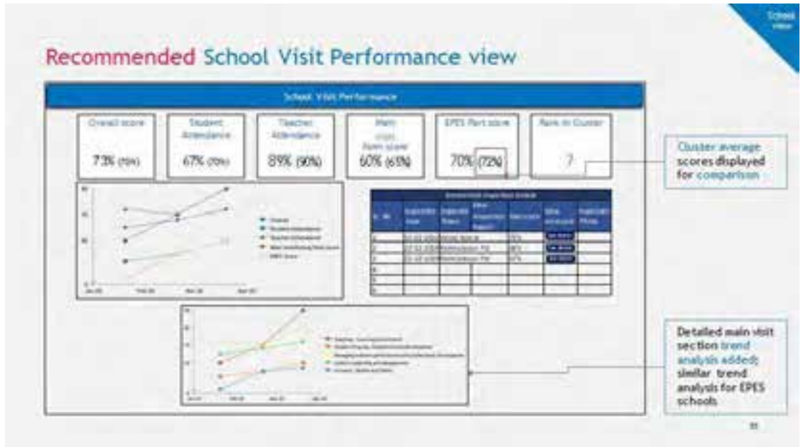
4.8 **Shala Darpan 2.0 *(revised school monitoring system)* |** The ensuing table sets out the system to facilitate the move from 'monitoring to mentoring'.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	Focus was shifted from monitoring activities to core academics and processes were redesigned.	• The resolution processes were smoothened by redesigning issue trigger logic. • Data dashboards were created to ensure regular feedback mechanisms.	Report cards for schools were redesigned in accordance with a scoring metric.	Reengineered process ensured quicker resolution of issues and made time for government officials to carry out the other substantial task.	The renewed processes and dashboards can be availed of if teaching staff continues to build on the model.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 3/5	
Coverage	Public schools as an entity, teachers and students.	Demand-request for classroom observations was made possible by teachers for better support.	Processes were renewed making more time for academic activities and better mechanisms for feedback.	Schools attained feedback on performance improvement.	The state was able to obtain multiple data points from schools for subsequent reference.	Score 23/25
	Score 5/5	Scope 3/5	Score 5/5	Score 5/5	Score 5/5	
Outcome	1 lakh schools.	Data driven points for decisions.	The creation of report cards resulted in assessing schools' performance based on specific parameters that can be applied consistently.	The activity resulted in targeted monitoring for low-performing schools that required more attention.	Decisions based on assessments and data studies can ensure targeted outcomes by a large number of schools.	Score 21/25
	Score 5/5	Score 3/5	Score 5/5	Score 3/5	Score 5/5	
Total	Score 15/15	Score 11/15	Score 15/15	Score 13/15	Score 13/15	67/75
Comments & recommendations		• The NGO partner could stay engaged with the state to ensure that the inputs and data provided are being used effectively. • Additional clarity may be provided to districts on the best sources of data to facilitate effective data-driven decisions, in instances where there is a multiplicity of data sources and monitoring agencies. • The integrated monitoring system for CM RISE schools should focus on all grades, while combining elements of both 'Shala Darpan' and the current 'Vimarsh' portal for secondary monitoring.				

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.8 **Shala Darpan 2.0 *(revised school monitoring system)* | Cont...**



Recommended school-visit and school-performance templates.

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.9 **School consolidation *('Ek Parisar, Ek Shala' and physical mergers)* |** The table set below provides an assessment of the initiative that resulted in schools getting merged for enhanced learning & efficiencies.

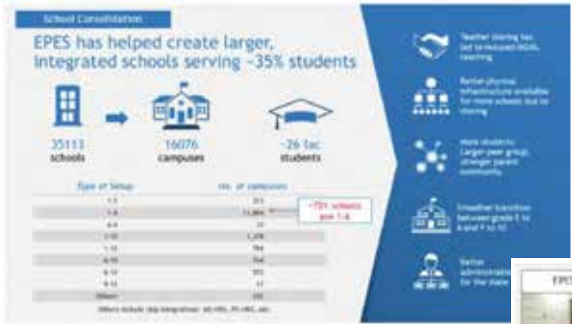
Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	• A framework for consolidation and evaluation was created by the NGO partner. • Digital training modules were created for school heads.	3 full time resources by the NGO partner were onboarded to work in collaboration with Boston Consulting Group.	Modules were targeted towards cultural and academic improvements.	Inefficiencies related to student-teacher ratios were identified.	The framework created by the NGO partner with the digital modules can be used by the state for further consolidation and training.	Score 21/25
	Score 5/5	Score 5/5	Score 3/5	Score 3/5	Score 5/5	
Coverage	Public schools as an entity, state administration, teachers.	Documented guidelines to integrate administrative and academic parameters were rolled out to orient the field officers and school stakeholders.	Provision of bigger schools that house more students and teachers as part of one system.	School mergers with the support of the NGO partner lead to better performing schools.	State government is taking the program forward as CM rise.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 3/5	
Outcome	1 lakh schools were targeted of which ~35,000 schools were merged into ~16,000 campuses.	Individual school units were made more efficient with streamlining through consolidation.	Improvement in the student teacher ratio.	School mergers led to formation of more effective and impactful learning institutes.	Program transitioned to CM rise for 9,300 schools.	Score 19/25
	Score 5/5	Score 3/5	Score 3/5	Score 5/5	Score 3/5	
Total	Score 15/15	Score 13/10	Score 11/15	Score 13/15	Score 11/15	63/75
Comments & recommendations		The success of merging schools may be measured through enhanced coverage of students, greater attention to students by the faculty and improvement in the academic performance of the students. These and other parameters may be further developed and tracked by the NGO partner with ongoing interactions with the state government.				

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.9 **School consolidation *(E'k Parisar, Ek Shala' and physical mergers)* |** Cont…

Our interaction with Garima Batra,
Managing Director & Partner, Boston Consulting Group.



Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.10 **Assessment through online mediums** | The table set below provides the assessment of the WhatsApp based quiz for English and Hindi subjects in the state of Madhya Pradesh.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	Conducted assessments by sharing quiz links through WhatsApp for grades 1 to 8 in phase I and grades 9 & 10 in phase II.	• Collaborated with ConveGenius to develop quizzes for various subjects. • Revision material was shared for better retention.	DigiLEP videos were linked to WhatsApp based assessments with the ConveGenius team.	The activity provided an immediate remedial lesson for students answering incorrectly, based on the concept of personalized adaptive learning.	Parameters developed for assessment with the quiz questions can be used for subsequent surveys.	**Score 19/25**
	Score 3/5	**Score 5/5**	**Score 5/5**	**Score 3/5**	**Score 3/5**	
Coverage	Students.	The quiz tested students on competencies covered under the Hamara Ghar Hamara Vidyalaya program with emphasis on the impact on learning levels of the students.	The quiz was accessed by multiple users in a single device and hence had a vast outreach.	Average performance was assessed with a score of 79% for Hindi and 78% for Maths.	Survey links can be used for limited durations on completion.	**Score 19/25**
	Score 5/5	**Score 3/5**	**Score 3/5**	**Score 5/5**	**Score 3/5**	
Outcome	Grades 1 to 8, with over 14 lakh students taking the quiz in the first 4 weeks itself.	The system was piloted in Bhopal and Hoshangabad divisions in the first two weeks and expanded to the whole state in the third week.	Conducted the 'Bridge course' *(a program to develop Foundational Literacy & Numeracy 'FLN' skills of grades 1 to 8 students)* and HGHV baseline in the first two weeks of October 2020.	Coverage across the targeted profile with validation through the mock National Achievement Survey that was conducted for 4 weeks in December for grades 9 & 10 students *(on three subjects)* to ascertain their baseline levels.	Expansion of the pilot project by the state government.	**Score 23/25**
	Score 5/5	**Score 5/5**	**Score 5/5**	**Score 3/5**	**Score 5/5**	
Total	**Score 13/15**	**Score 13/15**	**Score 13/15**	**Score 11/15**	**Score 11/15**	**61/75**
Comments & recommendations	• Expansion of the pilot project by the state government with the assessment being a combination of the virtual and physical assessments. The model for the physical assessments may be defined for adoption. • Results of the assessment for all grades should be retained for reference. • Enhancement of the number of devices for usage. • WhatsApp links may be provided for longer durations on cloud for reference.					

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.11 **Digital mainstreaming and blended learning model |** The ensuing table presents an overview of the results of the assessment of the blended learning model.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	Developed a plan to implement digital learning in both CM-RISE as well as non CM-RISE schools.	Collaborated with ConveGenius to understand the impact and acceptability of the digital content digital learning.	A repository of digital learning content was created subject and competency wise.	The repository can be used by the Government for various activities.	The activity was handed over to the state government.	**Score 25/25**
	Score 5/5	**Score 5/5**	**Score 5/5**	**Score 5/5**	**Score 5/5**	
Coverage	Public schools as an entity, state administration, teachers, students.	Usage of curated digital content repository to assist in class/at-home learning.	The pilot phase was extended to additional schools through the digital mode.	Schools identified for CM-RISE as well as other schools *(non-CM RISE)* were covered.	The tech-based lesson planning tool for teachers and tech-based platform for conducting spot tests / formative assessments digitally can be used on an ongoing basis.	**Score 21/25**
	Score 5/5	**Score 5/5**	**Score 3/5**	**Score 5/5**	**Score 3/5**	
Outcome	3,050 schools were covered.	Students introduced to the models of digital learning.	• PAL pilot was conducted for 900 schools. • Digital learning for 2,150 schools.	Continuity in academic learning.	Basic digital infrastructure including smart classes / projectors in select CM RISE schools will facilitate access and interaction with digital learning material.	**Score 21/25**
	Score 3/5	**Score 5/5**	**Score 5/5**	**Score 3/5**	**Score 5/5**	
Total	**Score 13/15**	**Score 15/15**	**Score 13/15**	**Score 13/15**	**Score 13/15**	**67/75**
Comments & recommendations		Having created the content, the NGO partner may consider ongoing interactions with the state government to track and monitor the progress independently, from the perspective of measuring sustainability and outcome over a medium to long term *(3 to 5 years)*.				

Detailed observations

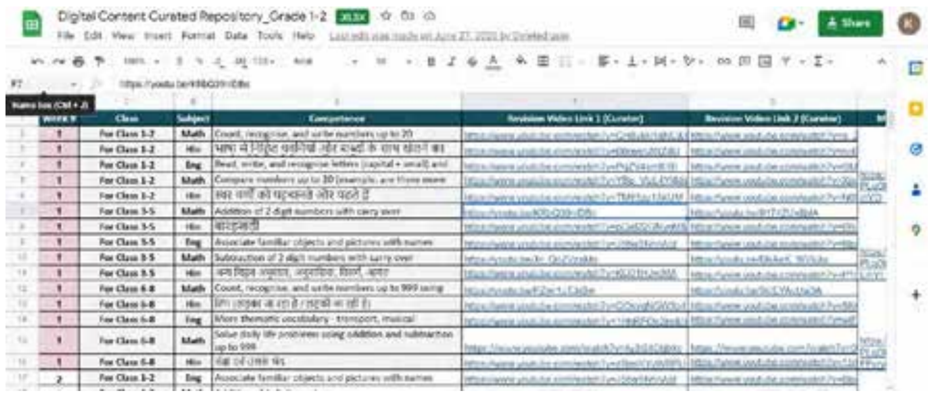
SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.11 **Digital mainstreaming and blended learning model | Cont…**

While the non-digital interventions cannot be tracked precisely, the metrics to monitor the implementation success of the DigiLEP programme are:

- Number of parents: The objective is to increase the reach of parents: 2.1 million parents have been added to the groups so far (starting from about 1.3 million in the first two weeks of the programme).
- Minimised spam messages on the WhatsApp groups through randomised monitoring.
- Percentage of teachers who report calling and engaging with five students every day.
- Overall number of students viewing resources on the DigiLEP, including a tracking of grade and subjects and split across various districts to drive district-specific strategies and action.

Impact of DIGILEP - Hamara Ghar Hamara Vidyalaya.



https://www.youtube.com/watch?v=LXwamAb7QEM

Digital content created for home learning in MP.

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.12 **Strengthening field execution |** The table set below provides an assessment of the activities undertaken to strengthen field execution.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	Collaborations were formed with partner organizations to develop prototypes of integrated dashboards.	Review meetings for district and block levels were conducted.	Monitoring frameworks developed to track performance.	Development of a prototype of an integrated dashboard.	Best practices from the model can be carried forwarded.	**Score 23/25**
	Score 3/5	**Score 5/5**	**Score 5/5**	**Score 5/5**	**Score 5/5**	
Coverage	Public schools as an entity, state administration, teachers.	Revised the DPMU-BPMU meeting structure including composition, cadence, agenda and minuting process as well as the associated reporting, tracking and monitoring structure around it in order to ensure effective reviews and monitoring at the district and block level.	Renewed meeting structures, while enhancing productivity.	The dashboard includes data related to the admin units under jurisdiction, the officials reporting into the user as well as data related to the personal professional development of the user itself.	The renewed structures can enhance the field execution over a short to medium *term (months to 3 years).*	**Score 21/25**
	Score 5/5	**Score 5/5**	**Score 3/5**	**Score 5/5**	**Score 3/5**	
Outcome	Establishment of committees for (a) infrastructure; (b) staff management; (c) teacher availability; (d) teacher professional development; (e) digital education; (f) school leadership; (g) monitoring & governance; (h) academic initiatives; (i) pre-primary education; (j) vocational education; (k) transportation; (l) school academic & administrative processes; (m) community & parental engagement; (n) setting quality benchmarks, evaluation/ appraisal & school certification; (o) communications, launch & documentation; (p) extra-curriculars; (q) physical education & sports; & (r) science education.	Notification of initiative wise sub-committees for CM-RISE schools.	State and division level orientation and visioning workshops organized for drafting vision and mission document for CM-RISE schools.	• 18 sub-committees constituted to drive action on priority. • Workplans drafted by 11 sub-committees.	Effective monitoring of the execution of the strategy can ensure sustainable benefits over the long term *(3 to 5 years).*	**Score 23/25**
	Score 3/5	**Score 5/5**	**Score 5/5**	**Score 5/5**	**Score 5/5**	
Total	**Score 11/15**	**Score 15/15**	**Score 13/15**	**Score 15/15**	**Score 13/15**	**67/75**
Comments & recommendations	• The NGO partner should continue with its ongoing efforts to make online DPMU-BPMU meetings more effective by addressing the learnings from the challenges associated with use of technology during COVID. • Committee charters should be developed, published and monitored with an assessment of the requirement for the continuity of the committee on accomplishment of objectives.					

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

MGC GLOBAL RISK ADVISORY LLP

4.12 **Strengthening field execution | Cont...**

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Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.13 **Performance-based certification of schools |** The ensuing table provides an assessment of the plan for the rewards & recognition scheme for schools.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	Finalized the plan for the rewards & recognition scheme. This plan has not yet been approved by the state government.	• Bands such as 'gold', 'silver', etc. were designed. • Criteria for fulfilling requirements to attain the bands was created.	Basis the performance of the students of the schools in this assessment, the schools will get the certification.	Associated incentives linked to each category.	Inclusion of the above-gold category called 'Siddha'. where the school will need to excel in extra-curricular domains and competitive exams to achieve certification under this category.	Score 21/25
	Score 3/5	Score 5/5	Score 5/5	Score 5/5	Score 3/5	
Coverage	Public schools as an entity and the state administration.	Scheme not launched during the year.	Scheme not launched during the year.	Scheme not launched during the year.	Scheme not launched during the year.	Score 5/5
	Score 5/5	Not applicable	Not applicable	Not applicable	Not applicable	
Outcome	Scheme not launched during the year.	Scheme not launched during the year.	Scheme not launched during the year.	Scheme not launched during the year.	Scheme not launched during the year.	Not applicable
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	
Total	Score 8/10	Score 5/5	Score 5/5	Score 5/5	Score 3/5	26/30
Comments & recommendations	• The criteria for certification will be two-fold, in which the school will need to fulfil certain process goals such as teacher-student attendance levels, after which the school will be eligible for taking part in an academic assessment. On the basis of the performance of the students of the schools in this assessment, the school will get the certification. • Since this plan was neither designed and conceived nor launched during the year, we have not commented on specific aspects relating to its coverage and outcome. The plan needs to be tested in terms if its effectiveness in order to assess its impact. • We understand that the state government's approval for the rewards & recognition plan is awaited on date.					

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.13 **Performance-based certification of schools | Cont...**

Teacher level incentives

SATH

Awardees:	Principal + all teachers of Special tier schools	Principal + all teachers of Gold schools	Principal + all teachers of Silver schools	Principal + all teachers of Bronze schools
Incentives	**Special Tier**	**Gold**	**Silver**	**Bronze**
Felicitation, special certificate for school principal & staff at CM/EM/PS/CPI/CRSK level	at CM level	at EM level	PS/CPI/CRSK level	PS/CPI/CRSK level
Leadership trainings at top schools	National institutes (IIMs, etc.)	National institutes (IIMs, etc.)	Regional institutes (within MP)	
Exposure visits to top schools	Top national schools	Top national schools	Top regional schools (within MP)	
Priority in transfer of choice (wherever possible)				
Listing of achievement in service manual				

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Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

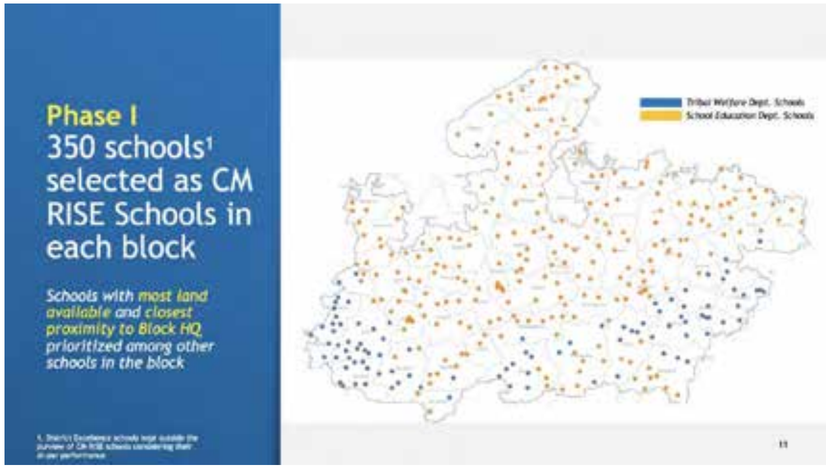
4.14 **'CM-RISE' schools |** The ensuing table provides an assessment of the efforts undertaken towards the CM-RISE schools program.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	• The initiative aims to provide at least one high quality school within every child's vicinity. • Developed benchmarks for quality education and learning for schools in adjoining areas.	• Diligence undertaken to identify the target schools based on defined parameters for CM-RISE Schools. • SOPs on management of CM-RISE schools prepared. • Vision & mission documents along with 'code of conduct' developed. • Workshops for integrated working conducted.	The schools will be spread evenly across the state and will act as a benchmark for quality education and learning for surrounding schools.	The project has paved the way for structural changes in the educational system in the state.	The School Education Department had submitted a proposal for CM-RISE schools to the Honorable Chief Minister of MP and the Cabinet *(comprising of all elected ministers in state)*, which has received an in-principle approval.	Score 19/25
	Score 3/5	Score 5/5	Score 5/5	Score 3/5	Score 3/5	
Coverage	Public schools as an entity and state administration.	A two-day state level visioning workshop was organized with the SED leadership on February 18 & 19, 2021 and subsequent visioning workshop was facilitated by state representatives held with district level officers in each of the 9 divisions on March 03, 2021.	Development of 3 to 4 CM-RISE schools was finalized in every Jan Shiksha Kendra *(area)*.	350 CM-RISE Schools are being prioritized in Phase I while remaining ~8,850 schools will receive a basic infrastructural face uplift and a core teaching staff to ensure that academic goals are met with.	Full-fledged development of the ~8,850 schools will be taken up in Phase II *(2023 onwards)*.	Score 23/25
	Score 5/5	Score 3/5	Score 5/5	Score 5/5	Score 5/5	
Outcome	9,126 schools out of a population of 9,200 have been brought under the CM-RISE model.	A collective shared vision and mission for CM-RISE schools have been articulated based on inputs collected from all stakeholders.	A vision document, school leader handbook, teacher handbook, code of conduct and administrative rules and regulations have been developed.	The state government has approved funding of INR 1,500 Crores for year 1 of the program.	The collective vision is expected to facilitate building exemplar CM-RISE schools.	Score 25/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 5/5	
Total	Score 13/15	Score 13/15	Score 15/15	Score 13/15	Score 13/15	67/75
Comments & recommendations	• The benchmarks for assessments, a strategic blueprint & SOPs may be retained for reference even though the state government will be spearheading the program. • Approvals from the government may be tracked and pursued within defined timelines to ensure substantiality of the efforts.					

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.14 **'CM RISE' schools | Cont...**



Link for CM rise Launch : https://www.youtube.com/watch?v=6yGgmyNJBOI

https://www.vimarsh.mp.gov.in/(S(zfwwjcmtme1kodargucamdez))/cmrise/result.aspx

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.14 **'CM RISE' schools | Cont...**

While the SATH-E 1.0 contract period officially ended in March 2020, the SATH project continued to operate during the pandemic, driving the launch of several key initiatives such as DigiLEP program, CM Rise (Leader Schools), and improved governance and monitoring. Subsequently, the SATH-E 2.0 project was officially renewed in October 2020. This document details the roadmap for this phase of the project.

Detailed observations

SATH-E *(in partnership with Boston Consulting Group for the state of MP)*

4.14 **'CM RISE' schools | Cont...**

Divisional level visioning workshop under CM-RISE.

State level visioning workshop with sub-committees.

Caveats | Key assumptions for the reader

Sources of information

5.1 The information contained in this report has been obtained primarily from discussions with the management of the NGO partner & documentation provided by the NGO partner.

5.2 It follows that information from any other source which has not been disclosed to us, could have a material impact on the objectives for which we were given this assignment.

Scope of work

5.3 Our review does not constitute an audit in accordance with auditing standards and no such verification work has been carried out by us. We have relied on explanations and the source information provided by the management of MIF and the NGO Partner. Consequently, we do not express an opinion on the numbers or any other aspect stated in this report. The scope of our work has been limited both in terms of the activities relating to the projects undertaken by the NGO Partner and the extent of the documentation and explanations provided to us. There may be matters, other than those noted in this report, which might be relevant in the context of this engagement and which a wider scope or which a complete set of records or an extensive audit might uncover.

5.4 The scope of our work did not require MGC Global to obtain a testimony from our interviews or gather physical evidence or undertake surveillance or a sting operation.

5.5 Though areas of improvements at the NGO partner level have been noted by us, these are based on the information and documents provided to us till December 08, 2022. It is possible that additional information with explanations may require us to alter our observations in this report.

Scope limitations

5.6 The areas of our focus on this assignment, as specified in our engagement letter of September 07, 2022 , have been covered in this report. It is possible that a wider scope (*including coverage of activities beyond the period of our review)* may uncover other facts that may be material in relation to the objective for which such work was assigned to us.

5.7 It may be noted that since our work was based on specific pre-assigned procedures, which include a combination of various approaches, the same cannot and should not be used be used to identify and detect existing, past and irregularities non conformalities. We wish to highlight that there is an inherent risk in any such review. Such an inherent risk can be defined as the likelihood of a misstatement that would be material in one area when aggregated with misstatements in other areas or classifications, assuming that there were insufficient related internal controls.

Scope limitations *(cont...)*

5.8 We are not lawyers and are not a law enforcement agency or prosecuting officer. We do not have power to subpoena records or power to subpoena witnesses to testify under oath. We are a private consulting firm conducting a specified consulting service based on information voluntarily provided to us.

5.9 We do not draw legal or other conclusions here and instead raise matters for consideration and further investigation by you. Exercising our judgment, and erring on the side of transparency and disclosure, we are identifying specific risks to the management of MIF, so that they can determine appropriate next steps.

5.10 For purposes of the exercise, MGC Global has used information obtained from various enquiries, primary interactions and secondary information sources, which we believe to be reliable, and our assessment is dependent on such information being complete and accurate in all material respects. We do not accept any responsibility or liability for any losses occasioned to any party as a result of our reliance on such information. If any of the facts and assumptions is not complete or accurate, it is imperative that we be informed accordingly, as the inaccuracy or incompleteness thereof could have a material effect on our conclusions.

5.11 This report is for information purposes only. While due care has been taken during the compilation of this report to ensure that the information is accurate to the best of MGC Global's knowledge and belief, the content of this report is not to be construed in any manner whatsoever as a substitute for professional advice.

5.12 This report sets forth our views based on the assumption that the management of the Foundation and the NGO partner have provided complete and accurate facts, as stated to us and any assumptions that were included.

5.13 MGC Global does not owe duty of care *(whether in engagement letter or in tort or under statute or otherwise)* to any person or party to whom the report is circulated to and MGC Global shall not be liable to any party who uses or relies on this report. It is understood by MIF the MGC Global disclaims all responsibility or liability for any costs, damages, losses, liabilities, expenses incurred by such third party arising out of or in connection with usage of the report or any part thereof.

Caveats | Document limitations

Pending information

5.13 The table set below lists the pending documents/photographs for the activities undertaken.

No.	File type
1	Training recordings.
2	Quarterly reports shared by NGO partners namely Katha, Vidya, and SEF.
3	SOPs provided to government schools under SATH-E.
4	Pictures related to other workshops conducted.

This space has been intentionally left blank

Annexure I | Questionnaires

Sample questionnaires | Teachers & students

6.1 The lists set below contain sample questions used for teacher & student interactions.

Questions for teachers.
1. How has the association with TEA helped you in terms of teaching approaches?
2. How have they helped in times of distress?
3. During COVID, what was their role?
4. Has the students' participation and / or performance improved?
5. Please list the major initiatives.

Questions for students.
1. Favorite subjects and activities to do.
2. In relation to the resource centre, do you like learning about computers? What are your favorite activities to perform on it? How does this help you in life?
3. Do you like playing in the basketball court?
4. Who is your favorite teacher and why?

Questions for Mr Ashok Pareekh.
1. Impact of projects undertaken during COVID with TEA's assistance.
2. TEA's support and experience.
3. Strategies for mitigating challenges during the period.
4. Additional comments with regard to TEA's contribution.

Annexure II | Community voices

Community voices | Teachers, students & NGO partners

6.2 The information set below contains comments by teachers, students, and NGO partners about their experience.

Ms Vinita *(Vidya)*

The number of students in the school has gone up since our association with TEA. Community visits have helped us in spreading awareness about the importance of education. Due to word of mouth, parents want to send their kids here as the way in which children are taught is different from other schools in their area.

TEA has helped Vidya form alliances with government schools and bring about systemic changes in the way schools are run. The objective was to change the mindset and perceptions of people towards government schools. TEA has enabled us to apply our ideas and make durable changes.

Annexure II | Community voices

Community voices | Teachers, students & NGO partners *(cont..)*

6.2 The information set below contains comments by teachers, students, and NGO partners about their experience.

Ravi *(name changed for confidentiality reasons)* loves visiting the library in his free time and during the designated library period – a change brought in by the NGO partners working with TEA under the SQEP model. He is one of the top performing students at his school and participates in co-curriculars as well. Ravi feels happy coming to school and likes participating in class when asked questions by his teachers.

Other comments

Beneficiaries: Students *(names not mentioned for confidentiality reasons)*| Model: PLP

Impact of the project | Key messages from our discussions with 7 students studying at Andrews Ganj school *(under the PLP model).*
• I like computers. We learn about privacy and the importance of internet.
• I remember names of all the computer parts and am excited to learn more.
• Ma'am lets us use paint and teaches us good things about making artwork on the computer. I love learning computers as it's a new skill.
• I like performing good in studies and now at computers as well. Learning it makes me feel good and I go home feeling happy.
• I love my teachers here. They teach us new things.
• Learning new things makes school seem more fun.

Annexure II | Community voices

Community voices | Teachers, students & NGO partners *(cont..)*

6.2 The information set below contains comments from Mr Ashok Pareekh about his experience.

Stakeholder: Mr Ashok Pareekh, Deputy Director & Controller, Curriculum and FLN, Rajya Shiksha Kendra *(Madhya Pradesh).*

Project: SATH-E.

Impact of the project: During COVID, we started radio and loudspeaker schools which benefitted the entire community and not just students. We wanted the kids to feel as if they are still going to school and not missing out on anything.

Due to the loudspeaker learning under Humara Ghar Humara Vidhyalaya, everyone present in the neighbourhood was able to receive benefits of the initiative as a result of which learning gaps were mitigated.

Further, TEA's team helped in ensuring that content is reaching children easily and they are able to watch the content on youtube and other platforms comfortably.

Impact of the project *(cont..)*: We realised that there were many impending challenges that parents and students were facing such as lack of funds and motivation, shortage of digital means and other health-related concerns. We stayed connected with parents and urged them to get involved in their children's education. We tried to fulfil the needs for phones and recharges to ensure that students do not face problems accessing online mediums.

In relation to administrative machineries, we helped by making district and block level meetings that had members such as DEO, DIET principal, DRC etc., more productive by planning calendars and templates for checking effectiveness.

Other comments: TEA has been extremely helpful in delivering the intended objectives. Kanchan and Kunal both have been great help and have extended support whenever I have reached out to them. Their involvement in the projects is indispensable. Our learnings during COVID have been such that now with cases surging, I do not feel afraid rather prepared.

Meetings & stakeholders covered

Our coverage

Our interactions included speaking with school heads and various subject teachers, students, NGO partner heads and founder & project directors at The Education Alliance.

A summary of our meetings along with their respective dates and stakeholders involved is set here.

No	Date of meetings	Location	Key participants	Stake holders
1	September 12, 2022	Teams call	Dhruv Pandey	TEA
			Kanchan Lall	TEA
			Garima Gagr	MIF
			Monish Chatrath	MGC Global
			Ruchi Dadwal	MGC Global
			Surender Sharma	MGC Global
			Mahima Singh	MGC Global
			Anoop Kumar	MGC Global
2	October 19, 2022	TEA's office new Delhi's CP	Amitav Virmani	TEA
			Kanchan Lall	TEA
			Surender Sharma	MGC Global
			Mahima Singh	MGC Global
3	November 15, 2022	TEA partner Schools of MCD Ambedkar nagar & Hauz khas	Astha Soni	TEA
			Grace Gulab Kujur	Principal for Katha
			Ms Dipti	Katha
			Ms Vinita	Teacher incharge, Vidya
			Mahima Singh	MGC Global
			Anoop Kumar	MGC Global
4	November 16, 2022	Zoom Call	Indu Batra	Principal Madam, Andrews ganj school
			Ruchi Dadwal	MGC Global
			Surender Sharma	MGC Global
			Mahima Singh	MGC Global
5	November 17, 2022	Principal-led partnership model school of MCD	Ms Seema	Teachers incharge
			Ms Rekha	Teachers incharge
			Ms Dipti	Computer teacher
			Ms Shalini	Special attention student
			Ms Bilal	TFI fellow sent by SEF
			Ms Garima	MIF
			Ruchi Dadwal	MGC Global
			Surender Sharma	MGC Global
			Mahima Singh	MGC Global
6	November 18, 2022	Teams call with BCG partner	Garima Batra	MIF
			Ruchi Dadwal	MGC Global
			Surender Sharma	MGC GlobaL
			Mahima Singh	MGC Global
7	December 23, 2022	Teams with Mr Ashok Pareek	Kanchan Lall	TEA
			Mr Kunal	TEA
			Ashok Pareekh	Rajya Shiksha Kendra, Madhya Pradesh
			Ruchi Dadwal	MGC Global
			Mahima Singh	MGC Global

It is a pleasure to work for you

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Managing Partner
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www.mgcglobal.co.in

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New Delhi | 323, 324 & 327, Square One Building, Saket, New Delhi 110 017

We have arrangements with our associate firms to service our clients in all other major cities in India.

Teach For India
CSR impact assessment | Final report
For the year ended March 31, 2021

Confidential & privileged

MGC GLOBAL RISK ADVISORY LLP

Page 1

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Yellappa Chetty Layout, Halasuru, Bengaluru 560 042, Karnataka

December 27, 2022

Max India Foundation
Max Towers
Level 20M Sector 16B
Noida Uttar Pradesh 201 301

For the kind attention of the management

Dear Madam/Sirs,

CSR impact assessment | Year ended March 31, 2021 | Final report

We refer to the defined scope of work forming part of the engagement letter with Max India Foundation ('MIF' or 'the Foundation') dated September 07, 2022. In accordance with the same, MGC Global Risk Advisory LLP ('MGC Global, 'our firm', 'us, 'we') has undertaken assigned procedures pertaining to the CSR impact assessment for the projects undertaken by Teach To Lead ('the NGO Partner' or 'Teach for India' or 'TFI') during the year ended March 31, 2021, in the context of the grant given to the NGO Partner by MIF.

We are pleased to enclose our report covering our observations.

Our main observations have been summarized in the executive summary in section 01 of this report, while section 02 provides the background and context; and section 03 provides an overview of our approach and methodology. Our detailed observations are stated in section 04 of the report. Summaries of our interactions with beneficiaries around their perspectives on the impact of the projects and their experience are in section 06.

The sufficiency of the work plan and the contents of our observations are solely the responsibility of your management. Consequently, we make no representation regarding the sufficiency of the work plan either for the purpose for which our observations have been requested or for any other purpose.

Please note that since this report is based on limited procedures as assigned to us, our observations should be read in light of the caveats in section 05 of this report.

Our work does not constitute an audit or review of the financial or other data; the objective of which is the expression of an opinion or limited assurance, or a part thereof, or verification of the accuracy of management responses to our inquiries or commenting on the control framework prior to our appointment. Further, our work should not be relied upon to disclose errors, irregularities, or illegal acts, including fraud or defalcations in the financial records and data, which were used for the management review.

This report is sensitive, privileged, strictly confidential and for the use of the addressee only. It cannot be reproduced, either wholly or partly for any circulation or discussion with any other party, without the prior written consent of our firm.

Yours faithfully,

MGC Global Risk Advisory LLP

MGC Global Risk Advisory LLP

Head office: 323, 324 & 327, Square One Building, Saket District, New Delhi 110 017
Tel: +91 11 4077 7800| Website: www.mgcglobal.co.in
LLP Identification Number: AAE - 4383

Contents

Executive summary | Key facts & assessment

1.1 MIF in their agreement with Teach To Lead had committed INR 2 crore towards the CSR project led by the NGO Partner called the 'Fellowship program' in Delhi, for the year ended March 31, 2021.

1.2 The program sought to create a movement of leaders across sectors who were committed towards ensuring accessibility of good quality education for every child in India. In addition to the existing fellows, TFI had invited selected alumni with 3-4 years of teaching experience to the 'Transformational Teaching Fellowship', a project to extend teaching support to students. Promotion of education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects are eligible for CSR expenditure in pursuance of Schedule VII of the Companies Act 2013.

1.3 The methodology of CSR impact evaluation adopted by MGC Global was based on the normative framework set out by The Organization for Economic Co-operation and Development ('OECD') Network on Development Evaluation. On this basis all activities undertaken by the NGO Partner under the Fellowship program were identified and evaluated on the basis of the 5-point criteria *(relevance, efficiency, effectiveness, impact & sustainability)*.

1.4 The ensuing table provides an overview of the impact assessment for the Fellowship program.

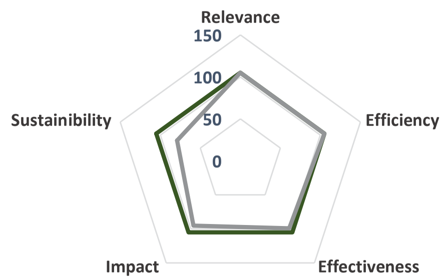
Nature	Creating a leadership force to work towards providing excellent education to students in low income communities and to provide for a pool of high-calibre and emotionally intelligent individuals for social sector and corporate roles.			
Target	23 schools, 1,500 students, 40 fellows, 80% average attendance.			
Actual	23 schools, ~900 students, 40 fellows, 55% average attendance.			
Activities	No	Calculated score	Score upper limit	Score achieved
	7	483	525	92%

1.5 The ensuing table provides a comparison between the planned and actual deployment of funds during the year ended March 31, 2021, as provided to us by the NGO Partner.

Program	Budget	Actual
Fellowship program, Delhi	INR 2 Cr	INR 2 Cr
Total	INR 2 Cr	INR 2 Cr

1.6 The ensuing table & radar chart provide an overview of the ability of the activities relating to the Fellowship program to fulfill the 5-point criteria.

Attribute	Score	
	Limit	Actual
Relevance	105	105
Efficiency	105	105
Effectiveness	105	99
Impact	105	95
Sustainability	105	79
Total	525	483



Appreciation

1.7 We are thankful to the representatives of MIF and the NGO Partner for their cooperation that was extended to us for this engagement.

Background & context | MIF's CSR focus

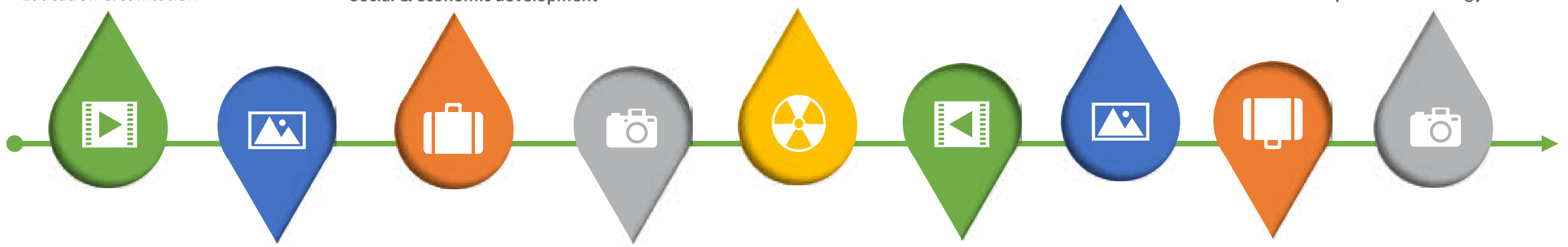
2.1 The Max group of companies ('the Group') strive to achieve a balance between economic growth, environmental protection and various social imperatives. MIF was created in 2002 with the inclination to give back to society and included aspects of philanthropy such as education, sports, and health among other areas of focus. In 2008, the MIF's Charter was reconstituted with a specific focus on healthcare for the underprivileged. Since then, 35 lakh individuals have benefitted from wellness-related support including preventive health measures, screening, awareness, surgeries, treatment and cure.

2.2 MIF has also adopted two village clusters in Uttarakhand - Dhakrani and Chandrothi and one in Punjab - Rail Majra, primarily for intervention on health-related issues such as sanitation and waste management to improve the quality of life for those who reside in villages. Since it's inception, the Foundation has benefitted more than 34 lakh people in over 800 locations in partnership with more than 450 NGOs. From April 2019, MIF has identified education as its new area of focus and has been facilitating, monitoring and ensuring quality and value-based education to underprivileged children. MIF has been supporting initiatives that empower children in need with quality education to help them build a bright future. Most government-run and NGO-run schools have insufficient staff and facilities, hence by filling in these gaps through support and monitoring the use and methods employed, MIF has through different organizations and its own initiatives brought about significant change in the performance and productivity of the next generation.

"To fund and support Corporate Social Responsibility projects with Sustainability as a guiding principle giving priority to issues of foremost concern as in the national development agenda likesafe drinking water for all, provision of toilets, health, sanitation, education, etc., and to reach a wide spectrum of beneficiaries with a view to empower economically and socially backward communities, children, youth, etc., by contributing in rural development, environmental protection, sanitation, creation of livelihood, skill development, etc."

Max India Foundation's CSR and sustainability vision and mission

2.3 MIF conducts interventions in the following 9 domains.



Background & context | The NGO Partner's CSR mandate

2.4 Teach For India was founded with the vision, "one day all children will attain an excellent education" and has been working towards this end with its mission being "to build a movement of leaders to eliminate educational inequity". TFI introduced its fellowship program and welcomed the first cohort of fellows in the year 2009. Two years later, the batch graduated from the Fellowship and became the first cohort in the Alumni movement. The first ever entrants to the Alumni went into teaching, teacher training, school leadership, and government policy. Today, TFI has around 900 Fellows working to change the lives of students in classrooms and becoming leaders for change themselves. Alumni to the tune of 3,400 are collectively fueling the larger movement towards realizing TFI's vision.

2.5 TFI, through its fellowship programs aims to create a movement of leaders across sectors who are committed to and will work toward ensuring that every child in India attains an excellent education.

2.6 The NGO partner has built a national focus on repairing India's educational crisis through its 'Innovation Cell programs' that equip teachers, students and entrepreneurs to spark long term change in the field of education. Through social and print media, TFI has garnered the support of thousands of people from a wide range of sectors, all of whom are invested in the vision of an excellent education for all children.

2.7 MIF had executed an MoU with the NGO Partner on June 30, 2020, for the provision of support to the **Fellowship program in Delhi,** a project seeking to provide accessibility to good quality education to students belonging to low-economically advanced communities by creating a leadership force for the same.

TFI's objectives were the following:

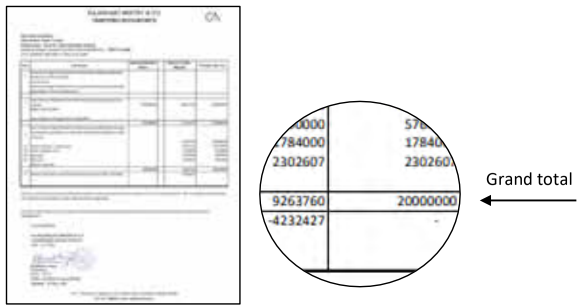
- Provide students growing up in low income communities with the educational opportunities by providing schools with high quality teaching capacity and additional support.
- Give participants an opportunity for personal growth through experience in a leadership role as teachers and through training.
- Provide social sector and corporate employers with a pool of high calibre individuals with challenging leadership experience.
- Create a culture of greater accountability and output orientation in schools and to build a new leadership force *(through alumni)* who will work for change within education and other related social sectors.

2.8 The Foundation has committed funding support of INR 2 crore to Teach For India for the afore-stated project in the districts of Delhi.

2.9 The ensuing table provides the timelines for the proposed disbursement of the grant.

Instalment	Period of proposed disbursement	Amount
First	April 2020 to June 2020	INR 49,06,000
Second	July 2020 to September 2020	INR 50,31,334
Third	October 2020 to December 2020	INR 50,31,333
Fourth	January 2020 to March 2021	INR 50,31,333
Total		**INR 2 Crore**

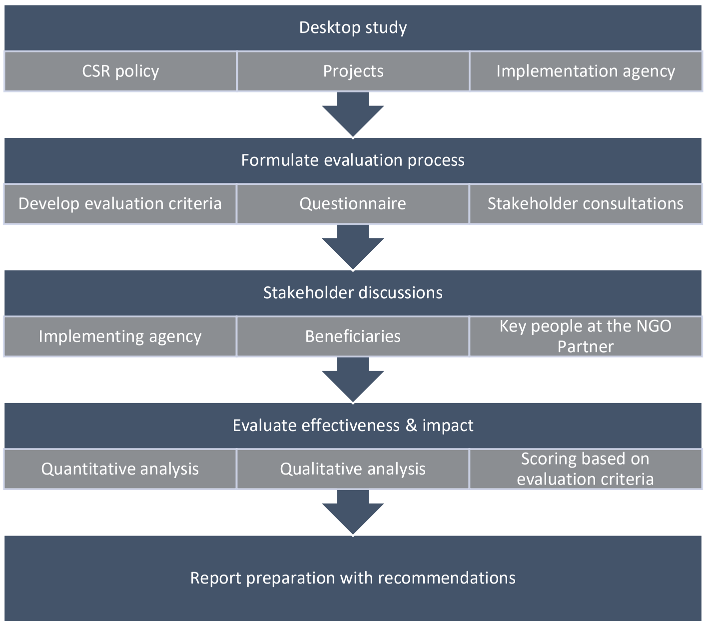
2.10 MIF had disbursed a total cumulative grant of INR 2 crore till March 31, 2021, which was based on the requirements stated by the NGO Partner. A screen short of the certificate from the chartered accountant of the NGO Partner for utilization of the grant have been pasted below.



Approach & methodology | Overview, desk top study & evaluation process

Overview

3.1 The ensuing chart provides an overview of the approach and methodology adopted by MGC Global for the impact assessment.



3.2 This methodology has been more fully described in the paragraphs that follow.

Desktop study

3.3 At the inception of evaluation, a desktop study was initiated by MGC Global. The CSR policies of MIF and the NGO Partner were inspected to gain an understanding of the thematic and geographic areas of focus and coverage. A list of projects implemented by the NGO Partner were obtained and examined with a specific focus on the objectives, what the projects intended to achieve, the geographical spread, the stakeholders targeted, and the thematic area covered. Financial aspects of the projects undertaken by the NGO Partner were obtained to gain an understanding of in terms of how much funds were deployed and under what mechanism.

3.4 On inquiry and inspection of the project reports, a list of implementation agencies, who were involved in the execution of the projects, were identified. On inquiry we gained an understanding of the organizational structure of NGO Partner, the implementation agency, manpower deployment and their experience with track record, Section 135 of The Companies Act, 2013 relating to Companies *(Corporate Social Responsibility)* Rules, 2014 and Schedule VII which prescribes mandatory provisions for Companies to fulfil their CSR were studied and retained as reference to assess if the projects and implementation agencies were eligible and as such the expenditure relating to the same would not be disallowed from claiming credit under the CSR spent.

Formulate evaluation process

3.5 The evaluation process was developed in accordance with The Organization for Economic Co-operation and Development ('OECD') Network on Development Evaluation that provides a normative framework used to determine the merit or worth of an intervention *(policy, strategy, program, project or activity)*. Based on the OECD framework, MIF's and the NGO Partner's CSR policies, the following 5-point evaluation criteria was developed for assessment for each of the projects.

a) **Relevance** | Effectiveness of the intervention *(steps and the target beneficiaries)* and how well were they suited to the priorities and policies of MIF and the MOU with the NGO partner.

b) **Efficiency** | Specific qualitative and quantitative outputs concerning the inputs defined and whether the most efficient processes were adopted *(example cost-efficient; time; skill sets, technology and other influencing factors)*.

c) **Effectiveness** | The extent by which the intervention attained or did not attain its objectives. Outline the positive or negative changes produced by an intervention, directly or indirectly, intended or unintended.

d) **Impact** | Measurement of the validity and attainment of the objectives through the activities and outputs.

e) **Sustainability** | Would the ownership of activity would remain and continue even after MIF stops investment, interventions or withdraws to move into other projects.

Approach & methodology | Stakeholder consultation & evaluation

Formulate evaluation process *(cont…)*

3.6 The CSR activities implemented by the NGO Partner under the Fellowship program are listed below. These are in concurrence with the CSR policy of MIF and the NGO Partner.

No.	Description of activity
1	Learning from home
2	Fostering community connections
3	Extra co-curricular and awareness activities
4	Fellow training, teaching and engagement
5	Fellow leadership
6	Be The Change Projects
7	Way forward for the fellows

3.7 The afore-stated activities under the Fellowship program were identified and evaluated on the basis of a curated 2D model with the previously-mentioned 5-point criteria and the extent of fulfilment with relation to I. Inputs, II. Coverage, & III. Outcome.

3.8 If the activity had no impact on the criteria, no points were assigned to the same. In the event of a minimum impact "1" point was assigned, for moderate impact "3" points were assigned and for high impact "5" points were assigned. Though the process of assigning points was qualitative in nature, once the same were assigned, the evaluation became quantitative, whiling minimizing subjectivity on assessments.

Stakeholders' consultation

3.9 Consultations were carried out by social experts in a scientific and objective manner and facts obtained from the same have been presented in this report after verification with different stakeholders. This has enabled the evaluation team from MGC Global form a professional basis to evaluate the activities and projects on the 5-point evaluation criteria.

3.10 While the focus of interaction was on evaluation of the long-term sustainable benefit accrued out of the project activity, our interactions with the implementation agency revealed the process adopted and the nature of further investment that may be required.

3.11 Site visits were undertaken by representatives of MGC Global at, Rajkiya Sarvodya Vidyalaya West Vinod Nagar, New Delhi to physically verify the CSR activities, in addition to visiting the NGO Partner's office in Green Park Extension in New Delhi. During the site visits and over virtual calls, interactions with around 40 stakeholders and beneficiaries were held. The NGO Partner's personnel involved in implementation of the project activity were also interviewed to understand the involvement of their staff and capacity build out.

Evaluate effectiveness and impact

3.12 The effectiveness and impact of the CSR activity was evaluated on both qualitative as well as quantitative terms. In quantitative terms amount of funds spent, number of facilities covered, and number of direct beneficiaries were evaluated; while in qualitative terms, the sustainability of the project activity, extent of employee involvement, empowerment of weaker sections, community engagement was evaluated. The qualitative evaluation of the impact depended predominantly on the professional judgment of the professionals undertaking the evaluation. Radar tables were used to evaluate effectiveness and impact for each project, which have been presented based on the 5-point evaluation criteria in clauses 1.4 & 1.6.

Findings and recommendations

3.13 The contents of this report are stated on the basis of information and documentation provided to us and are subject to the caveats stated in section 5 of this report. Our recommendations may be considered by MIF to further improve and rationalize its CSR expenditure in the coming years.

Detailed observations

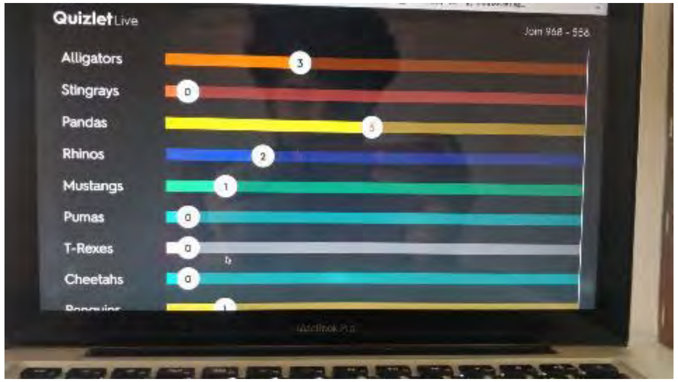
Fellowship program

4.1 **Learning from home |** The ensuing table gives an assessment of learning activities conducted from home during COVID.

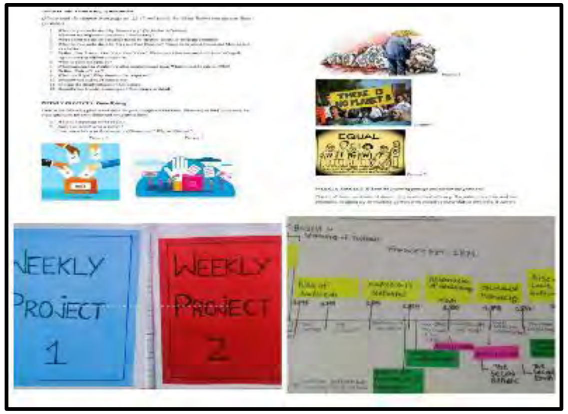
Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	• Shifted to online / other modes of teaching to ensure learning does not stop for students. • Fellows remained engaged with the program and explored different ways to enhance their leadership skills. • Sought feedback from parents and students on online teaching.	• Classes were held on zoom, google classrooms, etc. • Devices were given to students who needed them. Recharges were also done. • Study material was shared by fellows via whatsApp. • Packets of study material were created by fellows and shared with students. • Digital methods of learning and quizzing were introduced by fellows. • Revised timetables and teaching approaches were circulated. • Conducted classes in parks / other public places for students to ensure continuity in the program. • Regular follow up calls to students were made. • Feedback on online learning was acquired from students. • Online tests were conducted on google forms regularly. • 'Buddy system' wherein students motivate each other to study online was introduced by the fellows.	Ensured continuity of learning with the help of online studies and digital quizzes.	• Students received experiential lessons and lessons in critical thinking through project packets and other study material. • 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 *(need-based assessment)*.	• Students may continue with online learning methods by exploring other avenues. • Activities undertaken facilitated students to become cognizant of managing time and their schedules efficiently, a learning they can carry forward.	Score 21/25
	Score 5/5	Score 5/5	Score 3/5	Score 5/5	Score 3/5	
Coverage	Fellows, students and schools as a system.	Leadership and interpersonal skills were honed by fellows and due to their efforts, by their students too.	Fellows continued to achieve the objectives of the program by reinventing measures to carry out the teaching process.	The fellows ensured that students take interest in academics as well as other activities necessary for their overall development and optimally utilized online platforms for the same.	Fellows will continue to leverage online learning methods under blended learning methods.	Score 23/25
	Score 5/5	Score 5/5	Score 3/5	Score 5/5	Score 5/5	
Outcome	12 schools, ~800 students, 40 fellows.	Schools benefitted as a system with their students continuing to study with fellow-support. Enhanced skills amongst fellows and students helped in guiding their peers and sharing new experiences for further skill building.	Students learnt how to set goals, leadership skills, etc. as part of 'Social Emotional Learning' and also conducted student elections virtually.	• Development of leaders *(fellows)* with exceptional problem-solving skills. • Incorporation of skills such as adaptability and performing under pressure for students. • Learnt the effectiveness of studying online / independently. • Project completion by students went up from 50% to 85% *(data based on a fellow's contribution)*.	Online teaching models can be accepted as regular teaching practices with students taking initiatives to become eager to learn online. By word of mouth and peer-to-peer, learning can be enhanced by adopting such methods.	Score 21/25
	Score 5/5	Score 5/5	Score 5/5	Score 3/5	Score 3/5	
Total	Score 15/15	Score 15/15	Score 11/15	Score 13/15	Score 11/15	65/75
Comments & recommendations		• The NGO Partner could maintain a repository of the recordings of online learnings and consider modifying the same in a way they can be referred to by additional students with ease. • Many students' families had migrated back to their native places making it challenging for the teachers to reach the students and their parents, however it appears that the NGO Partner has made significant progress in terms of outreach. • Students had limited access to internet and limited space in their house to carry out activities and their studies in many instances.				

Detailed observations
Fellowship program

4.1 **Learning from home | Cont...**



Online quiz for students using quiz led to help them understand concepts better and make online learning fun.



Learning packets for students to follow assignments and apply their critical thinking capacity.

Detailed observations

Fellowship program

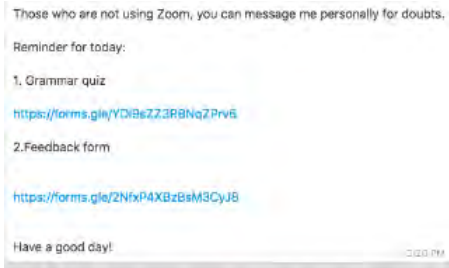
4.1 **Learning from home | Cont...**

Attendance and participation tracking during COVID.

Detailed observations
Fellowship program

4.1 **Learning from home | Cont...**

Online classes on zoom.

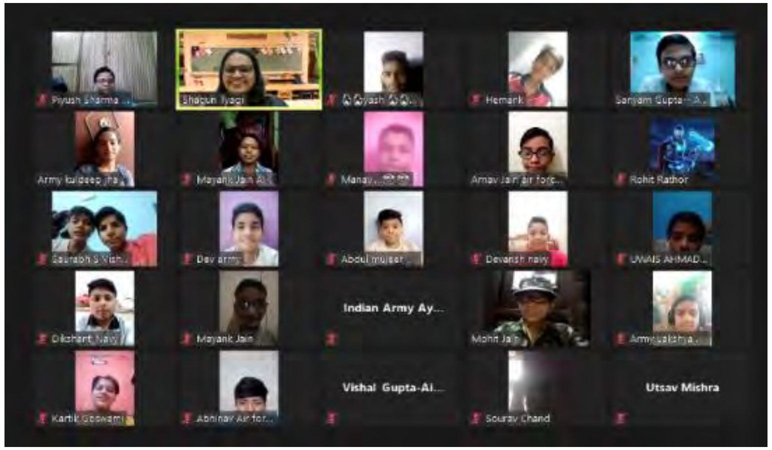


Feedback from students / parents on online learning.

Detailed observations

Fellowship program

4.1 **Learning from home | Cont…**



Fellows taking 'class photographs' with their students.

DATE	21ST SEP 2020	21ST SEP 2020	21ST SEP 2020
CRITERIA	AIR FORCE	NAVY	ARMY
HIGHEST ATTENDANCE	PLUS 50		
TEST GIVEN	PLUS 1000	PLUS 700	PLUS 1000
TOTAL 21ST SEP 2020	1050	700	1000

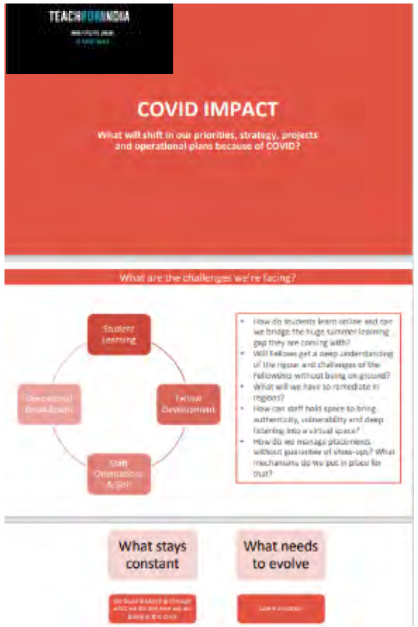
DATE	22ND SEP 2020	22ND SEP 2020	22ND SEP 2020
CRITERIA	AIR FORCE	NAVY	ARMY
HIGHEST ATTENDANCE			PLUS 50
EXIT SLIP	PLUS 900	PLUS 400	PLUS 600
TOTAL 22ND SEP 2020	900	400	650

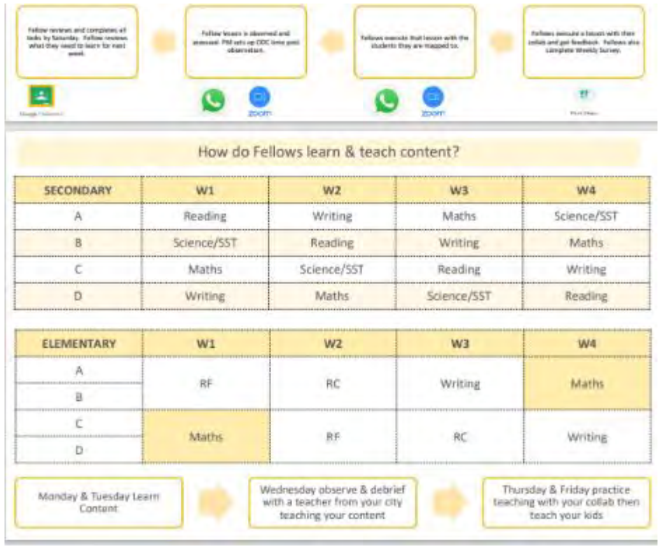
DATE	23RD SEP 2020	23RD SEP 2020	23RD SEP 2020
CRITERIA	AIR FORCE	NAVY	ARMY
HIGHEST ATTENDANCE	PLUS 50		
BONUS FOR OFFICE HOURS	PLUS 350	PLUS 200	PLUS 250
EXIT SLIP	PLUS 500	PLUS 500	PLUS 400
TOTAL 23RD SEP 2020	900	700	650

Interesting ways to keep up student attendance – categorizing the class under titles such as 'army, navy and air force'.

Detailed observations
Fellowship program

4.1 **Learning from home | Cont...**





SECONDARY	W1	W2	W3	W4
A	Reading	Writing	Maths	Science/SST
B	Science/SST	Reading	Writing	Maths
C	Maths	Science/SST	Reading	Writing
D	Writing	Maths	Science/SST	Reading

ELEMENTARY	W1	W2	W3	W4
A, B	RF	RC	Writing	Maths
C, D	Maths	RF	RC	Writing

New teaching approaches in COVID.

Detailed observations

Fellowship program

4.2 **Fostering community connections |** The table set below provides an assessment of the initiatives undertaken by fellows during times of COVID.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	Connections built with parents and strengthened with students during COVID.	• Video calls with parents were conducted to spread awareness and to understand their challenges. • Community visits were undertaken. • The concept of emotional understanding was explained to the students. • Parent-teacher meetings were conducted. • Groups were created with students' mothers for regular interactions. • Attention was shifted to relief measures by raising funds through websites, personal networks, etc.	• Issues shared by parents such as scarcity of resources, food, etc. were taken care of. • Parents became more aware of their children's mental health issues and learnt how to deal with them. • As a result of community building, children started to help their parents with household chores and learnt new skills such as gardening and cooking. • Better social and emotional well-being of parents was observed.	• Student attendance increased as parents were taking accountability for the same. • Parent-child relations improved due to activities such as coloring and card-making with children. • Economic severity was reduced for student families by fellows as they helped in raising funds for relief.	Attitudinal shifts that will outlive the duration of the project for all stakeholders - students, parents and fellows.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 3/5	
Coverage	Students and parents.	Connections helped in meeting the set educational *(mental and emotional)* goals by fellows and strengthened parental contributions towards their wards' learning.	Fostering connections with parents led to discussions around health as well, such as eye-care to avoid damage from screen time.	Parents became acquainted with the fellows' teaching styles and began to support their children and fellows.	Student-parent equations have seen a shift with both becoming more empathetic and understanding towards each others needs. The activity has also expanded the perception of a teacher with fellows making the said efforts.	Score 23/25
	Score 5/5	Score 5/5	Score 3/5	Score 5/5	Score 5/5	
Outcome	~750 students and ~500 student families.	Fellows tracked their students and undertook initiatives to visit their homes and interact with parents in their place of residence.	The visits helped the parents as they were able to rely on the teaching methods of the fellows and in return, fellows benefitted by understanding the issues that their students and parents were facing.	Initiated visits helped fellows in getting a closer view of their students' lives to better the same and in motivating the parents to contribute towards their child's education which ensured continuity in learning.	An activity that started out with basic interactions led to the creation of congenial relations between fellows and their students' parents. This could lead to further strengthening of relations wherein fellows can even provide their support if need be.	Score 21/25
	Score 5/5	Score 5/5	Score 5/5	Score 3/5	Score 3/5	
Total	Score 15/15	Score 15/15	Score 13/15	Score 13/15	Score 11/15	67/75
Comments & recommendations		• The NGO Partner could develop specific parameters to measure the attitudinal shifts, pertinent to each category of beneficiaries. • Given the relatively strong participation of the stakeholders, the NGO Partner could introduce parental involvement as a regular and measurable activity under the program. • Acknowledgement of parents upon community visits may be recorded.				

Detailed observations
Fellowship program

4.2 **Fostering community connections | Cont...**

Work shared by students.

Flyer for the 1st PTM conducted on Zoom.

Fellows visiting their students' homes.

Detailed observations
Fellowship program

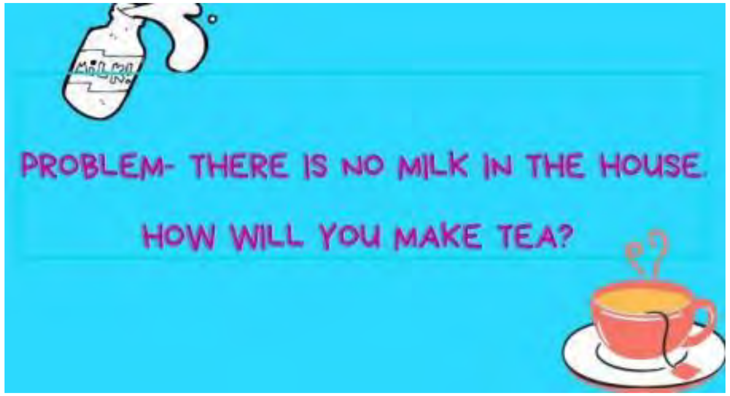
4.2 **Fostering community connections | Cont…**

Online PTMs to strengthen collaborations between parents, students and fellows.

Parent-child interactions / study sessions together.

Detailed observations
Fellowship program

4.2 **Fostering community connections | Cont...**



Critical thinking prompts for students.

Students helping their parents out during COVID.

Detailed observations

Fellowship program

4.2 **Fostering community connections | Cont…**

Fellows meeting their students with their family members for the first time.

Detailed observations
Fellowship program

4.3 **Extra co-curricular and awareness activities |** The ensuing table gives an overview of additional activities conducted by fellows for student engagement and skill-building.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	• Fellows conducted activities related to art, culture, dance, communication building, poetry, chess, etc. for the benefit of their students. • Workshops for awareness and knowledge building were conducted. • International collaborations were created for students to learn beyond borders during COVID.	• Teach For India collaborated with Teach For Lebanon to provide their students international exposure. • A 'desh bhakti' curriculum was developed as a result of TFI's collaboration with the Delhi Government for students to learn patriotism and thematic values. • Awareness campaigns on the LGBTQ+ movement were conducted. • Health & hygiene and financial literacy sessions conducted by MIF. • Fellows arranged for educational tours and visits such as covering the Rail museum and collaborating with the policy conclave at St Stephens College, New Delhi.	• Students were motivated to share their artwork. • Students felt motivated and learnt new skills such as theatre, poetry, etc. • Students were briefed on health and professional aspects that enriched their interests and passion.	As a result of the awareness campaigns, students were sensitized on subjects such as health, gender and identities.	• Activities led to higher levels of retention in students. • Focus on aspects related to health and decision-making helped students to understand the importance of holistic wellbeing and choosing one's career wisely.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 3/5	
Coverage	Students, teachers.	Awareness regarding wellbeing, cyber hygiene and social issues enabled students to learn and form their perceptions about the society.	Workshops on topics such as cyber-grooming spread awareness and guided students to ensure their safety on the net.	Overall personality development of students with leadership skills being the primary focus.	Students undertook independent initiatives to engage in discussions with members of the society and spread awareness about pertinent issues. Their initiatives helped in reshaping attitudes towards skill enhancement.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 3/5	
Outcome	Between 750-850 students, 40 fellows.	With over 800 students participating in online and at-home creative tasks, the activity led to confidence building for students as well as technical enhancement.	Student exposure and knowledge enhancement.	Knowledge sharing in the form of international collaborations and educational tours served as meaningful avenues of exploration for students.	Development of long term skills and hobbies amongst students as well as the willingness to take creative design and social initiatives.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 3/5	Score 5/5	
Total	Score 15/15	Score 15/15	Score 15/15	Score 13/15	Score 11/15	69/75
Comments & recommendations	The NGO Partner could consider undertaking a survey-based outreach to the students and fellows covered under the program periodically *(suggested frequency of 6-9 months)* for their ongoing forms of engagement in order to cover a wider base.					

Detailed observations
Fellowship program

4.3 **Extra co-curricular and awareness activities | Cont...**

Students sharing their artwork.

Playing and winning in online chess.

Students summarizing their wonderful experience learning theatre.

Detailed observations
Fellowship program

4.3 Extra co-curricular and awareness activities | Cont...

Attempts by 10th graders to spread awareness and conduct discussions around the challenges that the LGBTQ+ community faces.

Fellows teaching students about worldwide movements in the same vein.

Students making electric torches under their fellows' guidance.

Informative flyer on cyber-grooming.

Detailed observations
Fellowship program

4.3 Extra co-curricular and awareness activities | Cont...

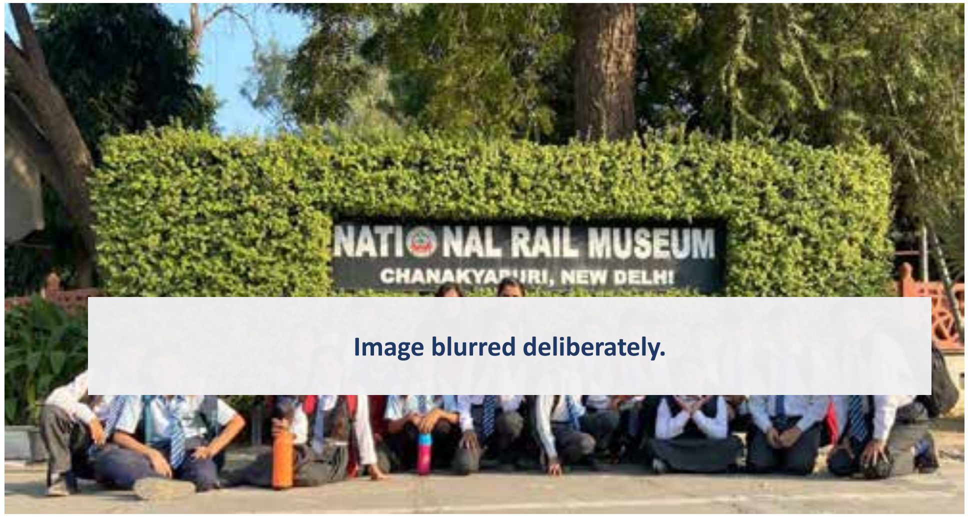
Session on health & hygiene awareness conducted by MIF that was attended by 90 students from 3 cities.

Session on financial literacy conducted for female students by MIF employees.

Detailed observations
Fellowship program

4.3 **Extra co-curricular and awareness activities | Cont...**

Visit to St. Stephens, New Delhi.



Visit to National rail museum, New Delhi conducted by Megha *(fellow)*.

Detailed observations

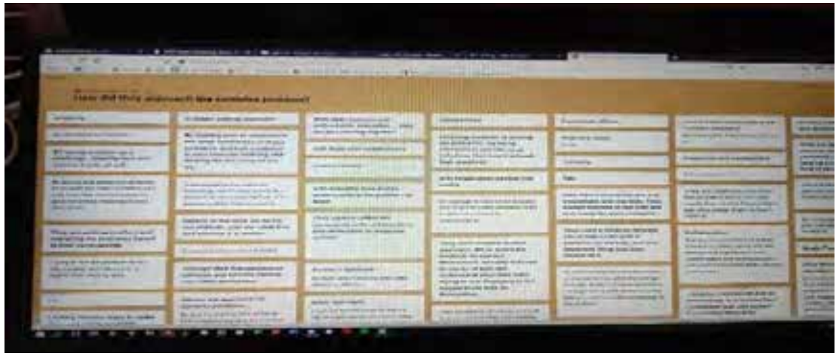
Fellowship program

4.4 **Fellow training, teaching and engagement |** The table set below provides an understanding of the fellowship training, its impact on the students and additional activities.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	• Introduction of the first ever 'virtual summer teaching training institute'. • Discussions and feedback mechanisms to enhance leadership and the fellowship experience. • Post-fellowship goals were discussed with fellows to guide them in the right direction. • Revised modules and teaching guides were circulated for fellows to train them in 'blending teaching'.	• The training was extended by 2 weeks to provide fellows additional skills to cope during COVID. • Feedback and review meetings were conducted with fellows for improvements. • Upskilling was ensured with 'learning circles' and 'fellow-mentor track' wherein teachers came together to learn and share best practices.	Fellows learnt about pedagogy styles, child development, social emotional learning and other aspects in order to develop the correct mindset.	• Fellows expressed that the fellowship program was transformational and provided insights into organizational behavior. • Teaching styles were so impactful that students that passed out of TFI schools to go to Government schools for higher education scored the highest marks with a 100% passing rate *(as narrated by the headmaster of one such TFI school).*	Best practices by ex-fellows could be passed on to future fellows where by they could successfully mentor students.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 3/5	
Coverage	Fellows, teachers, students.	Engagement surveys were conducted for the Headmaster and fellows to ascertain their opinions on teaching conducted by TFI and to assess the impact of the fellowship program on fellows respectively.	Feedback mechanisms ensured improvements were made wherever necessary.	• Amongst the toppers, 3 of the TFI students scored 97%, 93.5%, 93% in the Board examinations. • 100% Heads were satisfied with TFI and agreed that it will have a lasting impact.	The impact of the fellowship is so deep that students fondly remembered their fellows from 5 years ago.	Score 25/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 5/5	
Outcome	Between 750-900 students, 40 fellows.	Skill building needs were fulfilled for the fellows with ongoing improvements being taken up in the form of activity reviews and mentorship & guidance.	Learning continuation for fellows to enhance teaching styles was ensured during the fellowship period as well.	Fellows confirmed that the fellowship program was a great investment in terms of personal and professional growth and helped in developing their personality.	The attitudinal change wherein fellows' way of conduct made students comfortable quickly and they loved addressing them as 'bhaiya' and 'didi'. This also removed the fear of teachers from within many students.	Score 21/25
	Score 5/5	Score 5/5	Score 5/5	Score 3/5	Score 3/5	
Total	Score 15/15	Score 15/15	Score 15/15	Score 13/15	Score 11/15	69/75
Comments & recommendations	The extension of the training period for fellows was a consequence of COVID, however, if found comparatively effective, the NGO Partner could consider altering the duration from 6 to 8 weeks on an ongoing basis.					

Detailed observations
Fellowship program

4.4 **Fellow training, teaching and engagement | Cont...**



Applications for the Teach For India 2021 Fellowship are open!

India's most underserved children need the best teachers now more than ever. If you know someone who has always wanted to make a difference, this right here is their chance. Help spread the word.

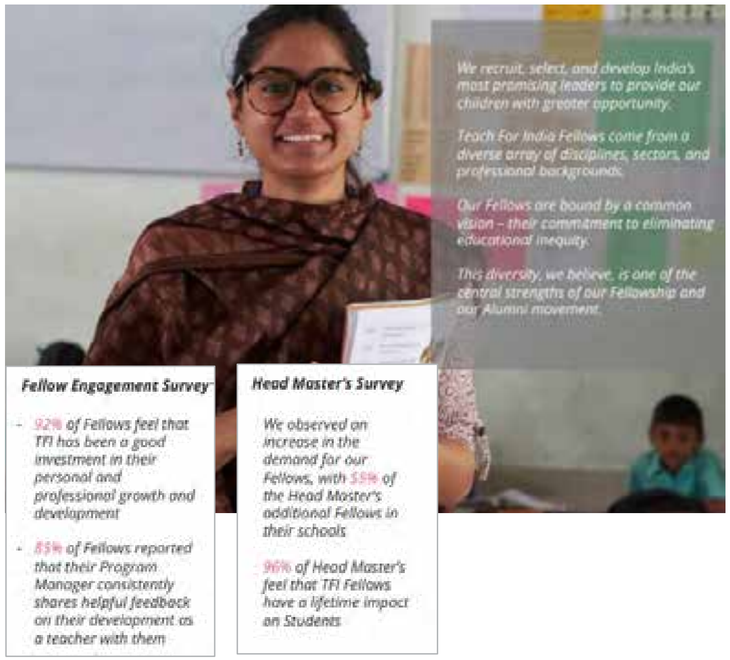
Visit apply.teachforindia.org and apply today!

Online fellowship training.

Detailed observations
Fellowship program

4.4 **Fellow training, teaching and engagement | Cont…**

Positive video feedbacks by fellows on their teacher training.



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Detailed observations
Fellowship program

4.4 **Fellow training, teaching and engagement | Cont…**

Board members discussing ways to enhance TFI and its fellows' contribution to student lives and the education system.

Detailed observations
Fellowship program

4.4 Fellow training, teaching and engagement | Cont...

Overall summary for TFI Delhi

955 TFI Delhi students appeared for CBSE 10th grade exams

94% of the 955 students passed overall

56% passed with 1st Division (i.e. 60% or more)

19% passed with Distinction (i.e. 75% or more)

1.6% or 12 students scored 90% or more

Key Highlights

Highest marks achieved by a TFI Delhi student in:

Math: 100% Science: 95%
Eng/Hin/Sans: 97% Social Science: 97%

TFI Delhi top 3 aggregate scores:

96.4% (1 student) 93.4% (1 student)
92.8% (1 student)

Results of the efforts put in by the fellows; CBSE Grade 10 Boards marks.

Laxmi, a student in a MIF supported classroom shares,
"After completing school, I want to pursue some courses related to computer science. I also want to get admission in college. I like studying English and SST most in the school. My aim is to become a teacher because my interest is in teaching. I love when teachers teach me. My Didi helped me by clearing my doubts by taking extra classes, understanding my personal problems, and arranging books and devices for me. My basics of Maths and English were not clear because I was from Hindi Medium. Didi helped me by correcting my mistakes and giving suggestions to improve my communication skills. She even helped me during the lockdown by providing ration support, a device and recharges."

Laxmi | A student case study.

Detailed observations
Fellowship program

4.4 **Fellow training, teaching and engagement | Cont…**

Current approaches being followed by fellows.

In the picture: A fellow conducting interesting group activities with her students to teach them about plants.

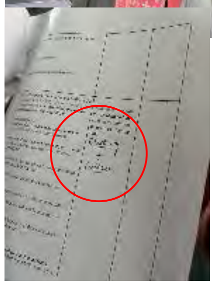
The happy students cheered for their classmates and showed support by 'clicking' their fingers, an innovative way taught by their fellows.

Detailed observations
Fellowship program

4.4 **Fellow training, teaching and engagement | Cont…**

Current approaches being followed by fellows.

Presently learning history; the fellow introduced the lesson in the form of a story to make it interesting for her students.



Creativity and collaboration, as set objectives for the activity.

In the picture: 6th graders learning and demonstrating the Archimedes principle. Their fellow conducted the activity as the students were curious about the said concept.

Detailed observations
Fellowship program

4.4 **Fellow training, teaching and engagement | Cont...**

Delhi- Comparison with National Level Data

Overall Feedback		
Question	Del.	National
I'm satisfied I am aware of the basic expectations of Fellows as per the MoU and Child Protection Policy (CPP)	98%	96%
I am satisfied with the Teach for India Fellows currently in my school	100%	94%
The Teach for India classrooms in my school are high performing classrooms demonstrating impact in academic and holistic outcomes	100%	92%
The current Teach for India Fellows have made a positive impact in my school	100%	93%
I believe that Teach for India Fellows will have a lifetime impact on students	100%	96%
I interact with someone (in-person or over call) from Teach For India staff, apart from Fellows, at least once a month	68%	78%
I have found it easy to work with Teach for India Staff (apart from Fellows) and communicate feedback and thoughts with them	94%	97%
I feel a sense of partnership between Teach For India and my school	96%	96%
I believe that it is possible for every child in India to attain an excellent education	96%	99%

Fellow Level		
Question	Del.	National
Regularly conducting classes online and offline	98%	94%
Planning and executing strong lessons	99%	94%
Dressing appropriately	100%	96%
Clearly communicating with you on classroom progress and requirements	96%	86%
Involving and investing parents in the education of their children	100%	91%
Supporting other teachers in the school	97%	86%
Building a good relationship with you	98%	91%
Creating safe learning environments, both online and offline, for all students in the class	100%	96%
Facing challenges in the classroom with grit and determination	96%	92%

Results of the HM level surveys conducted.

Detailed observations

Fellowship program

4.5 **Fellow leadership |** The ensuing table explains the initiatives introduced by fellows towards student betterment and skill development amongst them.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	• Fellows worked on their leadership skills by initiating projects for change and wellness and encouraged students to do the same. • Activities to improve the school system and enhance student-learning experiences were undertaken by the fellows. • Fellows took demonstrated interest in understanding their students and their home environment. • Fellows tracked student performance and gave them the encouragement to perform better.	• Prompted the school heads to include games periods and arrange for relevant supplies. • Ensured libraries and science labs were made operational by arranging for supplies and providing students an impetus to engage in the said activities. • Introduction of school newspapers. • Weekly discussions between regular teachers and fellows to keep track of student performance and share best practices. • Conducted camps *(Jashn-e-falak)* and other activities for student engagement on occasion of Women's day to celebrate women breaking stereotypes. The campaign witnessed international attendees as well. • Be The Change Project *(covered as a separate activity)*. • Fellows made efforts to stay connected with their students' parents to understand and improve their home situations. • Fellows made part of the Change-Makers In Education ('CMIE') fellowship program by SCERT. • Students exhibited leadership skills by introducing apps and projects for change, such as 'Young Corp Fellowship' to tackle water shortage. • Tracking the student vision scale *(a tool that records and tracks impact of fellows upon student learning outcomes)*.	• Excellent relations with existing teachers in the schools and headmasters / head mistresses. • Better relations with students as a result of being aware of their personal lives. • Improvement in student performance as home situations were looked into by the fellows. • TFI students introduced app prototypes and learnt ways to exercise their agency and leadership skills.	• School satisfaction with the methods opted by the fellows. • Parent satisfaction with the teaching methods. • Overall development in the life of a student with the fellows' contribution and remediation measures.	Promotion of attitudinal shifts in parents resulting in better ways of handling their child and coping with mental health stress.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 3/5	
Coverage	Fellows, students, parents, schools as a system.	• Fellows strived to ensure that students' home atmospheres were improved as this affected their performance. • Students' alumni keep a track of their performance after they graduate from TFI schools *(around 1,000 students are part of the same).*	Enhanced capabilities of fellows by partaking of the CMIE program.	Summits and workshops were held around the principles of 'safe spaces for voice', 'kids and educators as partners' and 'kids as change makers' and also brought out the importance of 8Cs of leadership.	Students will remember the importance of breaking stereotypes and become agents of change as a part of their future endeavours.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 3/5	
Outcome	Between 750 to 900 students, 40 fellows.	• Entertaining activities and personal interactions undertaken by fellows added towards the holistic development for students. • Conducted virtual regional summits to strengthen student leadership bringing together 70 educators and ~600 students.	Students learnt the importance of breaking gender barriers in a global setting.	Students honed leadership qualities and developed entrepreneurial mindsets. App prototypes such as 'Sarang' to collect complaints regarding water shortages were introduced.	Fellows stayed connected with their students even after the students graduated from TFI schools and worked in the field of education post fellowship as well.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 3/5	
Total	Score 15/15	Score 15/15	Score 15/15	Score 15/15	Score 9/15	69/75
Comments & recommendations	The NGO Partner could consider ensuring that skill development programs take present and emerging challenges into account in order to upskill students and fellows as per the current needs. Specific inherent limitation the the ability of the parents to adapt to changing circumstances remains a challenge.					

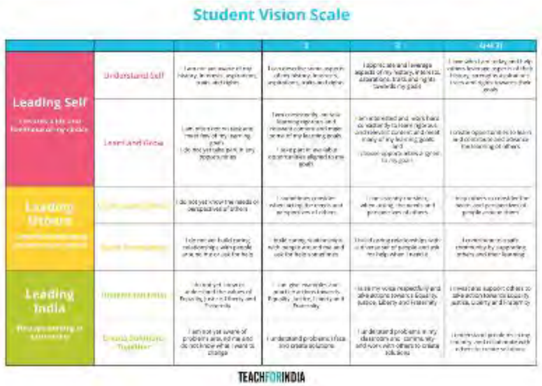
Detailed observations
Fellowship program

4.5 **Fellow leadership | Cont…**

Head master displaying the school newspaper started by fellows and students.

Head master showing the list of games and supplies suggested by the fellows.

Students that formed the Sarang app.



The 'Student vision scale' for tracking the impact of the fellows.

Detailed observations
Fellowship program

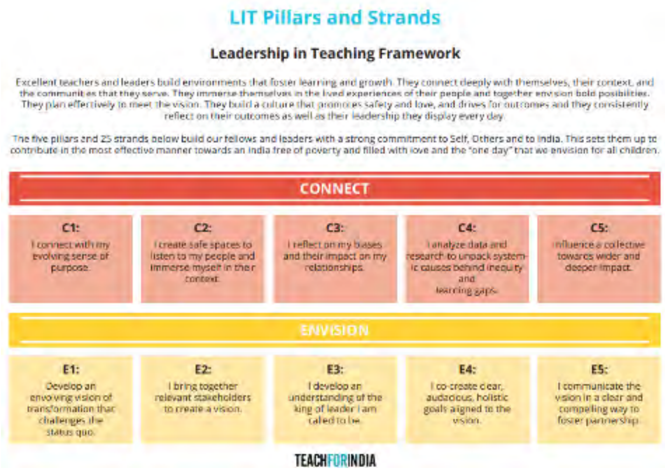
4.5 **Fellow leadership | Cont...**

Jashn-e-falak, a 7-day entertainment & learning campaign conducted by fellows.

Detailed observations
Fellowship program

4.5 **Fellow leadership | Cont...**

Collaborations between Teach For India, Teach For Pakistan, Teach For Lebanon, Teach for Kenya, and Teach For Ghana.



The 'Leadership in teaching framework'.

Detailed observations

Fellowship program

4.5 **Fellow leadership | Cont…**

Libraries were made operational and book clubs were formed by fellows to inculcate a love for reading amongst students.

The students were encouraged to maintain a 'vocabulary diary' wherein they write new words learnt by them.

Detailed observations

Fellowship program

4.6 **BTCP |** The ensuing table covers projects undertaken by the fellows as their BTCPs.

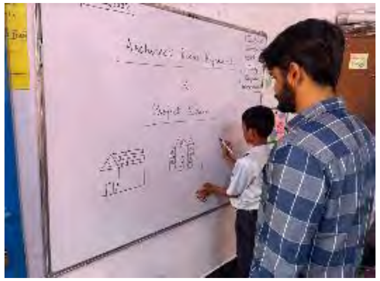
Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	• Requirement of forming BTCPs by fellows for creating change as part of the fellowship program. • Special tracks and incubation centres were created for the development of the same.	• Introduction of a special track called the 'Social Entrepreneurship Track' ('SET') to create a community for budding entrepreneurs under TFI. • Collaboration with IIM-A to enable 9 BTCPs to become foundations. • SOPAN: Professionals briefing students on prospective careers. • AAS: Fight for non-violence. • Galaxy Cruise: Astronomy. • Kaleidoscope: Project for teaching support and psychometric assessments. • Bhaav: To tackle problems of low social-emotional literacy and lack of self expression amongst kids. • Playground: For organizing tournaments and games. • 'Design For Change' category introduced for special projects. • Dil Se Khelo: For conducting sports related events. • Project Gurukul: Collaboration with expert organizations to organize art, music and theater workshops. • Aarohan: Introducing innovation; tracker for attendance, assessments, mental health, etc. • Pehli baat, Hamarat, etc. • Project Sampoorn: Nutrition, physical and environmental wellness.	• Platforms were introduced for students to express themselves through poetry and other works of art. • The incubation track worked towards strengthening the innovation pipeline at TFI by focusing on better outcomes for Fellows and ensuring quality BTCPs.	• Increased health and general awareness, built trust and better relationships. • Gave way to personality development, better self expression, skill building and overall enhancement. • Developed critical thinking by broadening perspectives on academic and emotional learning, and holistic development. • Boosted confidence and improved their idea of 'self'. • Constant support from fellows accelerated learning and increased student participation.	• Students were introduced to new concepts that contributed towards self realization that will help them going forward. • Fellows exercised their abilities to contribute towards society and build character and would benefit from the learnings received during their BTCP formulations journeys.	Score 25/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 5/5	
Coverage	Fellows, society at large.	Incubation cell InnovatED introduced 'project iLab' which is a pre-incubation track for fellows with the objective of imparting entrepreneurial development and foundational support.	• 4 MIF funded fellows were made part of the SET track. • Provision of help to fellows for BTCPs was made possible through iLab.	Benefits were received by students and members of the society at large in the form of exposure to platforms to learn and enhance skills.	Working on BTCPs inspired fellows as well as students to lead with growth mindsets and apply entrepreneurial skills in other aspects of their lives.	Score 21/25
	Score 5/5	Score 5/5	Score 5/5	Score 3/5	Score 3/5	
Outcome	40 fellows, ~900 students.	Fellows were encouraged to continue their projects in the form of foundations. Along with this, their students were motivated to undertake similar initiatives.	Formulation of better strategies and stronger BTCP projects that could possibly become separate establishments.	With the help of these projects and fellow support, students got the opportunity to grow and nurture their mental and emotional health.	A substantial number of BTCPs are still in progress and function as foundations. One such instance in 'Laugh out loud'.	Score 25/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 5/5	
Total	Score 15/15	Score 15/15	Score 15/15	Score 13/15	Score 13/15	71/75
Comments & recommendations	To enable students progress with their learnings a special focus on placements and creation of jobs through collaborative arrangements may be considered.					

Detailed observations

Fellowship program

4.6 **BTCP | Cont...**

Students learning about space under the BTCP 'Galaxy cruise'.



Students interacting with professionals under the BTCP 'SOPAN'.

Pictures from interactions under the BTCP 'AAS'.

Detailed observations

Fellowship program

4.6 **BTCP | Cont…**

Project Sampoorn aims to address these challenges by:

1. ***Healthy eating:*** *Inculcating healthy habits by bringing in nutritionists on board to educate parents about proper nutrition*
2. ***Healthy doing:*** *Conducting physical well-being classes for students 5 days a week to keep them active and healthy. They also conducted SEL spaces for the parents and students.*
3. ***Waste Management:*** *Creating modules and collaborating with various organizations to help build clarity on waste management and practices to follow.*

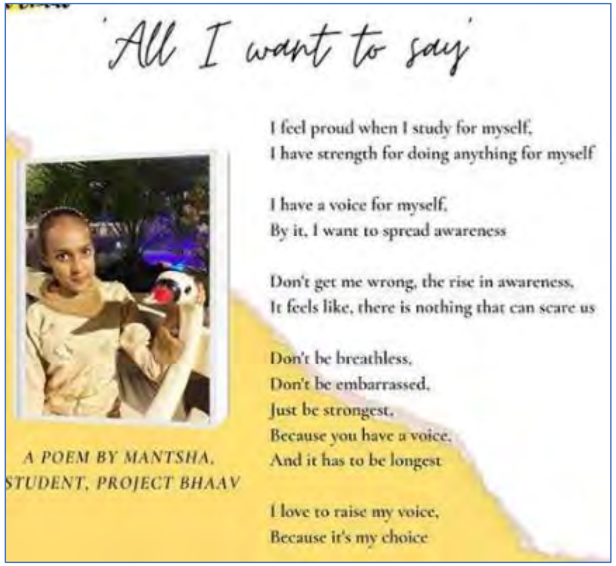
With the above-mentioned interventions, Sadiya and Riya saw a shift in the well-being of their Students. They was a positive change in BMI for 7 out of 10 students. They also analyzed their attendance and engagement data for three months and measured growth. They further explored the mindset shift for qualitative data and how many practices students, and their families have started implementing, like composting, recycling, following daily meal plans, etc.

Team Sampoorn is presently in the phase of incubation with the help of the mentors at ***InnovatED****. Their medium-term plan is to implement the project in 4 classrooms. Their long term goal is to collaborate with the Government to implement it across schools in Delhi.*

Project Sampoorn, a BTCP in the incubation phase with InnovatED.

Detailed observations
Fellowship program

4.6 **BTCP | Cont...**



A student's poem written under the BTCP Bhaav.

Sports day conducted for students under the BTCP Dil Se Khelo.

Detailed observations

Fellowship program

4.7 **Way forward for the fellows |** The ensuring table provides an assessment of the initiatives undertaken by / for fellow alumni.

Description	Relevance	Efficiency	Effectiveness	Impact	Sustainability	Total
Inputs	• Alumni led system reforms were undertaken. • Ex-fellows placed in leadership positions in the social *(government and NGOs)* and corporate sectors. • Observed an alumni track.	• More than 20 organizations were created by TFI Alumni working towards early childhood, parent empowerment, mental health betterment, etc. creating a shift in the education ecosystem through their entrepreneurship efforts. • Fellows placed in leadership positions in fields such as education, mental health, wellbeing, etc. • Fellows placed with the Government of Delhi to liaison between the NGO partner and the government efficiently.	• Many ex-fellows shifted to foreign countries and were known to be working with reputed companies. • By way of being placed in leadership positions in the social sector, ex-fellows continued to work towards TFI's objectives.	Organizations led to systemic changes on a societal level.	• Ex-fellows have visited the schools where they used to teach and have stayed connected with their students as their mentors even post-fellowship. • BTCPs that became foundations, as well as the freshly set up foundations continued to create a more permanent wave of change in the society.	Score 25/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 5/5	
Coverage	Fellows, society at large, corporate and social sector.	Collaboration with IIM-A to create foundations out of BTCPs introduced by fellows.	Fellows continued to work in the field of education / social work.	MIF objectives were met along with TFI's objectives simultaneously with educational initiatives becoming more prominent and new-age leaders joining the corporate / social employee groups.	A significant number of alumni continue to work in direct pathways in the education sector.	Score 25/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 5/5	
Outcome	4.4 million students through alumni initiatives.	4 MIF funded fellows were made part of the SET to foster entrepreneurial spirit within themselves.	Although the fellowship ends, the bond that fellows shared with their students continues to stay strong as ex-fellows still counsel / guide children.	Development of entrepreneurial spirit amongst fellows.	Fellowship alumni have founded more than 150 social sector organizations.	Score 23/25
	Score 5/5	Score 5/5	Score 5/5	Score 5/5	Score 3/5	
Total	Score 15/15	Score 15/15	Score 15/15	Score 15/15	Score 13/15	73/75
Comments & recommendations		The NGO Partner could consider exploring the installation of a portal for alumni to regularly provide specific information about their projects and form a community for knowledge sharing with other existing fellows.				

Detailed observations
Fellowship program

4.7 **Way forward for the fellows | Cont...**

Garima Garg, an alumna of the fellowship program serves as the Head of MIF today and supports multiple foundation activities undertaken by the organization.

Adarsh currently works with the government of Delhi under the education department and is a TFI alumnus. During MGC Global's team interactions with Adarsh, he spoke about his enriching fellowship days that gave him the requisite experience to go on to establish a secondary school in his area of teaching post the fellowship program.

Detailed observations

Fellowship program

4.7 **Way forward for the fellows | Cont...**

Interactions with the TFI team, wherein a significant number of members have served as fellows prior to joining full time.

Foundations set up by Alumni.

An account of how TFI alumni continue to impact through their professional and personal venture journeys.

Caveats | Key assumptions for the reader

Sources of information

5.1 The information contained in this report has been obtained primarily from discussions with the management of the NGO partner & documentation provided by the NGO partner.

5.2 It follows that information from any other source which has not been disclosed to us, could have a material impact on the objectives for which we were given this assignment.

Scope of work

5.3 Our review does not constitute an audit in accordance with auditing standards and no such verification work has been carried out by us. We have relied on explanations and the source information provided by the management of MIF and the NGO Partner. Consequently, we do not express an opinion on the numbers or any other aspect stated in this report. The scope of our work has been limited both in terms of the activities relating to the projects undertaken by the NGO Partner and the extent of the documentation and explanations provided to us. There may be matters, other than those noted in this report, which might be relevant in the context of this engagement and which a wider scope or which a complete set of records or an extensive audit might uncover.

5.4 The scope of our work did not require MGC Global to obtain a testimony from our interviews or gather physical evidence or undertake surveillance or a sting operation.

5.5 Though areas of improvements at the NGO partner level have been noted by us, these are based on the information and documents provided to us till December 09, 2022. It is possible that additional information with explanations may require us to alter our observations in this report.

Scope limitations

5.6 The areas of our focus on this assignment, as specified in our engagement letter of September 07, 2022, have been covered in this report. It is possible that a wider scope (*including coverage of activities beyond the period of our review)* may uncover other facts that may be material in relation to the objective for which such work was assigned to us.

5.7 It may be noted that since our work was based on specific pre-assigned procedures, which include a combination of various approaches, the same cannot and should not be used be used to identify and detect existing, past and irregularities non conformalities. We wish to highlight that there is an inherent risk in any such review. Such an inherent risk can be defined as the likelihood of a misstatement that would be material in one area when aggregated with misstatements in other areas or classifications, assuming that there were insufficient related internal controls.

Scope limitations (cont…)

5.8 We are not lawyers and are not a law enforcement agency or prosecuting officer. We do not have power to subpoena records or power to subpoena witnesses to testify under oath. We are a private consulting firm conducting a specified consulting service based on information voluntarily provided to us.

5.9 We do not draw legal or other conclusions here and instead raise matters for consideration and further investigation by you. Exercising our judgment, and erring on the side of transparency and disclosure, we are identifying specific risks to the management of MIF, so that they can determine appropriate next steps.

5.10 For purposes of the exercise, MGC Global has used information obtained from various enquiries, primary interactions and secondary information sources, which we believe to be reliable, and our assessment is dependent on such information being complete and accurate in all material respects. We do not accept any responsibility or liability for any losses occasioned to any party as a result of our reliance on such information. If any of the facts and assumptions is not complete or accurate, it is imperative that we be informed accordingly, as the inaccuracy or incompleteness thereof could have a material effect on our conclusions.

5.11 This report is for information purposes only. While due care has been taken during the compilation of this report to ensure that the information is accurate to the best of MGC Global's knowledge and belief, the content of this report is not to be construed in any manner whatsoever as a substitute for professional advice.

5.12 This report sets forth our views based on the completeness and accuracy of the facts stated to us and any assumptions that were includedIn connection with our report or any part thereof, MGC Global does not owe duty of care *(whether in engagement letter or in tort or under statute or otherwise)* to any person or party to whom the report is circulated to and MGC Global shall not be liable to any party who uses or relies on this report. We thus disclaim all responsibility or liability for any costs, damages, losses, liabilities, expenses incurred by such third party arising out of or in connection with the report or any part thereof.

Annexure I | Community voices

Community voices | Teachers, students & NGO partners

6.1 The ensuing paragraphs contain excerpts from discussions with TFI students.

Students belonged to grade X and grade VII and had been in the school for about 4 to 5 years. Some of the students had been under TFI's wings for longer (ex. grade 3).

Students communicated in manner that displayed advanced levels of thinking. They seemed to have developed exceptional emotional intellect and self-awareness, which is commendable at such a young age. Their fluency and diction and ability to articulate their emotions were admirable. Amongst these beams of youth, there was poets, blog writers, avid readers, conversationalists, political enthusiasts and even chefs.

1. Arna *(name changed for confidentiality reasons)* for instance, after she gave her introduction, was interested to know about our interviewer representatives *(Ruchi Dadwal and Mahima Singh).* She expressed an interest in Marketing and even exchanged an email to take this further.

2. Malini *(name changed for confidentiality reasons)* a TFI student for the past 2 years, said that she felt she had learnt and grown exponentially with TFI. She felt she was able to realise her interests and tap on opportunities because of TFI teachers. She went on to say that she loved her TFI teachers and also the environment they created for enhancing learning.

3. Anu *(name changed for confidentiality reasons)* – a first year TFI student, was a delight to speak with. She asked the interviewers what their names were and upon asking what she liked doing, she responded by saying that she loved sharing her thoughts with God. When speaking about her experience with TFI, she said that she found her teachers understanding and compassionate.

4. Active and full of life, one of the students, **Tanisha** *(name changed for confidentiality reasons)* revealed that she did not like sitting idle. And one of the reasons she loved her TFI teachers was that they always tried to engage students in something new. She signified that TFI teachers gave students space for sharing their thoughts and held discussions with them.

We all know that change is part of life, however it is not always easily absorbed. For a student to change his / her beliefs about subjects takes a lot of hard-work on the teachers front; and this proves to be **one of TFI's biggest achievements – the fact that many students now had different 'favorites' for subjects**, which they were not inclined towards previously.

Students gave credit to one of the fellows - Meenakshi didi *(for English & political science)* for making them fall in love with literature and Shruti didi for helping them with maths and making it their favorite subject. With her support, students also attended math competitions and won the first 2 positions.

5. Sarita *(name changed for confidentiality reasons)*, a grade 7 student expressed that TFI fellows changed her perception of teachers as she was previously used to seeing strict academicians. This shift brought in by TFI students impacted her performance rather positively and induced confidence in her.

6. Priya *(name changed for confidentiality reasons)*, another grade 7 student conveyed that her teachers at TFI provided her comfort and helped develop an environment of transparency and honesty. She felt no hesitation whilst addressing an otherwise sensitive topic of 'periods' and said that the TFI teachers were approachable and empathetic towards girls sharing their experiences or issues with them.

Annexure I | Community voices

MGC GLOBAL RISK ADVISORY LLP

Community voices | Teachers, students & NGO partners *(cont..)*

6.1 The ensuing paragraphs contain excerpts shared by fellows with regard to their fellowship experience.

1

Thank you for supporting me to continue this Fellowship Program that has transformed my life and has changed my perspective to look at the world and the education system of India. Without your support, I would not have been able to make a difference in the life of my students and contribute in the country's education system. The most exciting part of my Fellowship is spending time with kids and working to make a difference in their life. When I see my kids, I forget all my tensions as I see hope in the eyes of my kids. I strongly believe that education can only change their life. **I believe in**

2

Amarjot | TFI alumnus, now team member

- Online teaching: ***His first year of fellowship during COVID*** – convinced teachers, parents to let the fellows teach students in person, so they started teaching in the parks.
- Teachers were not that welcoming initially. Students loved the fellows as they never resorted to corporal punishments and referred to them as 'didi and bhaiya'. They would meet parents and try to learn more about the students as well. ***Regular teachers showed reluctance and this was a challenge for fellows.***
- The program is hugely different from regular teaching as teachers are not just meeting parents once in a blue moon.
- **The impact of the fellows is so deep that students remember their teachers even after ages.**
- **The fellowship, says Amarjot, has given him insights into organizational skills.**

Fellows expressing their views on the fellowship experience and thanking MIF for its contribution.
Source: Our interactions and TFI's reports.

Annexure I | Community voices

Community voices | Teachers, students & NGO partners *(cont..)*

6.1 The ensuing paragraphs contain excerpts from discussions with Mr Vikas, Principal, Gangotri Public School and Megha, TFI fellow teaching at the school.

During our interactions with the **Principal**, he confirmed that his experience with the fellows had been wonderful, and he felt satisfied in terms of his school's improvements in performance. Initially, as he recalled, there was resistance from the school's staff as well as parents because the model was new and stakeholders were unaware of its effects, however as time passed, the school staff became well acquainted with the fellows' teaching style and even started to observe their classes to reinvent conventional methods of pedagogy. In addition, the fellowship program had been a huge success with parents who now want to enroll their kids in classes with TFI fellows.

Further, the teachers at the school and fellows made it an ongoing practice to sit together every Friday to discuss the week-gone-by's progress and best practices to enhance student performance.

Lastly, with students making extra efforts to learn and participate in co-curriculars due to fellows encouraging them towards the same, the school is arranging for requisite supplies to enable students to partake of different games and academic activities.

Megha, one of the fellows at the school, shared her experience under the fellowship program and how enriching it had been for her personally as well as professionally. From encouraging students to read books to conducting academic tours with them, her influence has been positive and well received so much so that her students show a keen interest in visiting the school library which has been made operational with the help of TFI fellows and even maintain a diary to record new words that they learn. They also discuss new books they read with Megha who listens to them and piques their curiosity with interesting prompts. Speaking of curiosity, scientific experiments such as litmus tests were also conducted with the students assisting in the same. Not only did this give them an impetus to learn and retain concepts better but also gave them practical insights into the world of science.

Megha ensured that parents were aware of their child's performance and monthly PTMs were conducted to this end with over 80% parental attendance. Further, in order to overcome language barriers, lessons were made bi-lingual and ensured that content was comprehendible for students.

Annexure I | Community voices

Community voices | Teachers, students & NGO partners *(cont..)*

6.1 The ensuing paragraphs contain excerpts from discussions with fellows at one of the TFI schools in West Vinod Nagar, New Delhi.

Fellow name	Impact of the project & additional comments
Ms Kausheen	Worked with students to help them understand their emotions and paid special attention to students who were seemingly facing severe challenges.
Ms Devanshi	Helped kids who came from abusive homes. Took a lot of sessions to break the ice. Focus was laid on student mental health with the help of data. Potential dyslexia was also detected in students and the requisite help was provided to them.
Gauri Chauhan	Administrative efficiencies were brought in by lessening paperwork for teachers. A portal was introduced to track student performance and also their mental health.
Vanshika	Started a BTCP called 'Vaani'. Social emotional learning for students as well as parents was undertaken. Sessions were conducted with the objective of enhancing parental engagements where they were made aware of how to be more receptive when their children gave them greeting cards.
Meenakshi Mahajan	Served as a mentor to other fellows and took up skilling sessions under the tracks created by TFI. COVID challenges helped in proffering sustainable solutions through BTCPs by creating awareness around substance abuse, self harm and other social issues. Created channels for students to enhance their leadership skills in order to make them flagbearers of change for their communities. Fellows also taught other classrooms that do not fall under their direct jurisdiction.
Ms Mrinalinee	Helped arrange for digital devices for almost 100% of her students with TFI's support. BTCP 'Pehli baat' was introduced to create a safe environment for the students by taking their mothers into confidence, now also finding ways to involve fathers into the program.
Pranay Das	Joined the fellowship program from a different city and found it overwhelming, however soon realized that the program helped in breaking his old and obsolete beliefs about teaching and he was able to build a good connection with his students. The fellows had a supportive mentality towards each other and were not competitive. They wanted to build each other up and assist wherever possible in terms of realising the collective vision.
Shruti Sharma	Thorough ways of teaching math to students helped in changing their perception on the subject and made it seem easier to them. Due to TFI's methods, students were able to distinguish regular teachers from TFI teachers in a positive way. Students also referred to TFI fellows as 'didi' and 'bhaiya' which showed a close connect.
Sneha Singh	Brought in innovative ways to teach students science. To gauge student performance and improve creativity in work, a BTCP was introduced that taught students about their behaviours in order to better cope with stress and mental health issues. Activities conducted also focused on mitigating societal taboos and stereotypes.

Annexure I | Community voices

6.1 **Community voices | Teachers, students & NGO partners | Cont...**

Interactions with students and their fellows; unearthing observations and teaching insights.

Annexure II | Documents

Cost related documents

6.2 The following are cost-break ups and other financial related documents and tables given in the MoU.

ANNEXURE III

Cost Details:

Funding Duration	Funding Priorities	Impact	INR
2020 – 21	Fellowship	Support 40 Fellows (Cost Per Fellow: 4.9 Lacs/ Annum)	1,78,40,000.00
	Operational Costs	Support the operating expenses of Delhi city to ensure sustainability	21,60,000.00
	Total		2,00,00,000

Cost per Fellow Break up

Fellow Cost	FY 2020-21
Stipend and Allowances*	2,92,000
Other Program Costs**	1,54,000
Subtotal	4,46,000
Operational Cost at 10%	44,600
Cost of a Fellow	4,90,600

*Stipend + HRA + Travel allowances

**City Support (Program Manager, Senior Program Manager, Program Manager Coach & City Director compensation) + Recruitment + Selection + Training and Impact

ANNEXURE IV

NON-FCRA DECLARATION FORM

(NON- FCRA DECLARATION – AS APPLICABLE)

(Referred to in the Donor Agreement between MAX INDIA FOUNDATION and Teach To Lead dated 2nd April 2020)

To:
Teach To Lead
Godrej One, 2nd Floor
Pirojshanagar, Off Eastern Express Highway
Vikhroli (East)
MUMBAI 400079

Re.: Declaration of being a Local Source under the FCRA, 2010
Ref.: Donation of INR **2,00,00,000** made to TEACH TO LEAD to be deposited into your Local Account No. 0357-145-0000143 with HDFC Bank Ltd. Parel Branch, Mumbai 400012

Dear Madam/Sir,

With reference to the captioned subject, this is to confirm that our organization is a "Local Source" as defined by the FCRA Act, 2010 as amended by the Finance Act 2016. Our Company is incorporated in India and it's CIN/registration No. is [●] and PAN is [●].

Our donation to Teach To Lead would have to be deposited into your Local Bank Account mentioned above. We confirm that in case required, this letter can be produced as legal evidence before any Bank / Statutory Authority.

Thank you,

Sincerely,

For ____________

Authorised Representative

Annexure III | Meetings & stakeholders covered

Our coverage

6.3 The table set below contains a summary of our meetings with TFI stakeholders and team members.

No	Date of meetings	Location	Key participants	Stake holders
1	September 15, 2022	Teams call	Avantika Kakkar	TFI
			Monish Chatrath	MGC Global
			Ruchi Dadwal	MGC Global
			Surender Sharma	MGC Global
			Mahima Singh	MGC Global
2	November 07, 2022	TFI's office, Green park extension, New Delhi	Mansi Joshi	TFI
			Raisha Galib	TFI
			Avantika Kakkar	TFI
			Ruchi Dadwal	MGC Global
			Surender Sharma	MGC Global
			Mahima Singh	MGC Global
3	November 11, 2022	TFI school, West Vinod Nagar, New Delhi	TFI team members *(Mansi, Raisha & Avantika)*	TFI
			TFI fellows *(around 10)*	TFI
			TFI students *(around 10)*	TFI
			Ruchi Dadwal	MGC Global
			Mahima Singh	MGC Global
4	November 11, 2022	TFI's office, Green park extension, New Delhi	Adarsh Mohandas	TFI
			Amarjot Singh	TFI
			Ms Srijani	TFI
			Ruchi Dadwal	MGC Global
			Mahima Singh	MGC Global
5	November 24, 2022	Teams call	Mr Vikas	School head master
			Ms Megha	TFI
			Ruchi Dadwal	MGC Global
			Mahima Singh	MGC Global
			Anoop Kumar	MGC Global

It is a pleasure to work for you

Your primary contact :

Monish Gaurav Chatrath
Managing Partner
Mob: + 91 98113 03000
Email: **monish.chatrath@mgcglobal.co.in**
www.mgcglobal.co.in

Team MGC Global Risk Advisory says -

We service our clients from:

Bengaluru | Novel Office - MG Road No. 8, Ulsoor Rd, Yellappa Chetty Layout, Halasuru, Bengaluru, Karnataka 560 042

New Delhi | 323, 324 & 327, Square One Building, Saket, New Delhi 110 017

We have arrangements with our associate firms to service our clients in all other major cities in India.

Annexure - III

FORM AOC-2

Annexure - III
Form 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 arm length transactions under third proviso thereto

A Details of contracts or arrangements or transactions not on arm's length basis for FY 22 - 23
Related Party Transactions

S.No.	Name of the related party	Nature of Relationship	Nature of Contract	Amount spent / received in Transaction Period (2022-23)	Duration of the Contract	Salient Terms of contract or arrangements or transactions including the value	Dates of approval by the Board, if any	Amount Paid as advance if any
1	Max Financial Services Limited	Holding Company	Sub-licencing agreement	Nil	Continuing	Sub-licencing to Max Life for using the trademark owned by Max India Limited	04.08.2016	Nil

B Details of contracts or arrangements or transactions at arm's length basis for FY22-23
Related Party Transactions

S.No.	Name of the related party	Nature of Relationship	Nature of Contract	Amount spent / received in Transaction Period (2022-23)	Duration of the Contract	Salient Terms of contract or arrangements or transactions including the value	Dates of approval by the Board if any	Amount Paid as advance if any
1	Max Financial Services Limited	Holding Company	Expenses - Functional support services	16,00,00,000	01-04-2022 to 31-03-2023	Allocated Cost of Group Expenses	Not Applicable as per the Companies Act	Nil
2	Max Financial Services Limited	Holding Company	Expenses - D&O Insurance Policy	1,60,938	01-09-2021 to 31-08-2022	Payment towards cost allocation of D&O Policy	Not Applicable as per the Companies Act	Nil
3	Max Ventures and Industries Limited	A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital	Income - Insurance Premium	-2,76,780	01-04-2022 to 31-03-2023	Group Term life insurance	Not Applicable as per the Companies Act	Nil
4	Max Ventures and Industries Limited	A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital	Income - Rental of office space	-4,47,78,930	01-04-2022 to 31-03-2023	Rental Income	Not Applicable as per the Companies Act	Nil
5	Max Ventures and Industries Limited	A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital	Receipt - Security Deposit	-76,41,384	15-06-2022 to 14-06-2031	Security Deposit for leased property	Not Applicable as per the Companies Act	Nil
6	Axis Bank Limited	An investing company or the venturer of the Company	Income - Insurance Premium	-4,64,46,75,812	01-04-2022 to 31-03-2023	Group Term life insurance	Not Applicable as per the Companies Act	Nil
7	Axis Bank Limited	An investing company or the venturer of the Company	Payment - Purchase of non equity instruments	2,18,48,78,074	Not Applicable	Purchase of non equity instruments	Not Applicable as per the Companies Act	Nil
8	Axis Bank Limited	An investing company or the venturer of the Company	Income - Income on Investments	-38,35,73,545	01-04-2022 to 31-03-2023	Income on Investments	Not Applicable as per the Companies Act	Nil
9	Axis Bank Limited	An investing company or the venturer of the Company	Expenses - Commission	9,81,10,05,551	01-04-2022 to 31-03-2023	Commission on Insurance business	Not Applicable as per the Companies Act	Nil
10	Axis Bank Limited	An investing company or the venturer of the Company	Expenses - Bank Charges & Other Fee	99,47,61,448	01-04-2022 to 31-03-2023	Bank Charges and other fees paid	Not Applicable as per the Companies Act	Nil
11	Axis Bank Limited	An investing company or the venturer of the Company	Receipt - Maturity/Sale of Non Equity Instruments	-35,00,00,000	Not Applicable	Maturity/Sale of Non Equity Instruments	Not Applicable as per the Companies Act	Nil
12	Max Ventures Private Limited	A private company in which a director or his relative is a member or director	Income - Insurance Premium	-3,32,632	01-04-2022 to 31-03-2023	Group Term life insurance	Not Applicable as per the Companies Act	Nil
13	Max India Limited	A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid up share capital	Income - Insurance Premium	-6,01,561	01-04-2022 to 31-03-2023	Group Term life insurance	Not Applicable as per the Companies Act	Nil
14	Max Life Pension Fund Management Limited	Subsidiary company	Receipt for Reimbursement of Expenses	-2,28,54,942	Not Applicable	Reimbursement of Expenses	Not Applicable as per the Companies Act	Nil
15	Max Life Pension Fund Management Limited	Subsidiary company	Expenses- National Pension Scheme (NPS) Contribution	40,91,060	Not Applicable	National Pension Scheme (NPS) Contribution	Not Applicable as per the Companies Act	Nil
16	Max Life Pension Fund Management Limited	Subsidiary company	Investment in Share Capital	55,00,00,000	Not Applicable	Investment is Capital	09.11.2021	Nil
17	Toppan Speciality Films Private Limited (Max Speciality Films Limited)	A private company in which a director or his relative is a member or director	Income - Insurance Premium	30,47,996	01-04-2022 to 31-03-2023	Group Term life insurance	Not Applicable as per the Companies Act	Nil

Note: We are reporting Max Asset Services Limited in NTA, however we are not reporting the same in Form AOC-2 since it is a group entity.

For and on behalf of Board of Directors of Max Life Insurance Company Limited

Prashant Tripathy	V. Viswanand
Managing Director & CEO (DIN: 08260516)	Deputy Managing Director (DIN: 08260553)

Date: May 12, 2023
Place: Gurugram

Annexure - IV

NOMINATION AND REMUNERATION POLICY MAX LIFE INSURANCE COMPANY LIMITED

I. PREAMBLE

1.1 Max Life Insurance Company Limited **("Company")** has in place a Nomination and Remuneration Committee **("Committee")** which shall at all times comprise 3 (Three) or more non-executive Directors, of which at least half shall be Independent Directors, as required under section 178 of the Companies Act, 2013 as amended from time to time **("Companies Act").**

1.2 This Nomination and Remuneration Policy **("Policy")** has been prepared in compliance with Section 178 of the Companies Act read along with Guidelines for Corporate Governance for Insurers in India dated 18th May 2016 **("Corporate Governance Guidelines"),** Insurance Regulatory and Development Authority of India (Remuneration of Non-executive Directors of Private Sector Insurers) Guidelines, 2016 and Insurance Regulatory and Development Authority of India (Remuneration of Chief Executive Officer / Whole-time Director/ Managing Director of Insurers) Guidelines, 2016, both dated 5th August 2016 (collectively the **"Remuneration Guidelines")** issued by Insurance Regulatory and Development Authority of India **("IRDAI")** as amended from time to time. The Remuneration Guidelines are effective from October 1, 2016 or from the date of appointment/ reappointment of MD/CEO/ WTD and non-executive Directors, whichever is later.

1.3 The Policy will be reviewed annually or as may be required to ensure alignment with statutory and regulatory requirements.

II. DEFINITIONS

"Board" means Board of Directors of the Company.

"Company" means Max Life Insurance Company Limited.

"Director" means a director appointed to the Board of the Company.

"Manager" means a manager as defined under the Companies Act.

"Employee Phantom Stock Plan" means the Employee Phantom Stock Plan 2014 or Employee Phantom Stock Plan 2012, as amended from time to time and any other plan that Company may introduce in future.

"Independent Director" means a director referred to in Section 149(6) of the Companies Act as amended from time to time.

"Key Management Personnel" or **"KMP"** means a member of the core management team of the Company including all:

(a) Managing Directors ("MD"),

(b) Chief Executive Officer ("CEO"),

(c) Whole-time directors ("WTD"),

(d) Manager,

(e) Functional heads one level below the MD/ CEO, including the Chief Financial Officer, Chief Investment Officer, Appointed Actuary, Chief Risk Officer, Chief Compliance Officer and Company Secretary; and shall also include Key Managerial Personnel as defined under Companies Act."

"NRC" or **"Committee"** means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company, in accordance with the provisions of Section 178 of the Companies Act.

"Other employees" means all full time employees of the Company excluding MD/ CEO/ WTD/ Managers and KMPs. **"Policy"** means this Nomination and Remuneration Policy.

"Remuneration" means any money or

its equivalent/ benefit/ amenity/ perquisite given or passed to any person for services rendered by him/ her and includes perquisites as defined under the Income-tax Act, 1961.

III. GUIDING PRINCIPLES/ OBJECTIVES

The objective of the Policy is to provide an overall framework for the Remuneration of the Directors, KMPs and other employees of the Company. In this regard, the Policy seeks to ensure that:

(a) there is effective governance of Remuneration by active Board oversight;

(b) there is effective alignment of Remuneration to prudent risk taking and that the Remuneration does not induce excessive or inappropriate risk taking that could be detrimental to the interests of the policyholders and / or business;

(c) the level and composition of Remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs and other employees having the quality required to run the Company successfully;

(d) The interests of MD/CEO/WTD/ Manager are aligned with the business strategy, risk tolerance and adjusted for risk parameters (as mentioned in Section 10.1.3), objectives, values, culture and long term interests of the Company;

(e) Relationship of Remuneration to performance is clear, meeting appropriate performance benchmarks and consistent with the "pay-for-performance" principle;

(f) Remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals.

IV. ROLE OF THE COMMITTEE

The role of the Committee shall be to ensure compliance to the relevant provisions of the Companies Act, Corporate Governance Guidelines, Remuneration Guidelines and various other obligations as mentioned in the charter of the Committee as approved by the Board from time to time.

The Committee should recognize the potential conflicts inherent in recommendations from Company's management dealing with Remuneration and ensure that recommendations from management are supplemented with external advice when appropriate.

V. APPOINTMENT AND REMOVAL OF DIRECTOR/ MD/ CEO/ WTD/ MANAGER AND KMPs

5.1 Any appointment, reappointment, termination of a MD/CEO/WTD/ Manager (by whatever name called) or any amendment thereto will be done and will have effect only after prior approval of IRDAI.

5.2 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person being appointed as Director or KMP and recommend his/ her appointment to the Board.

5.3 A Director or KMP should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment as Director or KMP. The Committee has the discretion to decide whether the qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.

5.4 The Committee shall ensure that a requisite framework exists for appointments and qualification requirements for the human resources and which ensures that the incentive structure does not encourage imprudent behavior.

VI. TERM AND TENURE

6.1 MD/WTD/Manager:

The Company shall appoint or reappoint any person as its MD/ WTD/ Manager for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

6.2 Independent Director:

(a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

(b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible again for appointment, after expiry of three years from date of ceasing to be an Independent Director.

(c) For the purpose of determining the term of Independent Directors, the existing term of the Independent Directors as on April 1, 2014 shall not be counted as a term for the above clauses.

VII. EVALUATION

The Committee shall carry out evaluation of performance of every Director at a yearly interval, in accordance with Section 178 of the Companies Act, 2013 as amended from time to time and present a report thereon to the Board.

VIII. REMOVAL

Due to reasons for any disqualification mentioned in the Companies Act, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board for reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of such Act, rules and regulations.

IX. RETIREMENT

The Director or KMP shall retire as per the applicable provisions of the Companies Act and the prevailing policy of the Company. The Board will have the discretion to retain the Directors/ KMPs in the same position / Remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to passing a special resolution, as applicable.

X. PROVISIONS RELATING TO REMUNERATION

10.1 *Remuneration of MD/CEO/WTD/ Manager*

10.1.1 ***Applicable Laws, Guidelines and Required Approvals***

(a) The Remuneration of MD/ CEO/WTD/Manager will be determined by the Committee and recommended to the Board for approval and will require prior approval of IRDAI.

(b) The NRC/ Board shall always maintain a fine balance between reasonableness and fairness, while making Remuneration-related decisions including clawback of any unpaid deferred Remuneration.

(c) The Remuneration and commission to be paid to MD/ CEO/WTD/Manager shall be as per the applicable provisions of the Companies Act read with the Insurance Act, 1938 **("Insurance Act")** and rules, regulations and guidelines made thereunder including the Remuneration Guidelines.

(d) However, where the annual Remuneration of a MD/ CEO/ WTDs/Manager exceeds Rs. One Crore Fifty Lacs (including all perquisites, bonuses, etc., by whatsoever name called), such excess shall be debited to the shareholders' account.

10.1.2 ***Components of Remuneration***

The Remuneration of MD/CEO/WTD/ Manager is inclusive of fixed pay, perquisites, variable pay, guaranteed pay, allowances, short term/long-term incentives, retiral benefits (superannuation or any other pension plan, gratuity, provident fund), stock options, Employee Phantom Stock Plan, severance package (by whatever name called) and other components.

10.1.3 ***Risk and Reward***

(a) Remuneration of MD/CEO/ WTD/Manager shall be linked to performance parameters such that:

- It is adjusted for all types of risks (as mentioned in Section 10.1.3.b),
- Remuneration outcomes are symmetrical with risk outcomes,
- The payouts are sensitive to the time horizon of the risk, and
- Pay mix is consistent with risk alignment.

(b) Risk parameters that will be considered by NRC and Board for assessing performance and suitable risk adjustment will cover aspects related to:

- Persistency
- Solvency
- Grievance redressal
- Expenses of Management
- Claim settlement
- Claim repudiations
- Overall compliance status
- Overall financial position such as net worth position, assets under management, etc.

The above parameters are indicative. NRC and Board may formulate and review such parameters from time to time, in line with the business needs of the Company.

In matters related to risk and reward, the NRC shall consider advice from members of the Risk Committee of the Company, the Appointed Actuary or the Chief Risk Officer as appropriate before making its final determinations and recommendations to the Board.

10.1.4 ***Pay Mix***

The total Remuneration paid to MD/ CEO/WTD/Manager shall have a fixed component and a variable component linked to individual and organizational performance. Proper balance between fixed and variable components will be ensured by the NRC/ Board and in accordance with the Remuneration Guidelines.

(a) **Fixed pay** may comprise basic salary, house rent allowance, other allowances and retiral benefits like provident fund, gratuity and superannuation. The amount of fixed pay shall be reasonable taking into account the Company's overall business performance and industry remuneration scales.

(b) **Variable pay** may be paid in the form of cash, equity/ stock linked instruments or both. It is clarified that employee stock option plans would not be considered as part of variable pay. In case the variable pay constitutes 50% or more of the total Remuneration (i.e. fixed pay + variable pay), it shall be considered as 'substantial' as per Remuneration Guidelines and 40% of such variable pay shall be deferred over a period of not less than 3 years and be paid in three equal installments.

Any future grant (by whatever name called) that is given, if construed as variable pay, should have a proper balance of pay mix in line with Section 10.1.4.

Variable pay is dependent on the Company's overall results as captured in the Company's measures of success outcomes and the parameters defined in section 10.1.3. In case there is deterioration in the same, the variable pay will contract in accordance with adjustment of these parameters.

In the event of termination of employment contract without cause, the variable pay and any other payout which has been awarded but deferred shall be paid at the time of cessation of contract, subject to the final approval of the NRC, Board and IRDAI. However, in the event of termination of employment contract owing to proven misconduct, no variable pay, notice pay, severance payment and any other payout which has been awarded but deferred shall be paid.

In the event of termination of employment contract owing to a resignation, any payout which has been awarded but deferred shall be paid, subject to the final approval of the NRC, Board and IRDAI.

10.1.5 ***Stock Options***

The NRC/ Board may consider granting of stock options, including Employee Phantom Stock Plan. Issue of stock options and sweat equity shares shall be governed by the provisions of Remuneration Guidelines, the Companies Act, the Companies (Share Capital and Debenture) Rules, 2014, SEBI (Issue of Sweat Equity) Regulations, 2002 and SEBI (Share based Employee Benefits), 2014 as amended from time to time. Details of stock options to Directors shall be disclosed in line with disclosure requirements stipulated for the financial statements of the Company.

10.1.6 ***Clawback of deferred pay***

(a) In case of unvested or unpaid portion of the deferred variable pay, appropriate mechanism will be put into place with respect to clawback of such portion, which shall be appropriately linked to risk parameters as provided in Section 10.1.3.

(b) NRC and the Board shall track performance on the basis of parameters provided in Section 10.1.3. In case of negative trends in Company's performance, the Committee and the Board shall review the same and based on facts and due assessment of what is directly attributable to the MD/ CEO/WTD/Manager's actions, the Committee and the Board may take appropriate measures for clawback of unvested or unpaid deferred pay. The Committee and Board's decision shall be final with regard to clawback.

10.1.7 ***Guaranteed Bonus***

The Company shall not encourage guaranteed bonus of any kind as part of the Remuneration plan of MD/CEO/WTD/Manager, except sign-on/joining bonus if required. The sign-on / joining bonus may be granted only to new staff and will be limited to first year, however, the payout may be deferred beyond the year of joining. The NRC/Board shall approve such a grant.

10.1.8 ***Severance Payments***

Any severance payments, for involuntary separation without cause or due to change of control, to MD/CEO/WTD/Manager shall be made in accordance with contractual obligations and with prior approval of the NRC, Board and IRDAI. Severance payment for this purpose shall not include accrued benefits including gratuity, pension, provident fund, notice period pay, etc.

10.2 ***Remuneration to KMPs (other than MD/CEO/WTD/Manager) and other employees***

Remuneration to KMPs and other employees will include elements of fixed pay, allowances, short term / long term incentives, retirals, perquisites, stock options and other components with the mix of elements varying with seniority and benchmarked externally. A key unifying element shall be the funds available to support short and long term incentives each year. These are driven by the measures of success determined by the Board as part of the business planning cycle. The measures of success should be clearly defined and capable of objective measurement. The Board will, however, retain a measure of discretion to exercise judgment in determining final outcomes, for instance, where overall outcomes are result of external events completely outside the management's control or generally in respect of factors not susceptible to direct incorporation into the measures of success.

10.3 ***Remuneration to Non-Executive Directors***

Subject to the approval of Board and shareholders in accordance with the statutory provisions of the Companies Act and the rules made thereunder, the non-executive Directors may be paid profit linked commission from time to time, provided that the Company is making profit. Any such Remuneration shall not exceed amounts as may be specified by IRDAI for each of such non-executive Director.

Subject to the overall limit in this regard, the Board may, with mutual agreement with such Director, determine and pay different commission, to each non-executive Director.

10.4 ***Stock Options***

(a) An Independent Director shall not be entitled to any stock option of the Company.

(b) The Company may, in line with applicable provisions of Companies Act read with Insurance Act and amendments and rules thereunder, wherever applicable, grant units under Employee Phantom Stock Plan or any other stock option of the Company to any non-executive Director.

10.5 ***Engagement for Professional Services***

The Company may, in line with applicable provisions of Companies Act, read with Insurance Act and amendments and rules there under, wherever applicable, engage any non - executive Director to provide professional services from time to time. Any such engagement for professional services shall be made if NRC of the Company is of the opinion that such Director possesses the requisite qualification for providing such services.

10.6 ***Sitting Fees***

A non-executive director may receive Remuneration by way of fees for attending meetings of Board or Committee as may be decided by the Board. Provided, however, that the amount of such fees shall not exceed the maximum amount per meeting as may be prescribed in the Companies Act, Insurance Act or by the Central Government from time to time. The non-executive Directors and Independent Directors shall, in addition to the sitting fees, be entitled for reimbursement of their expenses for participating in the Board and Committee meetings, as may be decided by the Board.

XI. DISCLOSURE

All above Remuneration, including qualitative and quantitative disclosures as mentioned in the Remuneration Guidelines and fees for all Directors will be disclosed annually in Company's annual report.

XII. DEVIATIONS FROM THIS POLICY

Deviations on elements of this Policy in extraordinary circumstances, when deemed necessary, in the interests of the Company, will be made if there are specific reasons to do so in individual cases.

XIII. OWNER OF THE POLICY

The Policy is owned by the Committee and shall be administered by the Chief People Officer.

Annexure-V

COMPANY SECRETARIES

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, 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 INR 5,000/- and INR 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.

Insurance Regulatory and Development Authority of India (IRDAI) vide its order dated 13th October, 2022 levied a penalty of Rs.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 proper balance of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period, 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.

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.

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
Peef Review Certificate No.: 1428/2021

MAX LIFE
INSURANCE

Financial Review

Financial Statements

INDEPENDENT AUDITORS' REPORT

To the Members of **Max Financial Employee Welfare Trust**

Report on the Audit of the Financial Statements

OPINION

We have audited the Financial Statements of Max Financial Employee Welfare Trust ("the Trust"), which comprise the Balance sheet as at March 31, 2023, the Income and Expenditure Account for the period from 11th May 2022 to 31st March 2023 and a summary of significant accounting policies and other explanatory information hereinafter referred to as "the Financial Statements".

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of the balance sheet, of the state of affairs of the Trust as at 31st March 2023; and

b) In the case of the income and expenditure account, deficit for the period from 11th May 2022 to 31st March 2023.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing ("SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

TRUST MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management is responsible for preparation of the financial statements that give a true and fair view of the financial position and financial performance in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets 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.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

AUDITORS' RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the 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 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 Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm's Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835
UDIN:

Pune
May 12, 2023

FORM A-BS
NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED
IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(All Amounts in Thousands of Indian Rupees)

PARTICULARS	SCHEDULE	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
SOURCES OF FUNDS			
SHAREHOLDERS' FUNDS:			
SHARE CAPITAL	5	19,188,129	19,188,129
		19,188,129	**19,188,129**
RESERVES AND SURPLUS	6	16,208,461	12,759,520
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT		66,271	10,986
REVALUATION RESERVE-INVESTMENT PROPERTY [Refer to Note 3.48 on Schedule 16]		4,432	-
Sub-Total		**35,467,293**	**31,958,635**
BORROWINGS	7	4,960,000	4,960,000
POLICYHOLDERS' FUNDS:			
CREDIT/ (DEBIT) FAIR VALUE CHANGE ACCOUNT		7,984,180	6,531,230
REVALUATION RESERVE-INVESTMENT PROPERTY [Refer to Note 3.48 on Schedule 16]		481,772	262,306
POLICY LIABILITIES		805,354,191	672,821,997
[Refer to Note 3.2, 3.18, 3.19 on Schedule 16]			
INSURANCE RESERVES		-	-
PROVISION FOR LINKED LIABILITIES		303,655,506	294,034,918
[Refer to Note 3.2, 3.18, 3.19 on Schedule 16]			
FUND FOR DISCONTINUED POLICIES [Refer to Note 3.2, 3.19, 3.33 on Schedule 16] - Discontinued on account of non-payment of premium		48,846,818	40,396,839
- Others		-	-
Sub-Total		**1,171,282,467**	**1,019,007,290**
FUNDS FOR FUTURE APPROPRIATIONS [Refer to Note 3.2, 3.18, 3.19 on Schedule 16]			
- Linked		-	-
- Non Linked		35,802,776	32,369,244
TOTAL		**1,242,552,536**	**1,083,335,169**
APPLICATION OF FUNDS:			
INVESTMENTS			
Shareholders' Investments	8	55,042,486	51,476,972
Policyholders' Investments	8A	821,021,193	689,187,097
Assets Held To Cover Linked Liabilities	8B	352,502,324	334,431,757
LOANS	9	9,248,259	6,660,716
FIXED ASSETS	10	3,451,795	2,603,979
CURRENT ASSETS:			
Cash and Bank Balances	11	10,218,437	6,616,859
Advances and Other Assets	12	29,723,931	29,572,221
Sub-Total (A)		**39,942,368**	**36,189,080**

(All Amounts in Thousands of Indian Rupees)

PARTICULARS	SCHEDULE	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
CURRENT LIABILITIES	13	38,273,829	36,844,112
PROVISIONS	14	382,060	370,320
Sub-Total (B)		**38,655,889**	**37,214,432**
NET CURRENT ASSETS (C) = (A) – (B)		1,286,479	(1,025,352)
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	15	-	-
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT (SHAREHOLDERS' ACCOUNT)		-	-
Total		**1,242,552,536**	**1,083,335,169**
Significant Accounting Policies and Notes to Standalone Financial Statements	16		
Contingent Liabilities [Refer to Note 3.1 on Schedule 16]		5,315,581	2,174,308

The Schedules referred to above form an integral part of the Standalone Balance Sheet.

In terms of our report attached

For Fraser & Ross
Chartered Accountants
ICAI Firm Registration No. 000829S

Satpal Singh Arora
Partner
Membership No. 098564

For B.K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

For and on behalf of the Board of Directors of
Max Life Insurance Company Limited

Analjit Singh
Chairman
DIN: 00029641

Prashant Tripathy
Managing Director & CEO and Principal officer
DIN: 08260516

Amrit Singh
Chief Financial Officer
PAN: ASXPS1781R

Prashant Tripathy
Director
DIN: 08260516

V. Viswanand
Director
DIN: 08260553

Anurag Chauhan
Company Secretary
Membership No. F9899

Jose John
Appointed Actuary

Place : Gurugram
Date: 12th May 2023

Place : Gurugram
Date: 12th May 2023

Place : Gurugram
Date: 12th May 2023

NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED
IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000

STANDALONE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

Shareholders' Account (Non-technical Account)

(All Amounts in Thousands of Indian Rupees Except Earning Per Share)

Particulars	Schedule	FOR THE YEAR ENDED MARCH 31, 2023	FOR THE YEAR ENDED MARCH 31, 2022
Amounts Transferred from the Policyholders' Account [Refer to Note 3.16 on Schedule 16]		4,562,649	2,780,165
Income From Investments			
(a) Interest, Dividends & Rent - Gross		3,090,858	2,309,649
(b) Profit on sale/redemption of investments		105,673	949,777
(c) (Loss) on sale/ redemption of investments		(53,305)	(47,804)
Other income			
Miscellaneous income		151,781	40,151
Total (A)		**7,857,656**	**6,031,938**
Remuneration of MD/CEOs/WTDs over specifed limits [Refer Note 3.8, 3.9 & 3.25 on Schedule 16]		163,931	141,775
Expenses other than those directly related to the insurance business [Refer Note 3.10 on Schedule 16]		539,124	409,216
Bad debts written off		-	-
Contribution to the Policyholders Account (Technical Account)		1,999,051	1,167,526
[Refer to Note 3.16 on Schedule 16]			
Contribution to Policyholders' Account towards excess EOM* [Refer to Note 3.16 on Schedule 16]		104,260	155,748
Provisions (Other than taxation)			
(a) For diminution in the value of investments (Net)		-	(11,839)
(b) Provision for doubtful debts		-	-
(c) Others [Refer to Note 2.7.8 on Schedule 16]		4,876	-
Total (B)		**2,811,242**	**1,862,426**
Profit/(Loss) before tax (C)=(A)-(B)		**5,046,414**	**4,169,512**
Provision for Taxation		694,439	302,954
Profit/ (loss) after tax		**4,351,975**	**3,866,558**
Appropriations :			
(a) Balance at the beginning of the period		**10,419,307**	**8,417,257**
(b) Interim dividend paid during the period		-	-
(c) Final dividend paid		-	1,765,308
(d) Dividend distribution tax		-	-
(e) Transfer to Debenture Redemption Reserve		99,200	99,200
Profit/(Loss) carried forward to the Balance Sheet		**14,672,082**	**10,419,307**
* EOM: Expenses of Management			
Significant Accounting Policies and Notes to Standalone Financial Statements	**16**		
Earning per Share- Basic (Nominal Value Rs 10)		2.27	2.02
Earning per Share- Diluted (Nominal Value Rs 10)		2.27	2.02
[Refer to Note 3.24 on Schedule 16]			

(All Amounts in Thousands of Indian Rupees Except Earning Per Share)

Particulars	Schedule	FOR THE YEAR ENDED MARCH 31, 2023	FOR THE YEAR ENDED MARCH 31, 2022
The Schedules referred to above form an integral part of the Standalone Profit and Loss Account.			
In terms of our report attached			

The Schedules referred to above form an integral part of the Standalone Balance Sheet.

In terms of our report attached

For Fraser & Ross
Chartered Accountants
ICAI Firm Registration No. 000829S

Satpal Singh Arora
Partner
Membership No. 098564

Place : Gurugram
Date: 12th May 2023

For B.K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Gurugram
Date: 12th May 2023

For and on behalf of the Board of Directors of
Max Life Insurance Company Limited

Analjit Singh
Chairman
DIN: 00029641

Prashant Tripathy
Managing Director & CEO
and Principal officer
DIN: 08260516

Amrit Singh
Chief Financial Officer
PAN: ASXPS1781R

Prashant Tripathy
Director
DIN: 08260516

V. Viswanand
Director
DIN: 08260553

Anurag Chauhan
Company Secretary
Membership No. F9899

Jose John
Appointed Actuary

Place : Gurugram
Date: 12th May 2023

FORM A-RA

NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED
IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000
STANDALONE REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023
Policyholders' Account (Technical Account)

(All Amounts in Thousands of Indian Rupees)

Particulars	Schedule	FOR THE YEAR ENDED MARCH 31, 2023								
		Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
		Individual Life	Pension	Individual & Group Life*	Annuity*	Health Insurance	Linked Individual	Linked Pension	Linked Group	
Premiums earned - net										
(a) Premium	1	82,474,386	23,648	91,215,620	14,191,775	261,912	62,829,893	1,984,815	437,070	**253,419,119**
(b) Reinsurance Ceded		(246,653)	-	(4,132,732)	-	(130,895)	(90,426)	(139)	-	**(4,600,845)**
(c) Reinsurance Accepted		-	-	-	-	-	-	-	-	-
		82,227,733	**23,648**	**87,082,888**	**14,191,775**	**131,017**	**62,739,467**	**1,984,676**	**437,070**	**248,818,274**
Income from Investments										
(a) Interest, Dividends & Rent - Gross (Net of Amortisation)		36,963,188	86,361	11,253,871	1,474,824	14,378	11,123,812	871,271	97,673	**61,885,378**
(b) Profit on sale/ redemption of investments		5,711,250	6	275,054	10,003	-	14,348,612	1,188,940	26,460	**21,560,325**
(c) (Loss) on sale/ redemption of investments		(4,877,961)	-	(51,867)	(4,001)	-	(15,641,113)	(970,742)	(36,893)	**(21,582,577)**
(d) Transfer/ Gain on revaluation/ change in fair value#		-	-	(644,609)	-	-	17,913	(287,253)	(12,732)	**(926,681)**
Other Income										
Contribution from Shareholders' account towards excess EOM** [Refer to Note 3.16 on Schedule 16]		-	-	-	-	-	-	104,260	-	**104,260**
Miscellaneous Income		580,619	3	83,223	3,392	113	20,669	147	2	**688,168**
Total (A)		**120,604,829**	**110,018**	**97,998,560**	**15,675,993**	**145,508**	**72,609,360**	**2,891,299**	**511,580**	**310,547,147**
Commission	2	4,796,175	134	8,782,668	267,474	16,652	2,231,267	43,936	68	**16,138,374**
Operating Expenses related to Insurance Business	3	10,524,112	917	19,872,928	458,484	34,606	4,759,499	156,064	1,588	**35,808,198**
Provision for doubtful debts		19,590	2	34,698	685	57	6,291	278	4	**61,605**
Bad debts written off		7,206	1	16,469	266	19	3,098	89	2	**27,150**
Provision for tax		-	-	-	-	-	-	-	-	**-**

(All Amounts in Thousands of Indian Rupees)

Particulars	Schedule	FOR THE YEAR ENDED MARCH 31, 2023								
		Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
		Individual Life	Pension	Individual & Group Life*	Annuity*	Health Insurance	Linked Individual	Linked Pension	Linked Group	
Goods & Service Tax Charge on linked charges		-	-	-	-	-	1,950,951	65,334	1,273	**2,017,558**
Provision (other than taxation)										
(a) For diminution in the value of investments (Net) [Refer to Note 3.44 of Schedule 16]		102,251	-	-	-	-	-	-	-	**102,251**
(b) Others		-	-	-	-	-	-	-	-	**-**
Total (B)		**15,449,334**	**1,054**	**28,706,763**	**726,909**	**51,334**	**8,951,106**	**265,701**	**2,935**	**54,155,136**
Benefits Paid (Net)	**4**	40,835,734	79,117	11,735,248	1,131,874	12,533	41,433,315	4,279,288	257,876	**99,764,985**
Interim Bonuses Paid		27,135	-	-	-	-	-	-	-	**27,135**
Change in valuation of liability against life policies in force: [Refer to Note 3.2 & 3.19 on Schedule 16]										
(a) Gross ***		59,291,994	(37,617)	65,597,865	15,082,289	89,575	(203,531)	35,778	472	**139,856,825**
(b) Fund Reserves		-	-	-	-	-	11,338,770	(1,962,245)	244,063	**9,620,588**
(c) Discontinuance Fund		-	-	-	-	-	8,403,323	46,656	-	**8,449,979**
(d) Amount ceded in Reinsurance		(9,353)	-	(7,482,150)	-	166,872	-	-	-	**(7,324,631)**
(e) Amount accepted in Reinsurance		-	-	-	-	-	-	-	-	-
Total (C)		**100,145,510**	**41,500**	**69,850,963**	**16,214,163**	**268,980**	**60,971,877**	**2,399,477**	**502,411**	**250,394,881**
SURPLUS/ (DEFICIT) (D)=(A)-(B)-(C)		**5,009,985**	**67,464**	**(559,166)**	**(1,265,079)**	**(174,806)**	**2,686,377**	**226,121**	**6,234**	**5,997,130**
Contribution from the Shareholders' Account [Refer to Note 3.16 on Schedule 16]		-	-	559,166	1,265,079	174,806	-	-	-	**1,999,051**
NET SURPLUS/ (DEFICIT)		**5,009,985**	**67,464**	**-**	**-**	**-**	**2,686,377**	**226,121**	**6,234**	**7,996,181**
APPROPRIATIONS:										

(All Amounts in Thousands of Indian Rupees)

Particulars	Schedule	FOR THE YEAR ENDED MARCH 31, 2023								
		Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
		Individual Life	Pension	Individual & Group Life*	Annuity*	Health Insurance	Linked Individual	Linked Pension	Linked Group	
Transfer to Shareholders' Account [Refer to Note 3.16 on Schedule 16]		1,642,319	1,598	-	-	-	2,686,377	226,121	6,234	**4,562,649**
Transfer to Other Reserves		-	-	-	-	-	-	-	-	**-**
Transfer to Funds for Future Appropriations		3,367,666	65,866	-	-	-	-	-	-	**3,433,532**
Details of Surplus										
(a) Interim Bonus Paid		27,135	-	-	-	-	-	-	-	**27,135**
(b) Allocation of Bonus to Policyholders [Refer to Note 3.18 on Schedule 16]		15,434,544	12,545	-	-	-	-	-	-	**15,447,089**
(c) Surplus Shown in the Revenue Account		5,009,985	67,464	-	-	-	2,686,377	226,121	6,234	**7,996,181**
(d) Total Surplus : [(a)+(b)+(c)]		20,471,664	80,009	-	-	-	2,686,377	226,121	6,234	**23,470,405**

* During the year, the Company has merged the Non-Par Non-Linked Group segment with other Non-Par Non-Linked segments.
** EOM: Expenses of Management
*** Represents Mathematical Reserve considering allocation of Bonus.
# Represents the deemed realised gain as per norms specified by the Authority
Significant Accounting Policies and Notes to Standalone Financial Statements **16**

The Schedules referred to above form an integral part of the Standalone Balance Sheet.

In terms of our report attached

For Fraser & Ross
Chartered Accountants
ICAI Firm Registration No. 000829S

Satpal Singh Arora
Partner
Membership No. 098564

Place : Gurugram
Date: 12th May 2023

For B.K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Gurugram
Date: 12th May 2023

For and on behalf of the Board of Directors of
Max Life Insurance Company Limited

Analjit Singh
Chairman
DIN: 00029641

Prashant Tripathy
Managing Director & CEO and
Principal officer
DIN: 08260516

Amrit Singh
Chief Financial Officer
PAN: ASXPS1781R

Prashant Tripathy
Director
DIN: 08260516

V. Viswanand
Director
DIN: 08260553

Anurag Chauhan
Company Secretary
Membership No. F9899

Jose John
Appointed Actuary

Place : Gurugram
Date: 12th May 2023

FORM A-RA
NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED
IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000

STANDALONE REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2022

Policyholders' Account (Technical Account)

(All Amounts in Thousands of Indian Rupees)

Particulars	Schedule	FOR THE YEAR ENDED MARCH 31, 2022								
		Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
		Individual Life	Pension	Individual & Group Life*	Annuity*	Health Insurance	Linked Individual	Linked Pension	Linked Group	
Premiums earned - net										
(a) Premium	1	83,268,211	26,168	67,199,248	7,412,345	299,132	63,196,157	2,426,606	313,823	**224,141,690**
(b) Reinsurance Ceded		(251,446)	-	(3,809,717)	-	(118,086)	(92,538)	(153)	-	**(4,271,940)**
(c) Reinsurance Accepted		-	-	-	-	-	-	-	-	**-**
		83,016,765	**26,168**	**63,389,531**	**7,412,345**	**181,046**	**63,103,619**	**2,426,453**	**313,823**	**219,869,750**
Income from Investments										
(a) Interest, Dividends & Rent - Gross (Net of Amortisation)		32,918,470	80,929	8,138,522	707,237	15,585	9,278,255	858,500	81,249	**52,078,747**
(b) Profit on sale/ redemption of investments		16,857,048	-	604,744	14,988	58	42,673,827	3,318,438	62,259	**63,531,362**
(c) (Loss) on sale/ redemption of investments		(4,849,888)	-	(3,548)	(9,964)	-	(12,472,104)	(841,154)	(21,919)	**(18,198,577)**
(d) Transfer/ Gain on revaluation/change in fair value#		-	-	(935,835)	-	-	(7,814,561)	(1,023,585)	(22,328)	**(9,796,309)**
Other Income										
Contribution from Shareholders' account towards excess EOM** [Refer to Note 3.16 on Schedule 16]		-	-	-	-	-	-	155,748	-	**155,748**
Miscellaneous Income		492,503	26	16,778	854	97	5,557	170	2	**515,987**
Total (A)		**128,434,898**	**107,123**	**71,210,192**	**8,125,460**	**196,786**	**94,774,593**	**4,894,570**	**413,086**	**308,156,708**

(All Amounts in Thousands of Indian Rupees)

Particulars	Schedule	FOR THE YEAR ENDED MARCH 31, 2022								
		Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
		Individual Life	Pension	Individual & Group Life*	Annuity*	Health Insurance	Linked Individual	Linked Pension	Linked Group	
Commission	**2**	5,562,477	155	5,680,683	115,036	19,454	2,578,730	71,563	16	**14,028,114**
Operating Expenses related to Insurance Business	**3**	11,941,448	972	12,826,144	200,123	44,833	4,957,518	219,351	1,931	**30,192,320**
Provision for doubtful debts		(420)	-	(1,595)	20	14	1,731	(45)	1	**(294)**
Bad debts written off		7,521	-	6,208	37	9	4,590	56	-	**18,421**
Provision for Tax		-	-	-	-	-	-	-	-	**-**
Goods & Service Tax Charge on linked charges		-	-	-	-	-	1,811,416	72,053	1,119	**1,884,588**
Provision (other than taxation)										
(a) For diminution in the value of investments (Net) [Refer to Note 3.44 on Schedule 16]		3,862	-	-	-	-	481,037	32,051	-	**516,950**
(b) Others		-	-	-	-	-	-	-	-	**-**
Total (B)		**17,514,888**	**1,127**	**18,511,440**	**315,216**	**64,310**	**9,835,022**	**395,029**	**3,067**	**46,640,099**
Benefits Paid (Net)	**4**	37,676,872	67,283	16,055,562	424,279	15,861	34,110,003	4,190,691	194,121	**92,734,672**
Interim Bonuses Paid		37,797	-	-	-	-	-	-	-	**37,797**
Change in valuation of liability against life policies in force: [Refer to Note 3.2 & 3.19 on Schedule 16]										
(a) Gross ***		69,223,438	(12,426)	45,678,727	7,393,725	61,929	(467,671)	(52,330)	(2,348)	**121,823,044**
(b) Fund Reserves		-	-	-	-	-	39,468,406	(354,754)	218,090	**39,331,742**
(c) Discontinuance Fund		-	-	-	-	-	10,966,039	397,806	-	**11,363,845**

(All Amounts in Thousands of Indian Rupees)

Particulars	Schedule	FOR THE YEAR ENDED MARCH 31, 2022								
		Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
		Individual Life	Pension	Individual & Group Life*	Annuity*	Health Insurance	Linked Individual	Linked Pension	Linked Group	
(d) Amount ceded in Reinsurance		(33,719)	-	(7,875,771)	-	(27,911)	-	-	-	**(7,937,401)**
(e) Amount accepted in Reinsurance		-	-	-	-	-	-	-	-	**-**
Total (C)		**106,904,388**	**54,857**	**53,858,518**	**7,818,004**	**49,879**	**84,076,777**	**4,181,413**	**409,863**	**257,353,699**
SURPLUS/ (DEFICIT) (D)=(A)-(B)-(C)		**4,015,622**	**51,139**	**(1,159,766)**	**(7,760)**	**82,597**	**862,794**	**318,128**	**156**	**4,162,910**
Contribution from the Shareholders' Account [Refer to Note 3.16 on Schedule 16]		-	-	1,159,766	7,760	-	-	-	-	**1,167,526**
NET SURPLUS/ (DEFICIT)		**4,015,622**	**51,139**	**-**	**-**	**82,597**	**862,794**	**318,128**	**156**	**5,330,436**
APPROPRIATIONS:										
Transfer to Shareholders' Account [Refer to Note 3.16 on Schedule 16]		1,514,922	1,568	-	-	82,597	862,794	318,128	156	**2,780,165**
Transfer to Other Reserves		-	-	-	-	-	-	-	-	**-**
Transfer to Funds for Future Appropriations		2,500,700	49,571	-	-	-	-	-	-	**2,550,271**
Details of Surplus										
(a) Interim Bonus Paid		37,797	-	-	-	-	-	-	-	**37,797**

(All Amounts in Thousands of Indian Rupees)

Particulars	Schedule	FOR THE YEAR ENDED MARCH 31, 2022								
		Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
		Individual Life	Pension	Individual & Group Life*	Annuity*	Health Insurance	Linked Individual	Linked Pension	Linked Group	
(b) Allocation of Bonus to Policyholders [Refer to Note 3.18 on Schedule 16]		14,186,072	13,428	-	-	-	-	-	-	**14,199,500**
(c) Surplus Shown in the Revenue Account		4,015,622	51,139	-	-	82,597	862,794	318,128	156	**5,330,436**
(d) Total Surplus : [(a)+(b)+(c)]		18,239,491	64,567	-	-	82,597	862,794	318,128	156	**19,567,733**

* During the year, the Company has merged the Non-Par Non-Linked Group segment with other Non-Par Non-Linked segments, accordingly previous period figures have been regrouped where necessary to conform to current period's classification.
** EOM: Expenses of Management
*** Represents Mathematical Reserve considering allocation of Bonus.
# Represents the deemed realised gain as per norms specified by the Authority
Significant Accounting Policies and Notes to Standalone Financial Statements **16**

The Schedules referred to above form an integral part of the Standalone Balance Sheet.

In terms of our report attached

For Fraser & Ross
Chartered Accountants
ICAI Firm Registration No. 000829S

Satpal Singh Arora
Partner
Membership No. 098564

Place : Gurugram
Date: 12th May 2023

For B.K. Khare & Co.
Chartered Accountants
ICAI Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Gurugram
Date: 12th May 2023

For and on behalf of the Board of Directors of
Max Life Insurance Company Limited

Analjit Singh
Chairman
DIN: 00029641

Prashant Tripathy
Managing Director & CEO and
Principal officer
DIN: 08260516

Amrit Singh
Chief Financial Officer
PAN: ASXPS1781R

Prashant Tripathy
Director
DIN: 08260516

V. Viswanand
Director
DIN: 08260553

Anurag Chauhan
Company Secretary
Membership No. F9899

Jose John
Appointed Actuary

Place : Gurugram
Date: 12th May 2023

NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED
SCHEDULES ANNEXED TO AND FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

SCHEDULE 1

PREMIUM	FOR THE YEAR ENDED MARCH 31, 2023								
Particulars	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual & Group Life	Annuity	Health	Linked Individual	Linked Pension	Linked Group	
First year premiums	8,169,328	-	31,909,259	1,648,988	20,140	16,552,554	258,479	437,070	58,995,818
Renewal premiums	64,005,917	11,303	52,140,130	-	241,772	45,706,946	1,717,067	-	163,823,135
Single premiums	10,299,141	12,345	7,166,231	12,542,787	-	570,393	9,269	-	30,600,166
Total premium	**82,474,386**	**23,648**	**91,215,620**	**14,191,775**	**261,912**	**62,829,893**	**1,984,815**	**437,070**	**253,419,119**
Total premium in India	**82,474,386**	**23,648**	**91,215,620**	**14,191,775**	**261,912**	**62,829,893**	**1,984,815**	**437,070**	**253,419,119**
Total Premium outside India	-	-	-	-	-	-	-	-	-

PREMIUM	FOR THE YEAR ENDED MARCH 31, 2022								
Particulars	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual & Group Life	Annuity	Health	Linked Individual	Linked Pension	Linked Group	
First year premiums	11,582,867	-	19,877,860	-	23,351	20,761,878	615,160	313,823	53,174,939
Renewal premiums	61,673,579	13,725	39,290,812	-	275,781	42,037,582	1,801,006	-	145,092,485
Single premiums	10,011,765	12,443	8,030,576	7,412,345	-	396,697	10,440	-	25,874,266
Total premium	**83,268,211**	**26,168**	**67,199,248**	**7,412,345**	**299,132**	**63,196,157**	**2,426,606**	**313,823**	**224,141,690**
Total premium in India	**83,268,211**	**26,168**	**67,199,248**	**7,412,345**	**299,132**	**63,196,157**	**2,426,606**	**313,823**	**224,141,690**
Total Premium outside India	-	-	-	-	-	-	-	-	-

SCHEDULE 2

COMMISSION	FOR THE YEAR ENDED MARCH 31, 2023								
Particulars	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual & Group Life	Annuity	Health Insurance	Linked Individual	Linked Pension	Linked Group	
Commission paid									
Direct - First Year Premiums	1,924,768	-	7,087,718	95,923	6,725	1,869,119	17,623	66	11,001,942
-Renewal Premiums	2,772,179	134	1,020,273	-	9,578	258,423	25,316	-	4,085,903
-Single Premiums	321	-	322,921	167,150	-	8,142	81	-	498,615
Total (A)	**4,697,268**	**134**	**8,430,912**	**263,073**	**16,303**	**2,135,684**	**43,020**	**66**	**15,586,460**
Add : Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-
Less : Commission on Re-insurance Ceded	-	-	-	-	-	-	-	-	-
Net Commission	**4,697,268**	**134**	**8,430,912**	**263,073**	**16,303**	**2,135,684**	**43,020**	**66**	**15,586,460**
Rewards	98,907	-	351,756	4,401	349	95,583	916	2	551,914
Net Commission & Rewards	**4,796,175**	**134**	**8,782,668**	**267,474**	**16,652**	**2,231,267**	**43,936**	**68**	**16,138,374**

Break-up of commission expenses (gross) incurred to procure business is as per details below:

Particulars	FOR THE YEAR ENDED MARCH 31, 2023								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual & Group Life	Annuity	Health Insurance	Linked Individual	Linked Pension	Linked Group	
Agents	1,722,935	134	1,871,948	75,946	4,965	270,719	11,173	68	3,957,888
Brokers	15,030	-	694,992	-	970	164	-	-	711,156
Corporate Agency	178,256	-	156,212	592	720	2,595	273	-	338,648
Bancassurance	2,879,954	-	6,059,516	190,936	9,997	1,957,789	32,490	-	11,130,682
Total (B)	**4,796,175**	**134**	**8,782,668**	**267,474**	**16,652**	**2,231,267**	**43,936**	**68**	**16,138,374**

COMMISSION	FOR THE YEAR ENDED MARCH 31, 2022								
Particulars	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual & Group Life	Annuity	Health Insurance	Linked Individual	Linked Pension	Linked Group	
Commission paid									
Direct - First Year Premiums	2,879,912	-	4,413,007	-	8,108	2,242,495	43,948	16	9,587,486
-Renewal Premiums	2,576,547	155	769,797	-	11,027	249,218	25,947	-	3,632,691
-Single Premiums	1,266	-	334,493	115,035	-	5,846	113	-	456,753
Total (A)	**5,457,725**	**155**	**5,517,297**	**115,035**	**19,135**	**2,497,559**	**70,008**	**16**	**13,676,930**
Add : Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-
Less : Commission on Re-insurance Ceded	-	-	-	-	-	-	-	-	-
Net Commission	**5,457,725**	**155**	**5,517,297**	**115,035**	**19,135**	**2,497,559**	**70,008**	**16**	**13,676,930**
Rewards	104,752	-	163,386	1	319	81,171	1,555	-	351,184
Net Commission & Rewards	**5,562,477**	**155**	**5,680,683**	**115,036**	**19,454**	**2,578,730**	**71,563**	**16**	**14,028,114**

Break-up of commission expenses (gross) incurred to procure business is as per details below:

Particulars	FOR THE YEAR ENDED MARCH 31, 2022								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual & Group Life	Annuity	Health Insurance	Linked Individual	Linked Pension	Linked Group	
Agents	1,654,228	153	1,213,919	31,587	4,864	218,174	13,113	16	3,136,054
Brokers	3,364	-	277,339	-	-	83	-	-	280,786
Corporate Agency	195,121	-	30,328	1,361	62	3,955	99	-	230,926
Bancassurance	3,709,764	2	4,159,097	82,088	14,528	2,356,518	58,351	-	10,380,348
Total (B)	**5,562,477**	**155**	**5,680,683**	**115,036**	**19,454**	**2,578,730**	**71,563**	**16**	**14,028,114**

SCHEDULE 3 : OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	FOR THE YEAR ENDED MARCH 31, 2023								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual & Group Life	Annuity	Health Insurance	Linked Individual	Linked Pension	Linked Group	
Employees remuneration and welfare benefits [Refer to Note 3.8, 3.9 & 3.25 on Schedule 16]	6,119,529	512	11,017,768	259,021	20,401	2,874,099	95,405	1,022	20,387,757
Travel, conveyance and vehicle running expenses	291,071	26	506,639	15,204	905	123,436	4,082	41	941,404
Training expenses	248,330	-	606,684	13,475	543	101,123	1,695	-	971,850
Rent, rates & taxes	221,403	20	436,681	10,552	762	107,455	3,382	24	780,279
Repairs	147,848	10	218,789	5,725	336	49,184	1,468	12	423,372
Printing and stationery	28,080	-	51,468	1,291	85	11,825	346	1	93,096
Communication expenses	236,559	47	231,731	5,860	1,012	107,365	5,826	81	588,481
Legal and professional charges	210,324	22	353,362	9,612	664	89,327	3,125	31	666,467
Medical fees	9,579	-	549,519	7	13	15,156	32	-	574,306
Auditors' fees, expenses etc :									
(a) as auditor	3,679	-	4,236	161	14	1,594	68	-	9,752
(b) as advisor or in any other capacity, in respect of :									
(i) Taxation matters	98	-	152	8	-	40	2	-	300
(ii) Insurance matters	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-
(c) in any other capacity									
- Certification	1,756	-	3,796	122	5	757	24	-	6,460
- Out of pocket expenses	330	-	732	34	2	140	6	-	1,244
Advertisement and publicity	1,354,990	-	3,195,790	75,644	3,135	547,837	9,874	-	5,187,270
Interest and bank charges	112,101	46	87,847	2,012	497	53,340	3,165	61	259,069
Others:			-	-	-				
Rates and taxes	58,287	5	61,980	2,008	143	18,713	719	8	141,863
Goods and Service Tax	55,420	7	81,932	4,777	219	-	-	-	142,355
Information technology maintenance expenses	410,613	96	404,608	9,660	1,737	185,896	10,000	135	1,022,745
Board Meetings expenses	3,135	-	4,958	108	10	1,367	49	-	9,627
Recruitment (including Agent advisors)	164,715	12	325,586	8,663	469	68,570	1,969	16	570,000
Electricity, water and utilities	65,119	5	115,035	3,188	196	27,548	862	6	211,959
Insurance	56,660	7	87,502	2,292	183	24,311	901	11	171,867
Policy issuance and servicing costs	339,099	31	1,091,616	19,925	1,710	179,012	4,559	42	1,635,994
(Profit)/Loss on fluctuation in foreign exchange	697	-	290	5	4	331	22	-	1,349
Other miscellaneous expenses	20,285	2	32,345	1,000	72	6,445	225	3	60,377
Depreciation (Refer to Schedule 10) [Refer to Note 3.38 on Schedule 16]	364,405	69	401,882	8,130	1,489	164,628	8,258	94	948,955
Total	**10,524,112**	**917**	**19,872,928**	**458,484**	**34,606**	**4,759,499**	**156,064**	**1,588**	**35,808,198**

Particulars	FOR THE YEAR ENDED MARCH 31, 2022								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual & Group Life	Annuity	Health Insurance	Linked Individual	Linked Pension	Linked Group	
Employees remuneration and welfare benefits	6,733,784	562	6,584,741	102,412	26,817	2,931,730	133,637	1,256	16,514,939
Travel, conveyance and vehicle running expenses	146,819	20	138,716	2,375	540	59,612	2,898	26	351,006
Training expenses	255,376	-	318,693	5,906	519	91,971	2,652	-	675,117
Rent, rates & taxes	285,386	39	335,844	6,184	1,213	130,131	5,836	48	764,681
Repairs	179,513	13	127,965	2,321	459	50,117	2,269	20	362,677
Printing and stationery	27,019	-	28,113	491	91	10,692	459	-	66,865
Communication expenses	300,381	70	172,710	2,699	1,761	135,735	9,147	120	622,623
Legal and professional charges	144,666	21	137,472	2,489	567	57,525	2,785	26	345,551
Medical fees	41,464	-	502,876	109	27	20,275	39	-	564,790
Auditors' fees, expenses etc :									
(a) as auditor	4,238	-	3,712	84	20	1,613	83	-	9,750
(b) as advisor or in any other capacity, in respect of :									
(i) Taxation matters	119	-	125	3	-	51	2	-	300
(ii) Insurance matters	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-
(c) in any other capacity									
- Certification	2,470	-	2,601	39	8	1,046	47	-	6,211
- Out of pocket expenses	631	-	677	10	2	273	12	-	1,605
Advertisement and publicity	1,937,019	-	2,413,121	44,890	3,865	695,006	19,964	-	5,113,865
Interest and bank charges	103,381	44	62,408	989	595	47,645	3,220	51	218,333
Others:									
Rates and taxes	78,037	8	57,853	1,057	236	24,990	1,227	12	163,420
Goods and Service Tax	43,493	7	39,500	3,049	168	-	-	-	86,217
Information technology maintenance expenses	359,984	52	261,015	4,496	1,849	153,894	9,358	116	790,764
Board Meetings expenses	4,519	-	4,290	78	16	1,809	88	-	10,800
Recruitment (including Agent advisors)	128,918	8	146,022	2,691	360	48,381	1,797	10	328,187
Electricity ,water and utilities	60,277	8	60,845	1,120	226	23,761	1,075	8	147,320
Insurance	49,403	8	47,255	833	188	19,657	940	8	118,292
Policy issuance and servicing costs	576,136	34	1,010,226	9,583	2,910	246,227	9,883	91	1,855,090
(Profit)/Loss on fluctuation in foreign exchange	(93)	-	(23)	-	(1)	(18)	(5)	-	(140)
Other miscellaneous expenses	13,699	-	14,147	250	144	6,325	307	-	34,872
Depreciation (Refer to Schedule 10)	464,809	78	355,240	5,965	2,253	199,070	11,631	139	1,039,185
Total	**11,941,448**	**972**	**12,826,144**	**200,123**	**44,833**	**4,957,518**	**219,351**	**1,931**	**30,192,320**

SCHEDULE 4 : BENEFITS PAID [NET]

Particulars	FOR THE YEAR ENDED MARCH 31, 2023								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual & Group Life	Annuity	Health Insurance	Linked Individual	Linked Pension	Linked Group	
Insurance Claims *									
(a) Claims by death,	4,098,696	792	8,655,215	188,521	11,606	1,728,172	108,574	16	14,791,592
(b) Claims by Maturity,	5,699,578	33,278	32,193	-	-	4,398,988	156,265	257,860	10,578,162
(c) Annuities/ Pension payment,	-	-	-	772,951	-	-	-	-	772,951
(d) Other benefits									
Surrenders	17,128,548	30,650	3,800,261	169,836	-	35,223,577	4,013,817	-	60,366,689
Health	9,328	-	59,205	-	78,451	480	-	-	147,464
Survival Benefit	1,036,940	-	2,134,364	-	-	-	-	-	3,171,304
Bonus to Policyholders	12,638,637	14,385	-	-	-	-	-	-	12,653,022
Others	423,718	12	26,649	566	51	164,188	924	-	616,108
Total paid	**41,035,445**	**79,117**	**14,707,887**	**1,131,874**	**90,108**	**41,515,405**	**4,279,580**	**257,876**	**103,097,292**
(Amount ceded in re-insurance) :									
(a) Claims by death,	(199,711)	-	(2,971,439)	-	-	(82,090)	(292)	-	(3,253,532)
(b) Claims by Maturity,	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-
(d) Other benefits - Health	-	-	(1,200)	-	(77,575)	-	-	-	(78,775)
Total ceded	**(199,711)**	**-**	**(2,972,639)**	**-**	**(77,575)**	**(82,090)**	**(292)**	**-**	**(3,332,307)**
Amount accepted in re-insurance :									
(a) Claims by death,	-	-	-	-	-	-	-	-	-
(b) Claims by Maturity,	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-
Total accepted	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Net Paid	**40,835,734**	**79,117**	**11,735,248**	**1,131,874**	**12,533**	**41,433,315**	**4,279,288**	**257,876**	**99,764,985**
Benefits paid in India	**40,835,734**	**79,117**	**11,735,248**	**1,131,874**	**12,533**	**41,433,315**	**4,279,288**	**257,876**	**99,764,985**
Benefits paid Outside India	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

* Including claim investigation expenses amounting to Rs.18,564

Particulars	FOR THE YEAR ENDED MARCH 31, 2022								
	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)			Linked Policies			Total
	Individual Life	Pension	Individual & Group Life	Annuity	Health Insurance	Linked Individual	Linked Pension	Linked Group	
Insurance Claims *									
(a) Claims by death,	6,909,172	1,264	21,656,527	87,702	6,802	2,876,033	162,588	33	31,700,121
(b) Claims by Maturity,	4,441,450	29,536	1,120,603	-	-	3,625,424	290,896	151,042	9,658,951
(c) Annuities/ Pension payment,	-	-	-	309,151	-	-	-	-	309,151
(d) Other benefits									
Surrenders	13,535,997	22,364	2,763,067	27,322	-	27,609,684	3,738,384	43,046	47,739,864
Health	211,360	-	335,654	-	80,389	1,000	-	-	628,403
Survival Benefit	913,624	-	1,559,690	-	-	-	-	-	2,473,314
Bonus to Policyholders	11,798,798	14,116	-	-	-	-	-	-	11,812,914
Others	316,880	3	18,577	104	58	204,300	1,548	-	541,470
Total paid	**38,127,281**	**67,283**	**27,454,118**	**424,279**	**87,249**	**34,316,441**	**4,193,416**	**194,121**	**104,864,188**
(Amount ceded in re-insurance) :									
(a) Claims by death,	(450,409)	-	(11,397,656)	-	-	(206,438)	(2,725)	-	(12,057,228)
(b) Claims by Maturity,	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-
(d) Other benefits - Health	-	-	(900)	-	(71,388)	-	-	-	(72,288)
Total ceded	**(450,409)**	**-**	**(11,398,556)**	**-**	**(71,388)**	**(206,438)**	**(2,725)**	**-**	**(12,129,516)**
Amount accepted in re-insurance :									
(a) Claims by death,	-	-	-	-	-	-	-	-	-
(b) Claims by Maturity,	-	-	-	-	-	-	-	-	-
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-
(d) Other benefits	-	-	-	-	-	-	-	-	-
Total accepted	-	-	-	-	-	-	-	-	-
Net Paid	**37,676,872**	**67,283**	**16,055,562**	**424,279**	**15,861**	**34,110,003**	**4,190,691**	**194,121**	**92,734,672**
Benefits paid in India	**37,676,872**	**67,283**	**16,055,562**	**424,279**	**15,861**	**34,110,003**	**4,190,691**	**194,121**	**92,734,672**
Benefits paid Outside India	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

* Including claim investigation expenses amounting to Rs.31,814

SCHEDULE 5 : SHARE CAPITAL

Particulars	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
Authorised Capital		
3,000,000,000 (March 31, 2022: 3,000,000,000) Equity Shares of Rs 10 each	30,000,000	30,000,000
Issued Capital		
1,918,812,856 (March 31, 2022: 1,918,812,856) Equity Shares of Rs 10 each	19,188,129	19,188,129
Subscribed Capital		
1,918,812,856 (March 31, 2022: 1,918,812,856) Equity Shares of Rs 10 each	19,188,129	19,188,129
Called up Capital		
1,918,812,856 (March 31, 2022: 1,918,812,856) Equity Shares of Rs 10 each	19,188,129	19,188,129
Less: Calls unpaid	-	-
Add : Shares forfeited (Amount originally paid up)	-	-
Add : Shares application money pending allotment	-	-
Less: Par value of Equity Shares bought back	-	-
Less: Preliminary Expenses	-	-
Expenses including commission or brokerage on underwriting or subscription of shares		
Total	**19,188,129**	**19,188,129**
Of the above 1,669,366,686 (March 31, 2022: 1,570,230,113) equity shares of Rs 10 each fully paid up are held by Max Financial Services Limited (the holding company) and its nominees.		

SCHEDULE 5A : PATTERN OF SHAREHOLDING (as certified by Management)

Particulars	AS AT MARCH 31, 2023		AS AT MARCH 31, 2022	
Shareholder	Number of Shares of Rs 10 each fully paid up	% of Holding	Number of Shares of Rs 10 each fully paid up	% of Holding
Promoters				
- Indian	1,918,812,356	100%	1,819,675,783	95%
- Foreign	-	0%	-	0%
Others				
- Indian	500	0%	500	0%
- Foreign	-	0%	99,136,573	5%
Total	**1,918,812,856**	**100%**	**1,918,812,856**	**100%**

SCHEDULE 6: RESERVE AND SURPLUS

Particulars	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
Capital Reserve	-	-
Capital Redemption Reserve	258,784	258,784
Share Premium		
Opening Balance	661,735	680,913
Add / (less) : Amount utilised for Subordinate Debt expenses [Refer to Note 3.41 on Schedule 16]	-	(19,178)
Closing Balance	**661,735**	**661,735**
Revaluation Reserve	-	-
General Reserve:	-	-
Add: Transfer from / (to) Profit and Loss Appropriations	-	-
Less: Debit balance in Profit and Loss Account, if any	-	-
Less: Amount utilised for Buy-back	-	-
Catastrophe Reserve	-	-
Other Reserves		
Realised Hedge Reserves [Refer to Note 3.40 on Schedule 16]	417,460	1,320,494
Debenture Redemption Reserve	198,400	99,200
Balance of profit/ (loss) in Profit and Loss Account	14,672,082	10,419,307
Total	**16,208,461**	**12,759,520**

SCHEDULE 7: BORROWINGS

Particulars	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
Debentures/ Bonds [Refer to Note 3.41 on Schedule 16]	4,960,000	4,960,000
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	**4,960,000**	**4,960,000**

SCHEDULE 8: INVESTMENTS SHAREHOLDERS

Particulars	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	8,320,546	6,304,456
Other Approved Securities	7,927,986	7,387,097
Other investments		
(a) Shares		
(aa) Equity	1,910,785	1,714,010
(bb) Preference Shares	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	3,732,547	814,887
(e) Other Securities	-	-
(f) Subsidiaries	550,000	-
(g) Investment Properties-Real Estate	918,344	913,913

Particulars	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
Investments in Infrastructure and Social Sector	11,574,577	7,736,470
Other Investments		
Debentures/ Bonds	10,650,000	10,200,000
Equity Shares	333,405	134,499
Preference Shares	320	-
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	67,822	202,084
Other Approved Securities	174,365	88,974
Other investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference Shares	-	-
(b) Mutual Funds	3,502,665	1,800,231
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	241,258	-
(e) Other Securities		
Commercial Paper	1,237,506	6,240,014
Certificate of Deposits	-	241,128
Deposits with Bank	1,500,000	509,000
TREPS/Reverse Repo	90,865	5,929,812
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	2,309,495	1,260,397
Total	**55,042,486**	**51,476,972**
In India	**55,042,486**	**51,476,972**
Outside India	**-**	**-**
Total	**55,042,486**	**51,476,972**
Notes:		
(1) (i) Investment in Holding company / Subsidiary at cost	550,000	-
(ii) Investment in Associate / Joint Venture at cost	-	-
(iii) Fixed Deposits towards margin requirement for equity trade settlement:		
(a) Deposited with National Securities Clearing Corporation Limited (NSCCL)	-	-
(b) Deposited with Indian Clearing Corporation Limited (ICCL)	-	-
(iv) Equity shares includes shares transferred under securities lending and borrowing scheme (SLB) where the Company retains all the associated risk and rewards on these securities.	-	-
(v) Investment made out of catastrophe reserve	-	-
(2) (i) Aggregate Amount of Investments other than listed equity securities	52,646,412	49,515,712
(ii) Aggregate Market Value of Investments other than listed equity securities	51,090,284	48,538,845

SCHEDULE 8A: INVESTMENTS POLICYHOLDERS

PARTICULARS	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	464,262,603	380,971,259
Other Approved Securities	72,686,887	64,971,400
Other investments		
(a) Shares		
(aa) Equity	86,002,974	57,206,079
(bb) Preference Shares	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	9,727,958	7,909,719
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	9,748,667	9,297,963
Investments in Infrastructure and Social Sector	122,151,695	105,983,532
Other Investments		
Debentures/ Bonds	5,400,000	5,000,000
Equity Shares	5,849,139	9,305,304
Alternate Investment Funds	2,309,005	1,163,126
Investments in Infrastructure and Social Sector	-	175,665
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	315,828	1,159,752
Other Approved Securities	640,700	681,740
Other investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference Shares	-	-
(b) Mutual Funds	1,000,693	5,400,609
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	406,559	897,714
(e) Other Securities		
Commercial Paper	1,999,159	12,234,908
Deposits with Bank	1,000,000	-
TREPS/ Reverse Repo	26,414,913	19,009,142
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	11,104,413	7,819,185
Total	**821,021,193**	**689,187,097**
In India	**821,021,193**	**689,187,097**
Outside India	**-**	**-**
Total	**821,021,193**	**689,187,097**
Notes:		

PARTICULARS	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
(1) (i) Investment in Holding company / Subsidiary at cost	-	-
(ii) Investment in Associate / Joint Venture at cost	-	-
(iii) Fixed Deposits towards margin requirement for equity trade settlement:		
(a) Deposited with National Securities Clearing Corporation Limited (NSCCL)	-	-
(b) Deposited with Indian Clearing Corporation Limited (ICCL)	-	-
(iv) Equity shares includes shares transferred under securities lending and borrowing scheme (SLB) where the Company retains all the associated risk and rewards on these securities.	-	221,759
(v) Investment made out of catastrophe reserve	-	-
(2) (i) Aggregate Amount of Investments other than listed equity securities	715,903,162	615,150,953
(ii) Aggregate Market Value of Investments other than listed equity securities	716,680,006	630,966,011

SCHEDULE 8B: ASSETS HELD TO COVER LINKED LIABILITIES

Particulars	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
LONG TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	43,854,905	39,885,297
Other Approved Securities	9,413,529	15,641,753
Other investments		
(a) Shares		
(aa) Equity	161,223,230	132,396,966
(bb) Preference Shares	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	7,570,305	7,814,238
(e) Other Securities	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
(h) Exchange Traded Funds	8,937	
Investments in Infrastructure and Social Sector	47,903,561	30,663,530
Other Investments		
Debentures/ Bonds	5,121,713	4,611,476
Equity Shares	10,755,482	12,925,576
Exchange Traded Funds	7,215,666	-
Investments in Infrastructure and Social Sector	851,349	2,171,443
SHORT TERM INVESTMENTS		
Government securities and Government guaranteed bonds including Treasury Bills	28,854,805	14,681,229
Other Approved Securities	1,218,135	7,072,874
Other investments		
(a) Shares		

Particulars	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
(aa) Equity	-	-
(bb) Preference Shares	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	749,402	832,643
(e) Other Securities		
Commercial Paper	9,567,940	2,414,604
Certificate of Deposits	1,178,042	3,834,962
Reverse Repo	8,747,864	33,610,573
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
(h) Exchange Traded Funds	-	-
Investments in Infrastructure and Social Sector	7,020,667	3,167,899
Other Investments		
Exchange Traded Funds	-	16,082,320
Net Current Assets	1,246,792	6,624,374
Total	**352,502,324**	**334,431,757**
In India	**352,502,324**	**334,431,757**
Outside India	**-**	**-**
Total	**352,502,324**	**334,431,757**
Notes:		
(1)(i) Investment in Holding company / Subsidiary at cost	-	-
(ii) Investment in Associate / Joint Venture at cost	-	-
(iii) Fixed Deposits towards margin requirement for equity trade settlement:		
(a) Deposited with National Securities Clearing Corporation Limited (NSCCL)	-	-
(b) Deposited with Indian Clearing Corporation Limited (ICCL)	-	-
(iv) Equity shares includes shares transferred under securities lending and borrowing scheme (SLB) where the Company retains all the associated risk and rewards on these securities.	-	52,348
(v) Investment made out of catastrophe reserve	-	-

SCHEDULE 9: LOANS

Particulars	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
SECURITY -WISE CLASSIFICATION		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities, etc.	-	-
(c) Loans against policies	8,029,259	6,660,716
(d) Others	-	-
Unsecured		
(a) Loan to ESOP trust	1,219,000	-
Total	**9,248,259**	**6,660,716**
BORROWER-WISE CLASSIFICATION		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Loans against policies	8,029,259	6,660,716
(f) Others		
(aa) Loan to ESOP trust	1,219,000	-
Total	**9,248,259**	**6,660,716**
PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard		
(aa) In India	9,248,259	6,660,716
(bb) Outside India	-	-
(b) Non-standard loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
Total	**9,248,259**	**6,660,716**
MATURITY- WISE CLASSIFICATION		
(a) Short Term	242,049	167,428
(b) Long Term	9,006,210	6,493,288
Total	**9,248,259**	**6,660,716**

Note:

1) Short-term loans include those, which are repayable within 12 months from the date of balance sheet. Long term loans are the loans other than short-term loans.

2) Standard provision against Loan to ESOP Trust as mandated by the regulations is disclosed under schedule 14. [Refer to Note 2.7.8 on Schedule 16]

SCHEDULE 10: FIXED ASSETS

Particulars	Gross Block				Depreciation				Net Block	
	AS AT APRIL 01, 2022	ADDITIONS	DEDUCTIONS	AS AT MARCH 31, 2023	AS AT APRIL 01, 2022	FOR THE YEAR	ON SALES / ADJUSTMENTS	AS AT MARCH 31, 2023	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Software	6,312,091	1,135,991	489,701	6,958,381	4,871,485	595,751	489,699	4,977,537	1,980,844	1,440,606
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Property	-	-	-	-	-	-	-			
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture and fixtures	402,915	24,202	45,270	381,847	319,560	28,118	38,445	309,233	72,614	83,354
Information Technology equipment (Including communication networks and servers)	1,530,635	375,318	64,245	1,841,708	1,216,755	154,574	62,101	1,309,228	532,480	313,880
Vehicles	38,524	21,530	8,824	51,230	23,545	6,056	6,915	22,686	28,544	14,979
Office equipment	577,102	76,457	66,087	587,472	469,478	57,414	63,390	463,502	123,970	107,625
Others - Leasehold improvements	1,487,179	99,692	96,560	1,490,311	1,156,828	107,042	92,533	1,171,337	318,974	330,351
Total	**10,348,446**	**1,733,190**	**770,687**	**11,310,949**	**8,057,651**	**948,955**	**753,083**	**8,253,523**	**3,057,426**	**2,290,795**
Capital Work in Progress (including Capital advances)									394,369	313,184
Grand Total	**10,348,446**	**1,733,190**	**770,687**	**11,310,949**	**8,057,651**	**948,955**	**753,083**	**8,253,523**	**3,451,795**	**2,603,979**
Previous Year (FY 21-22)	**9,214,057**	**1,355,296**	**220,907**	**10,348,446**	**7,226,578**	**1,039,185**	**208,112**	**8,057,651**	**2,603,979**	

Note:
1. Internally generated Intangibles is Rs. NIL. (March 31, 2022 - Rs. NIL)
2. Asset disclosed above excludes investment properties as defined in point (g) on Schedule 8 & Schedule 8A
3. Refer to Note 3.38 on Schedule 16 for change in useful life of fixed assets

SCHEDULE 11 L CASH AND BANK BALANCES

Particulars	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
Cash [Including Insurance Stamp Rs. 43,923 (March 31, 2022: Rs. 50,821) and Cheques in hand of Rs. 1,283,948 (March 31 , 2022 : Rs. 661,949)]	1,339,388	725,962
Bank Balances*		
(a) Deposit accounts		
(aa) Short-term fixed deposit (due within 12 months of the date of Balance Sheet)	-	-
(bb) Others	-	-
(b) Current accounts	8,879,049	5,890,897
(c) Others	-	-
Money at call and short notice		
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
Total	**10,218,437**	**6,616,859**
CASH & BANK BALANCES		
In India	10,218,437	6,616,859
Outside India	-	-
TOTAL	**10,218,437**	**6,616,859**

*Bank Balances with non-scheduled bank included in (b) above is Rs. Nil (March 31, 2022: Rs. Nil)

SCHEDULE 12 : ADVANCES AND OTHER ASSETS

Particulars	AS AT MARCH 31, 2023		AS AT MARCH 31, 2022	
ADVANCES				
Reserve deposit with ceding companies		-		-
Application money for investments		-		400
Prepayments		142,102		222,867
Advances to Directors / Officers		-		-
Advance tax paid and taxes deducted at source (Net of provision for taxation)		383,304		241,618
Others:				
Advances to suppliers / other recoverables	911,748		402,925	
Less : Provision for doubtful advances	111,894	799,854	50,893	352,032
Advances to employees for imprest, travel, etc.	67,979		48,080	
Less : Provision for doubtful advances	37,161	30,818	28,468	19,612
Total (A)		**1,356,078**		**836,529**
OTHER ASSETS				
Income accrued on investments		14,401,366		12,151,370
Outstanding premiums		6,812,382		6,771,593
Agents' balances	67,024		63,340	
Less : Provision for doubtful agents' balances	35,291	31,733	43,381	19,959
Foreign agencies balances		-		-

Particulars	AS AT MARCH 31, 2023		AS AT MARCH 31, 2022	
Due from other entities carrying on insurance business (including reinsurers)	1,852,945		3,721,573	
Less : Provision for doubtful balances	85,381	1,767,564	25,000	3,696,573
Due from subsidiaries		10,655		-
Deposits with Reserve Bank of India		-		-
Others:				
Security and other deposits		487,066		508,993
Outstanding trades Investment		356,577		1,830,652
Receivable from Unit Linked Fund		1,004,368		502,201
Derivative Assets		761,772		291,696
Derivative margin money investment		1,373,352		2,047,002
Asset held for unclaimed amount [Refer to Note 3.32 on Schedule 16]		997,414		532,858
Income on unclaimed fund [Refer to Note 3.32 on Schedule 16]		33,227		16,738
Service Tax Deposits		11,119		46,799
Income Tax Deposits		319,258		319,258
Total (B)		**28,367,853**		**28,735,692**
Total (C) = (A) + (B)		**29,723,931**		**29,572,221**

SCHEDULE 13 : CURRENT LIABILITIES

Particulars	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
Agents balances	3,283,024	2,270,040
Balance due to other insurance companies	153,899	377,608
Deposits held on reinsurance companies	-	-
Premium received in advance	283,577	255,677
Unallocated premium	3,069,712	3,523,747
Sundry creditors	14,123,232	12,038,789
Due to holding company	160,000	135,456
Claims outstanding (includes pending investigation) [Refer to Note 3.14 on Schedule 16]	8,013,514	8,075,068
Annuities due	-	-
Due to Officers/ Directors	-	-
Unclaimed amount- Policyholders [Refer to Note 3.32 on Schedule 16]	997,414	532,858
Income on unclaimed fund [Refer to Note 3.32 on Schedule 16]	33,227	16,738
Others:		
Proposal / Policyholder deposits	2,853,145	2,421,850
Withholding tax deducted at source	346,733	425,192
GST liability (Net)	915,884	840,364
Other statutory liabilities	113,308	89,003
Derivative Liability	2,023,452	2,490,274
Interest on Subordinated Debt [Refer to Note 3.41 on Schedule 16]	246,641	245,622
Payable for purchase of investments	1,386,089	3,105,826
Derivative margin money	270,978	-
Total	**38,273,829**	**36,844,112**

SCHEDULE 14 : PROVISIONS

Particulars	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
For taxation (less payments and taxes deducted at source)	-	32
For proposed dividends	-	-
Others :		
Gratuity	57,273	64,485
Compensated absences	319,911	305,803
For standard provisioning on loan [Refer Note 2.7.8 on Schedule 16]	4,876	-
Total	**382,060**	**370,320**

SCHEDULE 15 : MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Particulars	AS AT MARCH 31, 2023	AS AT MARCH 31, 2022
Discount Allowed in issue of shares/ debentures	-	-
Others	-	-
Total	**-**	**-**

STANDALONE RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

(All Amounts in Thousands of Indian Rupees)

Particulars	FOR THE YEAR ENDED MARCH 31, 2023	FOR THE YEAR ENDED MARCH 31, 2022
Cash flows from operating activities		
Premium received from policyholders, including advance receipts	253,080,796	223,219,753
Other receipts	711,706	514,731
Payments to the re-insurers, net of commissions and claims	436,762	6,060,435
Payments of claims	(103,185,981)	(101,028,652)
Payments of commission and brokerage	(15,129,074)	(13,739,464)
Payments of other operating expenses (refer note 4)	(33,547,863)	(27,861,198)
Deposits, advances and staff loans	65,255	96,847
Income taxes paid (Net)	(836,157)	(390,822)
Goods and Services Tax (GST) paid	(2,095,048)	(1,756,587)
Cash flows before extraordinary items	**99,500,396**	**85,115,042**
Cash flow from extraordinary operations	-	-
Net cash flow from operating activities (A)	**99,500,396**	**85,115,042**
Cash flows from investing activities		
Purchase of fixed assets	(1,737,517)	(1,279,472)
Proceeds from sale of fixed assets	20,661	7,747
Purchase of investments	(1,121,032,428)	(1,314,911,697)
Loans Disbursed	(1,219,000)	-
Loans against policies	(1,368,543)	(1,338,470)
Sale of investments	945,815,575	1,198,916,122
Repayments Received	-	-
Rents/Interests/ Dividends received	60,727,355	52,456,534
Investments in money market instruments and in liquid mutual funds (Net)	23,267,079	(21,316,323)
Expenses related to investments	-	(19,659)
Net cash used in investing activities (B)	**(95,526,818)**	**(87,485,218)**
Cash flows from financing activities		
Proceeds from issuance of Share Capital	-	-
Proceeds from borrowing	-	4,960,000
Repayments of borrowing	-	-
Interest/dividends paid	(372,000)	(1,765,308)
Net cash used in financing activities (C)	**(372,000)**	**3,194,692**
Effect of foreign exchange rates on cash and cash equivalents, net (D)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C+D)	**3,601,578**	**824,517**
Cash and cash equivalents at the beginning of the year	6,616,859	5,792,342
Cash and cash equivalents at end of year	**10,218,437**	**6,616,859**

Notes :

1. The above Receipts and payments account has been prepared as prescribed by Insurance Regulatory and Development Authority (Preparation of financial statements and auditor's report of insurance companies) Regulations, 2002 under the "Direct method" in accordance with Accounting Standard 3 Cash Flow Statements.
2. Previous year's amounts have been reclassified wherever necessary to conform to current year's classification.
3. Cash and cash equivalents at the end of the year consist of cash, cheques in hand, stamps in hand and balance with banks.
4. Includes cash paid towards Corporate Social Responsibility expenditure 100,000 (March 31, 2022: 84,038)

CASH AND CASH EQUIVALENTS

Reconciliation of Cash and Cash Equivalents with Cash and Bank Balance (Schedule 11)

	FOR THE YEAR ENDED MARCH 31, 2023	FOR THE YEAR ENDED MARCH 31, 2022
Cash in hand	11,517	13,192
Stamps in hand	43,923	50,821
Cheques in hand	1,283,948	661,949
Balance with banks		-
- Current Account (including Remittances in Transit) (Schedule 11)	8,879,049	5,890,897
Total	**10,218,437**	**6,616,859**

The Schedules referred to above form an integral part of the Standalone Balance Sheet.

In terms of our report attached

For Fraser & Ross

Chartered Accountants
ICAI Firm Registration No. 000829S

Satpal Singh Arora
Partner
Membership No. 098564

Place : Gurugram
Date: 12th May 2023

For B.K. Khare & Co.

Chartered Accountants
ICAI Firm Registration No. 105102W

Shirish Rahalkar
Partner
Membership No. 111212

Place : Gurugram
Date: 12th May 2023

For and on behalf of the Board of Directors of
Max Life Insurance Company Limited

Analjit Singh
Chairman
DIN: 00029641

Prashant Tripathy
Managing Director & CEO
and Principal officer
DIN: 08260516

Amrit Singh
Chief Financial Officer
PAN: ASXPS1781R

Prashant Tripathy
Director
DIN: 08260516

V. Viswanand
Director
DIN: 08260553

Anurag Chauhan
Company Secretary
Membership No. F9899

Jose John
Appointed Actuary

Place : Gurugram
Date: 12th May 2023

(All Amounts in Thousands of Indian Rupees)

Schedule 16: Significant Accounting Policies and Notes to Accounts

1. Corporate Information

Max Life Insurance Company Limited ('the 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 Company obtained a certificate of registration from the Insurance Regulatory and Development Authority of India ('IRDAI') for carrying on life insurance business on November 15, 2000. The registration has been renewed regularly and is in force as at March 31, 2023. The Company offers a range of participating, non-participating and linked products covering life insurance, pension, annuity and health benefits including riders for individual and group segments. These products are distributed through individual agents, corporate agents, banks, brokers and other channels.

Max Financial Services Limited ('MFSL') is the holding company of the Company, which along with its joint venture partner Axis Bank Ltd. ('Axis Bank') and Axis Bank's subsidiaries, owns 100% shareholding of the Company.

During the year ended March 31, 2023, MFSL acquired additional ~5.17% stake (99,136,573 shares of Rs. 10 each) in Max Life Insurance Company Limited from Mitsui Sumitomo Insurance Company Limited. As at March 31, 2023, MFSL holds a majority stake of ~87% and Axis Bank, along with its subsidiaries, holds ~13% stake in the Company.

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). The Company is also engaged in the business of distribution and marketing of National Pension System as per the terms and condition of appointment as a Point of Presence (POP) as per the Certificate of Registration granted by PFRDA vide registration number POP348012023 dated January 10, 2023.

2. Significant Accounting Policies

2.1 Basis of preparation

The accompanying standalone financial statements are prepared and presented under the historical cost convention, unless otherwise stated, and on accrual basis of accounting, in accordance with accounting principles generally accepted in India (Indian GAAP). The Company has prepared the standalone financial statements in compliance with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of financial reporting and are consistent with the Accounting principles as prescribed under the provisions of the Insurance Act, 1938 (amended by the Insurance Laws (Amendment) Act, 2015), Insurance Regulatory and Development Authority Act, 1999, Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, ('the Financial Statements Regulations'), the Master Circular on Preparation of Financial Statements and Filing of Returns of Life Insurance Business Ref No. IRDA/F&A/ Cir/232/12/2013 dated December 11, 2013, ('the Master Circular'), the regulations framed thereunder and various orders/directions/circulars issued by the IRDAI and the practices prevailing within the insurance industry in India. Accounting policies have been consistently applied to the extent applicable and in the manner so required.

(All Amounts in Thousands of Indian Rupees)

2.2 **Use of estimates**

The preparation of the standalone financial statements is in conformity with the generally accepted accounting principles in India that require management to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as at the date of the standalone financial statements, and the reported amounts of revenue and expenses during the year. The estimates and assumptions used in the accompanying standalone financial statements are based upon management's evaluation of the relevant facts and circumstances upto and as of the date of the standalone financial statements. Actual results could differ from the estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

2.3 **Revenue Recognition**

2.3.1 Premium Income

Premium is recognised as income 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.

2.3.2 Income from linked policies

Income on linked policies which include 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.

2.3.3 Income earned on investments

a) Other than Linked Business

Interest income from investments is recognised on accrual basis. Amortisation of premium/accretion of discount on debt securities including money market instruments is recognised over the remaining maturity period on the basis of effective interest rate method. Dividend income is recognised when the right to receive dividend is established. Realised gains/loss on debt securities is the difference between the sale consideration and the amortised cost computed on weighted average basis on the date of sale. Sale consideration for the purpose of realised gain/loss excludes interest accrued till transaction settlement date and is net of brokerage and statutory levies, if any.

In case of listed equity shares, Equity Exchange Traded funds (ETFs), Real Estate Investments Trusts (REITs), Infrastructure Investment Trusts (InvITs), mutual fund units, additional tier-1 bonds and alternate investment funds the profit/loss on actual sale of investment includes the accumulated changes in the fair value, previously recognised under "Fair Value Change Account" in the Balance Sheet. Unrealised gains/losses due to change in fair value of listed equity shares, mutual funds, additional tier-1 bonds and alternate investment funds units are credited / debited to the 'Fair Value Change Account'. Income from alternative investment fund is recognised when a right to receive payment is established.

Fees received on lending of equity shares under Securities Lending and Borrowing scheme (SLB) is recognized as income over the period of the lending on a straight-line basis.

b) Linked Business

Interest income from investments is recognised on an accrual basis. Amortisation of premium/accretion of discount is recognised uniformly over the remaining maturity period. Dividend income is recognised on the ex-dividend date.

(All Amounts in Thousands of Indian Rupees)

Realised gain/loss on securities is the difference between the sale consideration and the book value, which is computed on weighted average basis, on the date of sale. Sale consideration for the purpose of realised gain/loss excludes interest accrued till transaction settlement date and is net of brokerage and statutory levies, if any. Unrealised gains and losses are recognised in the respective fund's Revenue Account.

Fees received on lending of equity shares under Securities Lending and Borrowing scheme (SLB) is recognized as income over the period of the lending on a straight-line basis.

2.3.4 Income earned on loans

Interest income on loans is recognised on an accrual basis. Loan processing fees are recognised on receipt basis. These are included in "Miscellaneous Income " in the Revenue Account

2.3.5 Interest income on policy reinstatement

Income on policy reinstatement is accounted for on receipt basis and is included in "Miscellaneous Income " in the Revenue Account.

2.3.6 Rental 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 Revenue Account or the Profit and Loss Account.

2.4 **Reinsurance Premium**

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.

2.5 **Acquisition Costs**

Acquisition costs include expenses which are incurred to solicit and underwrite insurance contracts such as commission, medical fee, stamp duty, policy printing expenses, and other related expenses. These costs are expensed in the year in which they are incurred. Clawback of the commission paid, if any, is accounted for in the year in which it becomes recoverable.

2.6 **Benefits Paid**

Benefits paid include policy benefit amount and the direct costs of settlement if any. Reinsurance recoverable thereon, if any, is accounted for in the same period as the related claim in accordance with the treaty or in-principle arrangement with the reinsurer. Repudiated claims disputed before judicial authorities are provided for based on management judgment considering the facts and evidences available in respect of such claims.

Death and other claims are accounted for, when notified. Surrenders / withdrawal under non linked policies are accounted on the receipt of the consent from the policyholder. Surrenders / withdrawals under linked policies are accounted in the respective schemes when the associated units are cancelled. Surrenders, withdrawals and lapsation are disclosed net of charges recoverable. Amount payable on lapsed and discontinued policies are accounted for on expiry of lock in period.

Survival and maturity benefits are accounted for when due for payment to the policyholders.

2.7 **Investments**

Investments are made in accordance with the provision of the Insurance Act, 1938 and the Insurance Regulatory & Development Authority (Investment) Regulations, 2016 and Investment Master Circular 2022 as amended and subsequent circulars/notifications issued by the IRDAI from time to time. Investments are recorded at cost on date of purchase, which includes brokerage and statutory levies, if any and excludes interest paid, if any, on purchase. Diminution in the value of investment (non-linked), other than temporary decline, is charged to Revenue Account/ Profit and Loss Account as applicable.

(All Amounts in Thousands of Indian Rupees)

2.7.1 Classification

Investments intended to be held for a period less than twelve months or maturing within twelve months from the balance sheet date are classified as short term investments. All other investments are classified as long-term investments.

2.7.2 Valuation - Shareholder's Investments and Non-linked Policyholder's Investments

Debt securities, which include government securities and redeemable preference shares are considered as 'held to maturity' and measured at historical cost subject to amortisation. The premium/discount, if any, on purchase of debt securities including money market instruments is recognised and amortised in the Revenue Account/Profit and Loss Account, as applicable, over the remaining period to maturity on the basis of effective interest rate method.

Reverse repos are valued at cost. Fixed deposits are valued at cost till the date of maturity.

Listed shares, as at balance sheet date, are valued at fair value, being the last quoted closing price on National Stock Exchange Ltd (NSE) and in case the same is not available, then on the BSE (formally known as Bombay Stock Exchange Ltd). Unlisted equity and preference shares (including awaiting listing) are stated at historical cost subject to diminution and amortization, if any, determined separately for each individual investment. Exchange Traded Funds (ETFs) are valued at closing price available at National Stock Exchange Ltd (NSE). Investments in Mutual fund units are valued at previous day's net asset value of the respective funds.

Alternate Investment Funds are valued at Net Asset Value (NAV) if applicable or Historical Cost less diminution in value of Investments.

Additional Tier-1 bonds are 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 as prescribed by IRDAI in its Investment Master Circular dated October 27, 2022 (REF: IRDA/F&I/CIR/INV/226/10/2022).

Investment in Units of Infrastructure Investment Trusts (InvITs) and Real estate Investment Trusts (REITs) are 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.

Money market instruments like Commercial Papers, Certificate of Deposit, Treasury Bills (T-Bills) and Triparty Repo (TREPS) (Formerly known as Collaterised Borrowing and Lending Obligation) are valued at historical cost, subject to amortisation of premium or accretion of discount over the period of maturity/holding on a Yield to Maturity.

Land or building or part of a building or both held to earn rental income or capital appreciation or for both, if any, rather than for use in services or for administrative purposes is classified as real estate investment property and is valued at historical cost (including cost of improvements and other incidental costs) subject to revaluation once in three years. The change in the carrying amount of the investment property shall be taken to Revaluation Reserve.

Rights are valued at fair value, being last quoted closing price on NSE and in case the same is not available, then on BSE. Unlisted rights are valued at a price computed as a difference between offer price and valuation price of the parent security.

Bonus entitlements are recognised as investments on the 'ex- bonus date.'

2.7.3 Valuation - Linked Investments

Government securities are valued at the prices obtained from CRISIL. Debt securities other than Government Securities are valued on the basis of values generated by bond valuer based on matrix released by the CRISIL on daily basis.

Listed shares are valued at fair value, being the

(All Amounts in Thousands of Indian Rupees)

last quoted closing price on NSE and in case the same is not available, then on the BSE. Unlisted equity shares (including awaiting listing) are stated at historical cost subject to diminution, if any, determined separately for each individual investment. Exchange Traded Funds (ETFs) are valued at closing price available at National Stock Exchange Ltd (NSE). Mutual fund units are taken at the previous day's net asset values.

Compulsory Convertible Debentures (CCD's) are valued at fair value, being the last quoted closing price on NSE and in case the same is not available, then on the BSE.

Securities with call options excluding AT1 Bonds are valued at the lower of the values as obtained by valuing the security to the final maturity date or to the call option date by using the benchmark rate based on the matrix released by CRISIL on daily basis. Securities with put options are valued at the higher of the value as obtained by valuing the security to the final maturity date or to the put option date by using the benchmark rate based on the matrix released by CRISIL on daily basis.

Additional Tier-1 bonds are 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, as prescribed by IRDAI in its Investment Master Circular dated October 27, 2022 (REF: IRDA/F&I/CIR/INV/226/10/2022).

Reverse repos are valued at cost. Fixed deposits are valued at cost till the date of maturity.

Money market and debt securities with a residual maturity upto 182 days are valued at amortised cost being the difference between the redemption value and historical cost/last valuation price, spread uniformly over the remaining maturity period of the instrument.

Rights are valued at fair value, last quoted closing price on NSE and in case the same is not available, then on BSE. Unlisted rights are valued at a price computed as a difference between offer price and valuation price of the parent security.

Bonus entitlements are recognised as investments on the 'ex- bonus date'.

2.7.4 Valuation of Derivative Instrument

Interest rate swaps are contractual agreements between two parties to exchange fixed rate and floating rate interest by means of periodic payments, calculated on a specified notional amount and defined interest rates. Interest payments are netted against each other, with the difference between the fixed and floating rate payments paid by one party.

Forward Rate Agreements (FRA) is an agreement between two parties to pay or receive the difference (called settlement money) between an agreed fixed rate (FRA rate) and the interest rate prevailing on stipulated future date (the fixing date) based on a notional amount for an agreed period (the contract period).

For cash flow hedges, a forecast transaction that is the subject of the hedge must be highly probable and must present an exposure to variations in cash flows that could ultimately affect Revenue/Profit or loss.

At the inception of the transaction, the Company 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 Company 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 directly in appropriate

(All Amounts in Thousands of Indian Rupees)

equity account i.e. 'Hedge Fluctuation Reserve' which is included in 'Credit/(Debit) Fair Value Change Account' under Policyholders funds in the balance sheet. The ineffective portion of the change in fair value of such instruments is recognised in the Revenue Account 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 Revenue Account.

All derivatives are recognised in the Balance sheet at their fair value. Fair values are obtained from quoted market prices or valuation provided by valuation agent. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative. The notional or contractual amounts associated with derivative financial instruments are not recorded as assets or liabilities on the statement of financial position as they do not represent the fair value of these transactions.

2.7.5 Transfer of Investments

Investments in debt securities are transferred from shareholders to traditional policyholders at the lower of the market price and net amortized cost. Investments other than debt securities are transferred from shareholders to traditional policyholders at lower of book value or market value. Transfers of investments between unit linked funds are effected at prevailing market price. No transfer of investments is carried out between different traditional policyholders' funds.

2.7.6 Impairment of Investments

The Company assesses at each Balance Sheet date, using internal and external sources, whether there is any indication of impairment of investment or reversal of impairment loss earlier recognised. An impairment loss is accounted for an expense in the Revenue Account or the Profit and Loss Account to the extent of the difference between the remeasured fair value of the investments and its acquisition cost as reduced by any earlier impairment loss accounted for as an expense in the Revenue Account or the Profit and Loss Account. Any reversal of impairment loss earlier recognised, is accounted in Revenue/Profit and Loss Account. In case of equity securities, impairment losses recognized in Revenue Account or the Profit and Loss Account is not reversed.

2.7.7 Provision for Non Performing Assets (NPA)

All assets where the interest and/or installment of principal repayment remain overdue for more than 90 days at the Balance Sheet date are classified as NPA and provided for in the manner required by the IRDAI regulations on this behalf. The Company may make higher provisions basis the impairment policy if the estimated recoverable value is lower than the carrying value of the asset.

2.7.8 Provision for Standard Asset

In accordance with the IRDAI guidelines on 'Prudential norms for income recognition, asset classification, provisioning and other related matter in respect of debt portfolio' vide the Master Circular on Preparation of Financial Statements and Filing returns of Life Insurance Business 2013, adequate provisions are made for estimated loss arising on account from/under recovery of loans and advances relating to debt portfolio (other than loans and advances granted against insurance policies issued by the insurer) outstanding at the Balance Sheet date in respect of standard asset.

2.8 Fixed Assets - Property, Plant & Equipment, Intangibles, Depreciation/Amortisation and Impairment

2.8.1 Tangible Assets and Depreciation

Property, Plant & Equipment (PPE) (Tangible fixed asset) are stated at cost less accumulated depreciation. Cost includes acquisition, installation and all other costs directly attributable to bring the asset to its present location and working condition for its intended use. Any additions to the original PPE are depreciated over the remaining useful life of the original asset.

Assets individually costing upto rupees five thousand and not as part of a composite contract are fully depreciated in the month of acquisition. PPE at third party locations and not under direct physical control of the Company are fully depreciated over twelve months when it is available for use in the manner intended by management.

Gains or losses arising from de-recognition of PPE are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Revenue Account when the asset is derecognised.

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on PPE 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 PPE, 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 based on internal and / or external assessment / technical evaluation carried out by management taking into account the nature of the asset, the estimated usage of the asset, 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:

(All Amounts in Thousands of Indian Rupees)

Assets	Estimated Useful life
Vehicles	5 years
IT equipment including servers and networks	5 years
Desktops	5 years
Laptops	4 years
Handheld devices	1 year

Leasehold land is amortised over the renewable period of respective leases subject to a maximum of 10 years.

2.8.2 Intangible Assets

Intangible assets comprising software and software licenses are stated at cost less amortisation. Significant expenditure incurred on existing assets that increases the future economic benefits are capitalised and depreciated/amortised over the remaining useful life of original asset. Any expenditure for support and maintenance of the computer software is charged to the Revenue Account.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Assets	Estimated Useful life
Policy Administration & Satellite systems (Hardware and Software)	6 years
Software (excluding Policy Administration System and Satellite systems)	4 years

2.8.3 Capital Work in Progress

Cost of assets as at the Balance Sheet date not ready for its intended use as at such date are disclosed as capital work in progress. Advances given towards acquisition of PPE are disclosed in 'Capital Work in Progress' in Balance Sheet.

2.8.4 Impairment of PPE & Intangible Asset

An asset is treated as impaired when the carrying value of the asset exceeds its recoverable value being higher of value in use and net selling price.

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 Revenue/ Profit and Loss Account.

2.9 **Policy Liabilities**

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 IRDAI (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 Company 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 is calculated as higher of gross premium reserves and unearned premium reserves.

5. 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 Company 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 Company experience.

3. Liability against policies for which the insured event has already occurred but the claim has not been reported to the Company (generally termed as Incurred But Not Reported reserves).

(All Amounts in Thousands of Indian Rupees)

2.10 **Employees' Benefits**

2.10.1 Short Term Employee Benefits

All employees' benefits payable within twelve months including salaries and bonuses are classified as short term employee benefits. 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.

2.10.2 Post-Employment Benefits

a) Defined contribution plans

Employee's State Insurance, National Pension Scheme (Company contribution), and Labour Welfare Fund are the defined contribution plans. The contributions paid/ payable under the plan are made when due and charged to the Revenue Account or Profit and Loss Account during the period in which the employee renders the related service. The Company does not have any further obligation beyond the contributions made to the funds.

b) Defined benefit plans

- **Gratuity:-** The Company's liability towards Gratuity, 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 Company 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 Accounting Standard (AS) 15 (Revised), 'Employee Benefits.'

  Actuarial gains or losses, if any, due to experience adjustments and the effects of changes in actuarial assumptions are accounted for in the Revenue Account or the Profit and Loss Account, as the case maybe, in the period in which they arise.

  Provident Fund:- The Company contributes to the employee provident trust "Max Financial Services Limited Employees' Provident Fund Trust" which is managed by the holding company and as per AS-15, Employee Benefits (Revised), read with the Guidance Note on Implementing AS-15, Employee Benefits (Revised) issued by the Accounting Standard Board (ASB), provident funds set up by employers, which requires interest shortfall to be met by the employer, is a defined benefit plan. Both the employees and the Company 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 Revenue Account / Profit and Loss Account.

2.10.3 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 Company'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 Company and is accounted for on the basis of independent actuarial valuations at the balance sheet date.

2.11 **Employee Phantom Stock Plan**

The options are accounted for on an intrinsic value basis in accordance with the Guidance

(All Amounts in Thousands of Indian Rupees)

Note on Accounting for Employee Share based Payments, issued by the Institute of Chartered Accountants of India (ICAI). Intrinsic value of option, which is the difference between derived market price of the underlying stock and the exercise price on the grant date is amortised over the vesting period. The intrinsic value is being measured at each reporting date and at the date of settlement, with any changes in such value being recognised in Revenue Account/ Profit and Loss Account. Options that lapse are reversed by a credit to Revenue Account/ Profit and Loss Account equal to the amortised portion of the value of the lapsed options.

In a cash settled employee share based payment plan, the Company recognises expense for the services received, as the employees render services over the vesting period.

2.12 Employee Stock Option Plan

Stock options are granted to eligible employees under Max Financial Employee Stock Option Plan 2022 ("ESOP Scheme") as formulated by Max Financial Services Limited ("Holding Company"). The scheme is administered through Max Financial Employees Welfare Trust ("The Trust"). The mode of settlement of the scheme is through equity shares of the holding company. The options so granted are accounted for based on intrinsic value basis in accordance with the 'Guidance Note on Accounting for Employee Share based Payments,' issued by the Institute of Chartered Accountants of India ("ICAI"). Intrinsic value of option is the difference between market price of the underlying stock and the exercise price on the date of grant, which is amortised over the vesting period with a charge to the Revenue Account or Profit and Loss Account. Further, any cost of such options, which is reimbursed to the Trust is debited to the Revenue Account or Profit and Loss Account of the Company.

2.13 Segment Reporting

The Company operates in India in the following segments: Individual Life Participating business, Participating Pension business, Individual Life Non-participating business, Non-participating Annuity, Health, Linked Individual, Linked Pension, Linked Group and Shareholders' Funds. Non-participating businesses include policies with committed cash flows, with no rights to the surplus in the business. Participating business include policies other than those of non-participating businesses. Investment of shareholder funds constitutes investible funds relating to Shareholders. Accordingly, the Company has provided primary segment information for these segments as per the Accounting Standard 17 on 'Segment Reporting,' read with the relevant IRDAI Regulations.

There are no reportable geographical segments, since all business operations of the Company are given effect to in India and all policies are written in India only. The following basis has been used for allocation of assets, liabilities, revenues and expenses:

Assets, liabilities, revenues and expenses directly attributable and identifiable to the respective business segment are allocated on an actual basis. Other than the above assets, liabilities, revenues and expenses, are apportioned to the business segment by adopting one or more of the following bases, which is considered as appropriate by the management:

- Total number of policies in-force;
- First year premium;
- Renewal premium;
- Total premium;
- Weighted combination of sum assured, first year premium, renewal premium income and total number of policies in force;
- Sum assured;
- Assets under Management;
- Benefits Paid; and
- Commission.

2.14 Contribution to Policyholders' Account (Technical Account)

Contribution to Policyholders' Account (Technical Account), if any, is made as decided by the Board of Directors.

(All Amounts in Thousands of Indian Rupees)

2.15 Taxation

2.15.1 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 company carrying on life insurance business.

In accordance with the provisions of the Accounting Standard (AS) 22, "Accounting for Taxes on Income", with respect to the carry forward of losses under the Income Tax regulations, the deferred tax asset if applicable is recognized only to the extent that there is a virtual certainty supported by convincing evidence that future taxable income will be available against which the deferred tax asset can be realised.

2.15.2 Indirect Taxes

The Company claims credit of Goods and Service tax (GST) on input goods and services, which is set off against GST on output services/ goods. Unutilised credits towards GST are carried forward under Advances and Other Assets wherever there is reasonable certainty of utilization.

2.16 Operating Lease

Leases where the lessor retains substantially all the risks and benefits of ownership over lease term are classified as operating leases. Operating lease rentals including escalations are recognised as an expense in the Revenue Account/Profit and Loss Account, as applicable, on a straight line basis over the period of the lease.

2.17 Loans

Loans against policies are valued at the aggregate of book values (net of repayments) plus capitalised interest, subject to provision for impairment, if any.

Loan given to the Trust are valued at the aggregate of book values (net of repayments), subject to provision for impairment, if any.

2.18 Provisions and Contingent Liabilities

The Company creates a provision when there is present obligation as a result of a past event that would probably result in an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that arises from past events, that may, but probably will not, require an outflow of resources embodying economic benefits or a reliable estimate cannot be made. However, contingent assets are neither recognised nor disclosed.

2.19 Earnings Per Share

In accordance with the requirement of Accounting Standard (AS) 20, "Earnings Per Share", Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.20 Funds for future appropriations

Non-Linked:- Funds for future appropriations in non linked account represents funds, the allocation of which, either to participating policyholders or to shareholders, has not been determined at the balance sheet date. Transfers to and from the fund reflect the excess or deficit of income over expenses and appropriations in each Accounting period arising in the Company's policyholder fund.

2.21 Cash and cash equivalents

Cash and cash equivalents for the purpose of Receipts and Payments account includes cash

(All Amounts in Thousands of Indian Rupees)

and cheques 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 direct method in accordance with accounting standard (AS) 3, "Cash Flow Statements" as per requirements of Master Circular of IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002.

2.22 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, either in Revenue Account/ Profit & Loss Account, as the case may be.

2.23 Provision for Doubtful debts

The Company regularly evaluates the probability of recovery and provides for doubtful recoverable in the Revenue Account or Profit and Loss Account, as applicable.

2.23 Borrowing Cost

Borrowing costs are interest and other costs incurred by the Company in connection with the borrowing of funds. As per Accounting Standard (AS) 16, such borrowing costs are recognised as an expense in the period in which they are incurred.

2.25 Unclaimed amount of policyholders

Pursuant to IRDAI circular no. IRDA/F&A/CIR/CLD/114/05/2015 dated May 28, 2015 and IRDA/F&A/CIR/CPM/134/07/2015 dated July 24, 2015 on "Handling of unclaimed amounts pertaining to policyholders" ("the Regulations"), and IRDA/F&A/CIR/Misc/282/11/2020 dated November 17, 2020 the Company has created a single segregated fund to manage all unclaimed monies.

Unclaimed amount of policyholders' liability is determined on the basis of NAV of the units outstanding as at the valuation date.

Assets held for unclaimed amount of policyholders and unclaimed amount of policyholders' liability are considered as Current Assets & Current liabilities, and disclosed in Schedule 12 "Advances and other Assets" and Schedule 13 "Current Liabilities" respectively.

Income on unclaimed amount of policyholders is accreted to the unclaimed fund and is accounted for on an accrual basis, net of fund management charges.

The unclaimed amount of policyholders which are more than 120 months as on September 30 every year, are transferred to the Senior Citizens' Welfare Fund (SCWF) on or before March 01 of that financial year.

3. NOTES TO ACCOUNTS

3.1 Contingent Liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Partly paid-up investment#	3,700,575	1,000,000
Claims, other than against policies, not acknowledged as debts by the Company	274,608	281,703
Underwriting commitments outstanding (in respect of shares and securities)	-	-
Guarantees issued by or on behalf of the Company (Refer note a)	2,500	2,500
Statutory demands/ liabilities in dispute, not provided for	-	-
Reinsurance obligations to the extent not provided for in accounts	-	-
Others (Refer note b)	1,337,898	890,105
Total	**5,315,581**	**2,174,308**

in respect of partly paid up bonds.

(All Amounts in Thousands of Indian Rupees)

Notes:

a) Bank guarantee placed with bank for UIDAI of Rs. 2,500 (March 31, 2022 Rs. 2,500).

b) It includes potential liability in respect of repudiated Policyholders' claims.

3.2 Actuarial assumptions

The Company's Appointed Actuary has determined valuation assumptions that conform to the relevant regulations issued by the IRDAI and the Actuarial Practice Standards issued by the Institute of Actuaries of India (IAI). Details of assumptions are given below:

a) Interest rate

It is based upon the current and projected yields on the fund(s) basis the projected yields on 10-year government bonds. A portfolio yield of 7.18% (March 31, 2022: 6.85%) for participating business, 7.06% (March 31, 2022: 7.00%) for annuity business and 7.09% (March 31, 2022: 7.20%) for non-participating life, health and riders have been used.

The portfolio yield is reduced by margin for adverse deviation (MAD). The MAD is derived by assuming reduction of 0.75% for the first five years and 1.50% from sixth year onwards (March 31, 2022: 0.70% for the first five years and 1.40% from sixth year onwards) from the existing bond investment yields and expected new money yields.

For linked products, unit growth rate of 9.50% (March 31, 2022: 8.90%) has been used which is further reduced by MAD of 0.75% for the first five years and 1.50% from sixth year onwards (March 31, 2022: 0.70% for the first five years and 1.40% from sixth year onwards).

b) Mortality

Mortality assumptions for valuation purposes in general are set in line with the current experience. Global reserves are held to cover any likely adverse impact due to future one off adverse mortality events like catastrophe or pandemic.

These rates are further increased/reduced by MAD of 10% (March 31, 2022: 10%).

c) Morbidity

IAI has recommended the CIBT93 study of UK for morbidity incident rates, due to lack of any published Indian experience. In general, proportions of these tables or reinsurance rates are estimated in line with the current experience.

These rates are further increased by MAD of 20% (March 31, 2022: 20%)

d) Expenses

The maintenance expense assumptions are based on the current expense levels of the company. For prudence, assumptions do not allow for future expected savings in expenses. The assumptions are increased by MAD of 10% (March 31, 2022: 10%).

e) Inflation

Assumption of 5.70% p.a. (March 31, 2022: 5.65% p.a.) for expense inflation has been used.

f) Commission

It is based on the current practice of the company.

g) Discontinuity

Discontinuity assumptions for valuation purposes in general are set in line with the current experience.

Further, MAD of 20% (March 31, 2022: 20%) for participating business, 25% (March 31, 2022: 25%) for non-participating business (including linked business) is considered for prudence.

h) Free look cancellation

Provisions are made for the strain that may

(All Amounts in Thousands of Indian Rupees)

arise in the event of cancellation during the free look period. The free look cancellation assumption is 6.0% (March 31, 2022: 7.0%) for participating business, 4.0% (March 31, 2022: 5.0%) for non-participating life business, 7.0% (March 31, 2022: 5.0%) for annuity, 8.0% (March 31, 2022: 10.0%) for health and 6.0% (March 31, 2022: 5.0%) for the unit linked business. The assumptions are increased by MAD of 20% (March 31, 2022: 20%) for all line of businesses.

i) **Future bonuses**

Provision is made for future bonuses based on expected bonus payouts consistent with the valuation assumptions and policyholders' reasonable expectations.

j) **Linked Liabilities**

Liabilities under unit-linked policies comprise of a unit liability representing the fund value of in-force policies, the amount payable to discontinued policies; and, a non-unit liability for meeting future claims and expenses in excess of future charges. In respect of the fund value and the amount payable for the discontinued policies component, the question of assumptions does not arise and in respect of the non-unit liability, the assumptions used are consistent with the comments above.

3.3 **Assets subject to Restructuring**

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Total amount of Loan Assets subject to restructuring	Nil	Nil
2	Total amount of Standard Assets subject to restructuring	Nil	Nil
3	Total amount of Sub-Standard Assets subject to restructuring	Nil	Nil
4	Total amount of Doubtful Assets subject to restructuring	Nil	Nil

Restructuring of Dewan Housing Finance Limited during year ended March 31, 2022:

Reserve Bank of India (RBI) had initiated insolvency proceedings against Dewan Housing Finance Ltd ("DHFL") under Insolvency and Bankruptcy Code (IBC) route after replacing the Board in November 2019 citing governance concerns and defaults by DHFL in meeting its debt obligations. During January 2021, the resolution plan of Piramal Capital Housing Finance Limited ("PCHFL") was voted in favour by Committee of Creditors (CoC) and subsequently approvals were sought from RBI, Competition Commission of India (CCI) and National Company Law Tribunal (NCLT) for completion of this transaction. NCLT had approved PCHFL resolution plan in June 2021 and on September 29, 2021, PCHFL paid the consideration for acquisition and merger of DHFL as follows:

- Company had an exposure of Rs. 1,409,948 in Dewan housing finance Corporation Limtied ("DHFL"), in which total recovery was ~48% of Face value (against 25% at which the exposure was carried on). Company received a total of Rs. 683,702. of which:
  - o Rs. 310,574 was in the form of cash
  - o Rs. 373,128 in the form of NCDs of Piramal Capital Housing Finance Limited ("PCHFL")
- NCDs of PCHFL are for a period of 10 yrs at 6.75% p.a. coupon payable half yearly; with a principal payment of 5% p.a. during first five years and 15% p.a. for next five years.

(All Amounts in Thousands of Indian Rupees)

Particulars	ULIP Fund	Shareholder's Fund	Total
Investment at cost value	1,359,948	50,000	1,409,948
Book Value at the time of recovery (25% of cost value)	339,987	12,500	352,487
Recovery value (recovery: 48% of cost value)	659,359	24,343	683,702
Write back of excess provision - Impact on P&L for the year ended Mar'22	319,372	11,843	331,215
Final write-off amount	700,589	25,657	726,246

3.4 Encumbrances

The assets of the Company are free from all encumbrances except to the extent assets or monies are required to be deposited as margin contributions for investment trade obligations of the Company and as mandated by the any court or authority, as detailed below:

	Particular	As at March 31 2023	As at March 31 2022
(i)	Issued in India		
	Government Security collateral to CCIL (The Clearing Corporation of India Limited) under TREPS segment*	193,000	193,000
	Bank Guarantee placed with Bank for UIDAI	2,500	2,500
	Fixed Deposit against Court order	6,744	2,558
	Investments placed with Counter parties as margin money against derivative contracts	489,170	-
	Sub-Total	**691,414**	**198,058**
(ii)	Issued outside India	-	-
	Total	**691,414**	**198,058**

*Cash placed with CCIL is excluded

3.5 Capital and other commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on PPE (net of advances)	53,325	242,470
Commitments made and outstanding for investments and loans*	2,427,926	791,524
Total	**2,481,251**	**1,033,994**

* Includes commitment towards Alternative Investment Funds (AIF)

3.6 Taxation

The Company carries on the business of Life Insurance, therefore the provisions of Section 44 and the first schedule of Income Tax Act 1961, are applicable for computation of profit and gains of business. Accordingly, the Company has recorded a provision for tax of Rs. 694,439 (March 31, 2022: Rs. 302,954. The Company does not have any timing differences between taxable income and accounting income and hence no deferred tax has been recognized in the standalone financial statements.

(All Amounts in Thousands of Indian Rupees)

3.7 Value of unsettled contracts relating to investments

Value of contracts in relation to investments, for:

Particulars	As at March 31, 2023			As at March 31, 2022		
	Shareholders' Fund	Policyholders' Funds	Total	Shareholders' Fund	Policyholders' Funds	Total
(a) Purchases where deliveries are pending*	498,674	6,152,962	6,651,636	510,391	11,011,258	11,521,649
(b) Sales where payments are overdue	-	3,218,198	3,218,198	-	10,964,892	10,964,892

* The above amount does not include the Primary market transaction where allotment is pending.

3.8 Managerial Remuneration

Managerial remuneration details are as below:

Particulars	2022-23	2021-22
Salary and allowances	174,891	153,224
Contribution to provident fund	2,614	2,440
Value of perquisites	1,426	1,111
Total	**178,931**	**156,775**

Notes:

(i) The above figures do not include provision for employee benefits, which are actuarially determined for the Company as a whole.

(ii) The remuneration of managerial personnel is in accordance with the requirements of Section 34A of the Insurance Act, 1938 as amended from time to time including amendment brought by Insurance Laws (Amendment) Act, 2015. Amount of Rs. 15,000 (March 31, 2022: Rs. 15,000) has been charged to Policyholders' Revenue Account and the balance, in excess, as required has been debited to Shareholders' Account.

(iii) Remuneration (commission) to independent directors Rs. 4,000 (March 31, 2022: Rs. 4,000) is included under Schedule 3.

(iv) As at March 31, 2023, Rs. 207,019 (March 31, 2022: Rs. Nil) remains payable towards EPSP units exercised by managerial personnel as approval is awaited from regulator.

3.9.1 Employee Phantom Stock Plan

During the year ended March 31, 2019, the Company issued Employee Phantom Stock Plan ("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 Rs. (564,408) (March 31, 2022: Rs. (344,494) is the movement in EPSP liability and the same has been charged as expense in the Standalone Revenue account / Standalone Profit & Loss account as applicable.

(All Amounts in Thousands of Indian Rupees)

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 (No. in '000)	830	3,401	6,805	4,402	147
Exercise Price (Rs.)	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

A summary of status of Company's Employee Phantom Stock Plans is as given below:

Particulars	2022-23 (No.) in '000	2021-22 (No.) in '000
Outstanding at the beginning of the year	24,125	23,838
Add: Granted during the year	-	5,256
Less: Forfeited/lapsed during the year	1,697	485
Exercised during the year	6,843	4,484
Outstanding at the end of the year	**15,585**	**24,125**

Had the Company used the fair value of the options to value its Employee Phantom Stock Plan, the profit in Standalone Profit and loss account (Shareholders' Account) would have been lower by Rs. 52,028 (March 31, 2022: Rs. 128,080) and basic earnings per share and diluted earnings per share would have been Rs. 2.24 (March 31, 2022: Rs. 1.95) and Rs. 2.24 (March 31, 2022: Rs. 1.95) respectively.

The key assumptions used to estimate fair value of options are:

Particulars	2022-23	2021-22
Risk-free interest rate	7.30% - 7.32%	5.22% - 6.52%
Expected life	3.0 – 4.0 Years	2.1 - 5.0 Years
Expected Volatility	43.33% - 34.80%	49.60% - 42.79%
Expected dividend yield	1.34%	1.16%

3.9.2 Employee Stock Option Plan

During the year ended March 31, 2023, the Company issued Employee Stock Option Plan ("ESOP") w.e.f. June 22, 2022.

The details of the scheme are as under:

Type of arrangement	ESOP 2022
Date of Grant	22-June-22
No. of options outstanding (No. in '000)	1,442
Exercise Price (Rs.)	808.97
Graded Vesting Period	
1st Year	25%
2nd Year	25%
3rd Year	25%
4th Year	25%
Mode of Settlement	Equity Settled

(All Amounts in Thousands of Indian Rupees)

A summary of status of Company's Employee Stock Option Plans is as given below:

Particulars	2022-23 (No.) in '000
Outstanding at the beginning of the year	-
Add: Granted during the year	1,505
Less: Forfeited/lapsed during the year	63
Exercised during the year	-
Outstanding at the end of the year	**1,442**

Had the Company used the fair value of the options to value its Employee Stock Option Plan, the profit in Standalone Profit and loss account (Shareholders' Account) would have been lower by Rs. 185,215 (March 31, 2022: Rs. Nil) and basic earnings per share and diluted earnings per share would have been Rs. 2.17 (March 31, 2022: Rs. 2.02) and Rs. 2.17 (March 31, 2022: Rs. 2.02) respectively.

3.10 **Shareholder Expenses other than remuneration and welfare benefits:-**

Nature of Expense	2022-23	2021-22
Interest on Non Convertible Debentures	373,019	245,622
Corporate Social Responsibility (CSR)	100,000	84,038
Bank charges and others	66,105	79,556
Total	**539,124**	**409,216**

3.11 **Percentage of Business sector-wise :**

a. Rural Sector

Particulars	Policy Nos.	
	2022-23	2021-22
Total number of policies	597,338	614,081
Total number of Rural policies	126,205	137,102
% of Rural policies to Total policies	21.13%	22.33%
Prescribed Requirement	20.00%	20.00%

b. Social Sector

Particulars	No of lives covered	
	2022-23	2021-22
Total number of lives of preceding financial year (A)	4,286,878	4,881,151
Total number of Social lives of current year (B)	3,756,877	1,102,666
Social sector lives as % to total lives of preceding financial year (B/A)	87.64%	22.59%
Prescribed Requirement (lives)*	214,344	244,058

* As per Insurance Regulatory and Development Authority of India (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015 for financial year 2022-23, prescribed requirement for social lives is computed at 5% of total lives covered in the preceding financial year.

(All Amounts in Thousands of Indian Rupees)

3.12 Percentage of risk-retained and risk-reinsured

The extent of risk retained and reinsured is given below:

Particulars	Sum Assured	
	As at March 31, 2023	As at March 31, 2022
Individual Business :		
Risk retained	33.40%	34.78%
Risk reinsured	66.60%	65.22%
Group Business :		
Risk retained	63.64%	66.83%
Risk reinsured	36.36%	33.17%

3.13 Lease

3.13.1 As a Lessee

The Company has entered into agreements in the nature of lease with different lessors for office premises. These are in the nature of operating lease. Lease payments made under operating lease agreements have been fully recognised in the books of account. The lease rentals charged to Standalone Revenue Account is Rs. 694,733 (March 31, 2022: Rs. 711,071).

The Company has entered into agreements in the nature of lease with different lessors for motor vehicles. These are in the nature of operating lease. Lease payments made under operating lease agreements have been fully recognised in the books of account. The lease rentals charged to Standalone Revenue Account is Rs. 26,378 (March 31, 2022: Rs. 9,389).

The minimum future lease rentals payable under non-cancellable operating leases for specified duration in respect of office premises and motor vehicles amount to the following:

Lease obligations for non-cancellable lease	As at March 31, 2023	As at March 31, 2022
Not later than 1 year	133,687	24,524
Later than 1 year but not later than 5 years	195,990	24,862
Later than 5 years	-	-

3.13.2 As a Lessor

The Company has entered into an agreement of leasing out the investment properties. 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 Standalone Revenue account for the year ended March 31, 2023 is Rs. 689,235 (March 31, 2022 Rs. 661,771).

3.14 **Details of number of claims intimated, disposed of and pending with details of duration**

Claims, which are settled and unpaid for more than 6 months as on balance sheet date amount to Rs. 2,047,254 (March 31, 2022: Rs. 1,515,385).

(All Amounts in Thousands of Indian Rupees)

The claims settlement experience for the Company for FY 2022-23 has been as follows:

S. No.	Claims Experience	Death	Maturity	Survival Benefit	Annuities/ Pension	Surrender	Other Benefits
1	Claims Outstanding at the beginning of the period	4	136	-	-	-	-
2	Claims reported during the period	40,898	68,844	198,526	29,546	324,062	13,355
3	Claims Settled during the period	40,664	68,824	198,464	29,546	324,062	13,305
4	Claims Repudiated during the period	236	-	5	-	-	11
5	Claims Rejected	-	-	57	-	-	39
6	Claims Written Back	-	-	-	-	-	-
7	Claims Outstanding at End of the period	2	156	-	-	-	-
	▪ Less than 3 months	2	119	-	-	-	-
	▪ 3 months to 6 months	-	37	-	-	-	-
	▪ 6 months to 1 year	-	-	-	-	-	-
	▪ 1 year and above	-	-	-	-	-	-

The claims settlement experience for the Company for FY 2021-22 has been as follows:

S. No.	Claims Experience	Death	Maturity	Survival Benefit	Annuities/ Pension	Surrender	Other Benefits
1	Claims Outstanding at the beginning of the period	1	224	-	-	-	-
2	Claims reported during the period	52,144	53,888	114,655	13,930	395,136	14,712
3	Claims Settled during the period	51,815	53,976	114,591	13,930	395,136	14,640
4	Claims Repudiated during the period	326	-	1	-	-	5
5	Claims Rejected	-	-	63	-	-	67
6	Claims Written Back	-	-	-	-	-	-
7	Claims Outstanding at End of the period	4	136	-	-	-	-
	▪ Less than 3 months	4	96	-	-	-	-
	▪ 3 months to 6 months	-	40	-	-	-	-
	▪ 6 months to 1 year	-	-	-	-	-	-
	▪ 1 year and above	-	-	-	-	-	-

3.15 Interim/Final Dividend

The Board has not proposed any dividend for the year ended March 31, 2023 and March 31, 2022.

3.16 Contributions from/to Shareholders' Fund to Policyholders' Funds

The IRDAI (Expenses of Management of Insurers transacting Life Insurance Business) Regulations, 2016, which were notified on May 09, 2016, provided that the insurer shall be deemed to be compliant with these

(All Amounts in Thousands of Indian Rupees)

Regulations if the overall percentage of expense of management to allowable expenses is upto 100% subject to the excess expenses of management, on segmental level, being borne by the Shareholders.'

Accordingly, to comply with the above Regulation, the excess of expenses above the limit specified has been borne by the Shareholders' amounting to Rs. 104,260 (March 31, 2022: Rs. 155,748).

The Company has transferred amount aggregating to Rs. 1,999,051 (March 31, 2022: 1,167,526) from the Shareholder's Account (Standalone Profit & Loss Account) to the non participating business segment, in Policyholder's Account (Standalone Revenue Account), to fund the deficit in respective segment.

During the year the Company has transferred the net surplus of Rs. 4,562,649 (March 31, 2022: Rs. 2,780,165) from Standalone Revenue account to Standalone Profit & loss account in accordance with Insurance Regulatory and Development Authority (Distribution of Surplus) Regulations, 2002 as amended from time to time.

3.17 Distribution of surplus

During the year out of the surplus allocated to participating policyholders one-ninth is transferred to shareholders the details are as under:

Particulars	2022-2023			2021-2022		
	Participating Individual Life	Participating Individual Pension	Total	Participating Individual Life	Participating Individual Pension	Total
Bonus to Policyholders (Refer Schedule - 4)	12,638,637	14,385	**12,653,022**	11,798,798	14,116	**11,812,914**
Interim Bonuses Paid (Refer Form A-RA)	27,135	-	**27,135**	37,797	-	**37,797**
Reversionary Bonus	2,115,100	-	**2,115,100**	1,797,700	-	**1,797,700**
Total	**14,780,872**	**14,385**	**14,795,257**	**13,634,295**	**14,116**	**13,648,411**
Transfer to Shareholders' Account (1/9th)	1,642,319	1,598	**1,643,917**	1,514,922	1,568	**1,516,490**

3.18 Policyholders' Bonus

The Bonus to participating policyholders, for current year as recommended by Appointed Actuary has been included in change in valuation against policies in force.

(All Amounts in Thousands of Indian Rupees)

3.19 Policy Liabilities

The movement of policy liabilities (forming part of Policyholders' funds) for the year ended March 31, 2023 is as follows:

Particulars	Participating Policies		Non-Participating Policies			Linked Policies			Total
	Individual Life	Pension	Individual & Group Life*	Annuity*	Health	Individual Linked	Linked Pension	Linked Group	
At start of Year	513,712,409	401,322	140,577,304	15,422,235	134,901	314,976,649	20,449,394	1,579,540	**1,007,253,754**
Add : Change in valuation of liability against life policies in force, Net	59,282,641	(37,617)	58,115,716	15,082,288	256,447	19,538,562	(1,879,811)	244,535	**150,602,761**
Add : Policyholder Bonus provided	-	-	-	-	-	-	-	-	**-**
At end of Year	**572,995,050**	**363,705**	**198,693,020**	**30,504,523**	**391,348**	**334,515,211**	**18,569,583**	**1,824,075**	**1,157,856,515**

* During the year, the Company has merged the Non-Par Non-Linked Group segment with other Non-Par Non-Linked segments

The movement of policy liabilities (forming part of Policyholders' funds) for the year ended March 31, 2022 is as follows:

Particulars	Participating Policies		Non-Participating Policies			Linked Policies			Total
	Individual Life	Pension	Individual & Group Life*	Annuity*	Health	Individual Linked	Linked Pension	Linked Group	
At start of Year	444,522,690	413,748	102,774,348	8,028,510	100,883	265,009,873	20,458,670	1,363,796	**842,672,518**
Add : Change in valuation of liability against life policies in force, Net	69,189,719	(12,426)	37,802,956	7,393,725	34,018	49,966,776	(9,276)	215,744	**164,581,236**
Add : Policyholder Bonus provided	-	-	-	-	-	-	-	-	**-**
At end of Year	**513,712,409**	**401,322**	**140,577,304**	**15,422,235**	**134,901**	**314,976,649**	**20,449,394**	**1,579,540**	**1,007,253,754**

* During the year, the Company has merged the Non-Par Non-Linked Group segment with other Non-Par Non-Linked segment. Accordingly, previous period figures have been regrouped where necessary to conform to current period presentation

(All Amounts in Thousands of Indian Rupees)

3.20 Segment Reporting

(All Amounts in Thousands of Indian Rupees)

1) Business Segments

The Company operates in India in the following segments: Individual Life Participating business, Participating Pension business, Individual Life Non-participating business, Non-participating Annuity, Health, Linked Individual, Linked Pension, Linked Group and Shareholders' Funds. Non-participating business include policies with committed cash flows, with no rights to the surplus in the business. Participating business include policies other than those of non-participating business. Investment of shareholder funds constitutes investible funds relating to shareholders. Accordingly, the Company has provided primary segment information for these segments as per the Accounting Standard 17 on ' Segment Reporting,' issued by the ICAI, read with the relevant IRDAI Regulations.

2) Geographical Segments

Since the business operation of the Company is in India only, the same is considered as single geographical segment.

The segmental results for the year ended March 31, 2023 is given below:-

Particulars	Participating Policies		Non-Participating Policies			Linked Policies			Shareholders' Funds	Total
	Individual Life	Pension	Individual & Group Life*	Annuity*	Health	Individual Life	Pension	Group		
Segment Revenue (excluding contribution from the Shareholder's account)	120,604,829	110,018	97,998,560	15,675,993	145,508	72,609,360	2,787,039	511,580	3,295,007	**313,737,894**
Segment Results- Surplus/Deficit (net of contribution from the Shareholder's account)	5,009,985	67,464	(559,166)	(1,265,079)	(174,806)	2,686,377	121,861	6,234	1,892,637	**7,785,507**
Depreciation/Amortization	364,405	69	401,882	8,130	1,489	164,628	8,258	94	-	**948,955**
Significant non-cash expenses**	59,309,437	(37,614)	58,166,882	15,083,240	256,523	19,547,951	(1,879,444)	244,541	4,876	**150,696,392**

The segmental results for the year ended March 31, 2022 is given below:

Particulars	Participating Policies		Non-Participating Policies			Linked Policies			Shareholders' Funds	Total
	Individual Life	Pension	Individual & Group Life*	Annuity*	Health	Individual Life	Pension	Group		
Segment Revenue (excluding contribution from the Shareholder's account)	128,434,898	107,123	71,210,192	8,125,460	196,786	94,774,593	4,738,822	413,086	3,251,773	**311,252,733**
Segment Results- Surplus/Deficit (net of contribution from the Shareholder's account)	4,015,622	51,139	(1,159,766)	(7,760)	82,597	862,794	162,380	156	2,409,667	**6,416,829**
Depreciation/Amortization	464,809	78	355,240	5,965	2,253	199,070	11,631	139	-	**1,039,185**
Significant non-cash expenses**	69,196,820	(12,426)	37,807,569	7,393,782	34,041	49,973,097	(9,265)	215,745	-	**164,599,363**

* During the year, the Company has merged the Non-Par Non-Linked Group segment with other Non-Par Non-Linked segments. Accordingly, previous period figures have been regrouped where necessary to conform to current period presentation

**Comprises of change in valuation of policy liabilities, provision for doubtful debts and bad debts written off

(All Amounts in Thousands of Indian Rupees)

Segmental Balance Sheet as at March 31, 2023

(All Amounts in Thousands of Indian Rupees)

Particulars	Participating Policies		Non-Participating Policies				Linked Policies		Shareholders' Funds	Total
	Individual Life	Pension	Individual & Group Life*	Annuity*	Health	Individual Life	Pension	Group		
Segment Assets										
Investments	592,842,399	1,156,402	193,555,827	30,651,250	184,804	334,739,054	18,570,555	1,823,226	55,042,486	1,228,566,003
Loan	7,831,736	-	163,013	34,510	-	-	-	-	1,219,000	9,248,259
Net Fixed Assets	1,157,914	203	1,721,594	41,102	4,119	505,124	21,465	274	-	3,451,795
Cash and Bank Balances	4,930,889	9,618	1,609,875	254,938	1,538	2,784,148	154,458	15,164	457,809	10,218,437
Advances and Other Assets	14,801,957	20,365	10,017,912	556,187	239,986	2,254,420	99,128	319	1,917,048	29,907,322
Total Segment Assets	**621,564,895**	**1,186,588**	**207,068,221**	**31,537,987**	**430,447**	**340,282,746**	**18,845,606**	**1,838,983**	**58,636,343**	**1,281,391,816**
Debit Balance In Profit And Loss Account (Shareholders' Account)	-	-	-	-	-	-	-	-	-	-
Deficit In The Revenue Account (Policyholders' Account)	-	-	-	-	-	-	-	-	-	-
Total Assets	**621,564,895**	**1,186,588**	**207,068,221**	**31,537,987**	**430,447**	**340,282,746**	**18,845,606**	**1,838,983**	**58,636,343**	**1,281,391,816**
Segment Liabilities										
Policy Liabilities	572,995,050	363,705	198,693,019	30,504,524	391,348	334,515,211	18,569,583	1,824,075	-	1,157,856,515
Current Liabilities and Provisions	5,841,198	224,925	7,189,911	859,170	39,099	5,767,535	276,023	14,908	18,626,510	38,839,279
Fair Value Change Account (including Revaluation Reserve)	7,523,829	-	767,831	174,293	-	-	-	-	70,702	8,536,655
Total Segment Liabilities	**586,360,077**	**588,630**	**206,650,761**	**31,537,987**	**430,447**	**340,282,746**	**18,845,606**	**1,838,983**	**18,697,212**	**1,205,232,449**
Segment Reserves	-	-	-	-	-	-	-	-	-	-
Reserves and Surplus	-	-	417,460	-	-	-	-	-	15,791,002	16,208,462
Equity Capital	-	-	-	-	-	-	-	-	19,188,129	19,188,129
Subordinated Debt	-	-	-	-	-	-	-	-	4,960,000	4,960,000
Funds For Future Appropriations	35,204,818	597,958	-	-	-	-	-	-	-	35,802,776
Deferred Expenditure	-	-	-	-	-	-	-	-	-	-
Total Liabilities	**621,564,895**	**1,186,588**	**207,068,221**	**31,537,987**	**430,447**	**340,282,746**	**18,845,606**	**1,838,983**	**58,636,343**	**1,281,391,816**
Other Information										
Capital Expenditure during the period	608,636	107	904,926	21,605	2,165	265,509	11,283	144	-	1,814,375

* During the year, the Company has merged the Non-Par Non-Linked Group segment with other Non-Par Non-Linked segments

(All Amounts in Thousands of Indian Rupees)

Segmental Balance Sheet as at March 31, 2022

Particulars	Participating Policies		Non-Participating Policies			Linked Policies			Shareholders' Funds	Total
	Individual Life	Pension	Individual & Group Life*	Annuity*	Health	Individual Life	Pension	Group		
Segment Assets										
Investments	533,182,756	1,072,605	136,446,439	15,698,459	188,788	314,960,433	20,490,212	1,579,163	51,476,972	1,075,095,827
Loan	6,660,716	-	-	-	-	-	-	-	-	6,660,716
Net Fixed Assets	1,109,734	204	993,723	17,092	4,560	454,883	23,535	248	-	2,603,979
Cash and Bank Balances	3,281,563	6,602	839,783	96,619	1,162	1,938,477	126,110	9,719	316,824	6,616,859
Advances and Other Assets	16,112,871	17,969	7,277,760	1,133,871	87,381	1,386,787	64,036	360	3,491,195	29,572,231
Total Segment Assets	**560,347,640**	**1,097,380**	**145,557,705**	**16,946,042**	**281,891**	**318,740,580**	**20,703,893**	**1,589,490**	**55,284,991**	**1,120,549,612**
Debit Balance In Profit And Loss Account (Shareholders' Account)	-	-	-	-	-	-	-	-	-	-
Deficit In The Revenue Account (Policyholders' Account)	-	-	-	-	-	-	-	-	-	-
Total Assets	**560,347,640**	**1,097,380**	**145,557,705**	**16,946,042**	**281,891**	**318,740,580**	**20,703,893**	**1,589,490**	**55,284,991**	**1,120,549,612**
Segment Liabilities										
Policy Liabilities	513,712,410	401,323	140,585,434	15,414,106	134,902	314,976,645	20,449,395	1,579,539	-	1,007,253,754
Current Liabilities and Provisions	7,815,066	163,965	4,030,368	1,342,821	146,989	3,763,935	254,498	9,951	19,686,848	37,214,441
Fair Value Change Account (including Revaluation Reserve)	6,983,012	-	(378,591)	189,115	-	-	-	-	10,987	6,804,523
Total Segment Liabilities	**528,510,488**	**565,288**	**144,237,211**	**16,946,042**	**281,891**	**318,740,580**	**20,703,893**	**1,589,490**	**19,697,835**	**1,051,272,718**
Segment Reserves	-	-	-	-	-	-	-	-	-	-
Reserves and Surplus	-	-	1,320,494	-	-	-	-	-	11,439,027	12,759,521
Equity Capital	-	-	-	-	-	-	-	-	19,188,129	19,188,129
Subordinated Debt	-	-	-	-	-	-	-	-	4,960,000	4,960,000
Funds For Future Appropriations	31,837,152	532,092	-	-	-	-	-	-	-	32,369,244
Deferred Expenditure	-	-	-	-	-	-	-	-	-	-
Total Liabilities	**560,347,640**	**1,097,380**	**145,557,705**	**16,946,042**	**281,891**	**318,740,580**	**20,703,893**	**1,589,490**	**55,284,991**	**1,120,549,612**
Other Information										
Capital Expenditure during the period	614,852	113	550,576	9,470	2,526	252,030	13,039	137	-	1,442,745

(All Amounts in Thousands of Indian Rupees)

3.11.1.1 *During the current year, the Company has merged the Non-Par Non-Linked Group segment with other Non-Par Non-Linked segments. Accordingly, previous period figures have been regrouped where necessary to conform to current period presentation**The ratios as prescribed by IRDAI are given below:**

S. No.	Ratios	2022-23	2021-22
1	**New Business Premium Income Growth (segment wise)**		
	(New Business Premium growth (current year – previous year) as a % of Previous Year New Business Premium)		
	Individual Life – Participating	-14.48%	11.45%
	Pension – Participating	-0.79%	-0.14%
	Individual & Group Life - Non Participating	40.01%	12.11%
	Individual Life – Annuity	91.46%	66.17%
	Health Insurance	-13.75%	-81.85%
	Individual Linked	-19.07%	15.93%
	Linked Pension	-57.20%	-8.73%
	Linked Group	39.27%	-30.60%
2	**Net Retention Ratio**	98.18%	98.09%
	(Net premium as a % of gross premium)		
3	**Ratio of Expenses of Management**	20.50%	19.73%
	(Expenses of Management as a % of Gross Premium) (Refer Note 1 below)		
4	**Commission Ratio**	6.37%	6.26%
	(Gross Commission as a % of Gross Premium)		
5	**Ratio of Policyholders' liabilities to shareholders' funds**	3430.95%	3419.71%
	(Policyholders' Liability as a % of Shareholders' Fund)		
6	**Growth rate of Shareholders' Fund**	14.40%	6.21%
	(Increase/ (Decrease) in Shareholders' Fund over previous year as a % of Shareholders' Funds of Previous year) (Refer Note 2 below)		
7	**Ratio of Policyholders' Surplus to Policyholders' liability**	0.66%	0.40%
	(Policyholders' Surplus as a % of Policyholders' Liability)		
	(Refer Note 3 below)		
8	**Change in net worth (over previous year) (In Thousands)**	4,411,693	1,791,723
	(CY shareholders' funds - PY shareholders' funds)		
9	**Profit after tax / Total Income**	1.39%	1.24%
	(Refer Note 4 below)		
10	**(Total Real Estate+Loans)/ Cash & Invested assets**	1.61%	1.56%
11	**Total Investments/(Capital + Surplus)** (Refer Note 5 below)	3470.86%	3365.18%
12	**Total Affiliated Investments/(Capital + Surplus)**	23.98%	24.87%
13	**Yield on Investments**		
	With unrealized gains		
	Policyholders' Funds:		

(All Amounts in Thousands of Indian Rupees)

S. No.	Ratios	2022-23	2021-22
	Non-Linked:		
	Par	4.66%	5.47%
	Non-Par	5.04%	4.24%
	Sub-Total	4.76%	5.31%
	Linked:		
	Non-Par	1.75%	10.09%
	Sub-Total	1.75%	10.09%
	Grand Total	**3.82%**	**6.71%**
	Shareholders' Funds	**5.14%**	**6.94%**
	Without unrealized Gains		
	Policyholders' Funds:		
	Non-Linked:		
	Par	6.92%	9.46%
	Non-Par	6.82%	7.37%
	Sub-Total	6.89%	8.97%
	Linked:		
	Non-Par	1.88%	13.76%
	Sub-Total	1.88%	13.76%
	Grand Total	**5.33%**	**10.49%**
	Shareholders' Funds	**6.03%**	**8.38%**
14	**Conservation Ratio**		
	Individual Life-Participating Policies	87.37%	89.88%
	Pension -Participating Policies	82.35%	89.57%
	Individual Life Non-Participating Policies	89.61%	89.45%
	Health Non-Participating Policies	80.82%	61.63%
	Individual Linked	72.78%	76.01%
	Linked Pension	71.07%	69.46%
15	**Persistency Ratio (Refer Note 6 below)**		
	By Premium (Regular Premium / Limited Premium Payment under individual category)		
	for 13th month	83.12%	83.71%
	for 25th month	67.93%	66.98%
	for 37th month	60.40%	59.90%
	for 49th Month	56.59%	55.29%
	for 61st month	50.62%	49.32%
	By Count (Regular Premium / Limited Premium Payment under individual category)		
	for 13th month	83.67%	81.52%
	for 25th month	70.21%	66.74%
	for 37th month	60.69%	58.53%
	for 49th Month	55.30%	53.47%
	for 61st month	49.06%	46.93%
16	**NPA Ratio (Refer Note 7 below)**	0.0%	0.0%
17	**Solvency Ratio (Required 150%)**	190%	201%

Notes for calculation of above Ratios

1) Expenses of Management include commission and operating expenses relating to insurance business.

2) Shareholders' funds = share capital + reserves and surplus (Shareholder) + credit / (debit) fair value change account + Revaluation Reserve - realised hedge reserve - miscellaneous expenditure - debit balance in Profit and Loss Account or shareholders' account.

(All Amounts in Thousands of Indian Rupees)

3) Policyholders' surplus is the surplus / deficit as shown in Revenue Account.

4) Profit after tax and total income are as disclosed in the Standalone Profit and Loss Account (Non - Technical) and Revenue Account (Technical).

5) Surplus = Reserves and surplus as per Schedule 6.

6)(i) The persistency ratios are calculated in accordance with the IRDAI circular no. IRDAI/F&A/CIR/MISC/256/09/2021 dated September 30, 2021 and hence are with a lag of one month.

6)(ii) The persistency ratios for year ended as at March 31, 2023 have been calculated on 30th April 2023 for the policies issued in the April to March period of the relevant years. E.g.: the 13th month persistency for the current year is calculated for the policies issued from April 2021 to March 2022. The persistency ratios for year ended as at March 31, 2022 have been calculated in a similar manner.

6)(iii) Persistency ratios include individual business only. Group business policies have been excluded from the persistency calculation.

7) Policyholder's Net NPA ratio

3.22 Related Parties Disclosures

During the year ended March 31, 2023, the Company had transactions with related parties as defined in Accounting Standard 18 on "Related Party Disclosures". Related Parties have been identified by the management on the basis of the information available with the Company. Details of these parties with whom the Company has transactions, nature of the relationship, transactions with them and balances at year end, are as below:

List of related parties:

Description of relationship	Name
(a) Holding Company	▪ Max Financial Services Limited
(b) Subsidiary Company	▪ Max Life Pension Fund Management Limited
(c) Shareholder with significant influence	▪ Axis Bank Limited (became related party w.e.f. April 06, 2021)
(d) Key Management Personnel	▪ Analjit Singh (Chairman) ▪ Prashant Tripathy (Managing Director and CEO) ▪ V. Viswanand (Deputy Managing Director)
(e) Enterprises over which Key Management Personnel have significant Influence (KMP)	▪ Max Skill First Limited (ceased to be related party w.e.f. July 09, 2021) ▪ Max Ventures & Industries Ltd ▪ Max Towers Private Ltd (Erstwhile Wise Zone Builders Private Ltd) ▪ Max Ventures Private Limited ▪ Max India Ltd
(f) Employee benefit trust	▪ Max Financial Employees Welfare Trust
(g) Group Company	▪ Max Asset Services Limited

The details of significant related party transactions as per Accounting Standard 18 and Corporate Governance guidelines for Insurers in India, 2016, issued by IRDAI, payments made to group entities from the Policyholders' Funds are included in the below disclosures:

(All Amounts in Thousands of Indian Rupees)

Sr. No.	Name of the Related Party	Nature of Relationship with Company	Description of Transaction	Amount		Balance outstanding Receivable / (Payable)	
				2022-23	2021-22	As at March 31, 2023	As at March 31, 2022
1	Max Financial Services Limited	Holding Company	Expense - Functional Support Services	160,000	160,000		
			Expenses - D&O Insurance Policy	161	390	(160,000)	(135,456)
			Final Dividend paid	-	1,444,612		

Sr. No.	Name of the Related Party	Nature of Relationship with Company	Description of Transaction	Amount		Balance outstanding Receivable / (Payable)	
				2022-23	2021-22	As at March 31, 2023	As at March 31, 2022
2	Max Life Pension Fund Management Limited	Subsidiary Company	Receipt for Reimbursement of Expenses	(22,855)	-	10,655	-
			Expenses- National Pension Scheme (NPS) Contribution	4,091	-	-	-
			Investment in Share Capital	550,000	-	550,000	
3	Max Financial Employees Welfare Trust	Employee benefit trust	Loan to trust	1,219,000	-	1,219,000	-
			Interest on Loan	(68,459)	-	-	-
			ESOP trust expenses	68,459	-	-	-
4	Max Skill First Limited (ceased to be related party w.e.f. July 09, 2021)	Enterprises over which Key Management Personnel (KMP) have significant Influence	Expenses - Training Services	-	27,100	-	-
			Income - Insurance Premium	-	-		
			Recovery of expenses - Rental of office space	-	(1,143)		
			Recovery of expenses - Gratuity / Bonus and others	-	(26,670)		
			Recovery of expenses - IT support	-	(45)		
5	Max Ventures & Industries Ltd	Enterprises over which Key Management Personnel (KMP) have significant Influence	Income – Rental of Office Space	(44,779)	(33,577)	6,435	-
			Income - Insurance Premium	(277)	(112)	(148)	(68)
			Security Deposit received	(7,641)	-	(24,400)	(16,789)
6	Max Towers Pvt Ltd (erstwhile Wise Zone Builders Pvt. Ltd)	Enterprises over which Key Management Personnel (KMP) have significant Influence	Income – Rental of Office Space & Others	-	(25,610)	-	8,937
			Expenses- Vaccination Charges	-	592	-	-
7	Max Asset Services Limited	Group Company	Expenses – Maintainence Charges	662	8,137	(411)	-

(All Amounts in Thousands of Indian Rupees)

Sr. No.	Name of the Related Party	Nature of Relationship with Company	Description of Transaction	Amount		Balance outstanding Receivable / (Payable)	
				2022-23	2021-22	As at March 31, 2023	As at March 31, 2022
8	Axis Bank Limited (became related party w.e.f. April 06, 2021)	Shareholder with significant influence	Income - Insurance Premium	(4,644,676)	(4,867,054)	(219,097)	(271,485)
			Income - Income on Investments	(383,574)	(397,013)	91,908	99,593
			Expenses – Commission, Bank Charges & Others	10,805,767	9,273,414	(1,540,783)	(1,095,302)
			Final Dividend paid	-	176,531	-	-
			Receipt – Sale / Maturity of Investments	(350,000)	(440,000)	-	-
			Payment - Purchase of Investments	2,184,878	2,194,950	-	-
			Investments	-	-	8,487,486	8,161,070
			Term Deposits	-	-	3,536	2,500
			Bank Balances	-	-	4,551,563	3,573,188
9	Max Ventures Private Limited	Enterprises over which Key Management Personnel (KMP) have significant Influence	Income - Insurance Premium	(333)	(378)	(83)	(36)
10	Max India Ltd	Enterprises over which Key Management Personnel (KMP) have significant Influence	Income - Insurance Premium	(602)	(662)	(2,603)	(2,103)
11	Key management personnel	Key management personnel	Managerial remuneration and welfare benefits [Refer to Note 3.8 on Schedule 16]	178,930	156,775	-	-
			EPSP payable [Refer to Note 3.8 on Schedule 16]	-	-	207,019	-
			Income - Insurance Premium	(1,844)	(1,071)	-	-

(All Amounts in Thousands of Indian Rupees)

3.23 **Summary of Standalone Financial Statements forming part of Notes to Accounts is given below:**

(Rs. in Lakhs)

S. No.	Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
	POLICYHOLDERS' A/C					
1	Gross Premium Income	2,534,191	2,241,417	1,901,790	1,618,365	1,457,523
2	Net Premium Income (Net of Re-insurance ceded)	2,488,183	2,198,697	1,873,903	1,597,877	1,441,838
3	Income from Investments (Net of losses)	608,342	870,983	1,214,375	202,868	486,431
4	Other Income (Miscellaneous Income)	6,882	5,160	4,102	4,415	3,197
5	Contribution from the Shareholders' a/c	21,033	13,233	1,718	4,097	1,203
6	**Total Income (2+3+4+5)**	**3,124,440**	**3,088,073**	**3,094,098**	**1,809,257**	**1,932,669**
7	Commission	161,384	140,281	122,701	102,444	98,884
8	Brokerage	-	-	-	-	-
9	Operating Expenses related to Insurance Business	379,145	320,951	286,887	249,106	205,903
10	Provision for Tax	-	-	-	-	-
11	**Total Expenses (7+8+9+10)**	**540,529**	**461,232**	**409,588**	**351,550**	**304,787**
12	Payments to Policyholders (includes Bonus to Policyholders)	997,921	927,725	700,110	662,217	571,783
13	Increase in Actuarial Liability	1,506,028	1,645,812	1,962,235	663,943	973,654
14	Provision for Linked Liabilities	-	-	-	-	-
15	Surplus/Deficit from Operations	79,962	53,304	22,165	131,547	82,445
	SHAREHOLDERS' A/C					
16	Total Income under Shareholders' Account	32,950	32,636	24,782	19,897	22,017
17	Total Expenses under Shareholder's Account	7,079	5,510	5,671	2,917	2,571
18	Profit/(loss) before Tax	50,464	41,695	50,992	59,784	62,264
19	Provision for Tax	6,944	3,029	-1,307	5,847	6,622
20	Profit / (loss) after tax	43,520	38,666	52,299	53,937	55,642
21	Interim and proposed final dividend (including dividend distribution tax)	-	17,653	19,956	77,493	47,884
22	Transfer to Reserves	992	992	-	-	-
23	**Profit/ loss carried to Balance Sheet**	**146,721**	**104,193**	**84,173**	**51,829**	**75,385**
	MISCELLANEOUS					
24	**Policyholders' account:**					
	Total Funds	12,021,252	10,464,165	8,821,498	6,717,092	6,082,627
	Total Investments (Including Linked)	11,735,235	10,236,189	8,655,827	6,521,257	5,927,925
	Yield on Investments (%) (Traditional PH Funds)	6.89%	8.97%	9.71%	8.30%	8.27%

MAX LIFE INSURANCE

(All Amounts in Thousands of Indian Rupees)

S. No.	Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
	Yield on Investments (%) (Unit Linked Funds)	1.88%	13.76%	36.38%	-6.83%	11.61%
	Shareholders' account:					
	Total Funds	404,273	369,186	300,786	257,389	276,093
	Total Investments	550,425	514,770	384,837	325,812	351,868
	Yield on Investments (%)	6.03%	8.38%	6.85%	6.00%	6.68%
25	Yield on Total Investments	5.37%	10.40%	16.89%	3.44%	9.24%
26	Paid up Equity capital (including share premium and reserves)	353,966	319,477	297,772	259,940	276,663
27	Weighted Average Number of Shares(in thousands)	1,918,813	1,918,813	1,918,813	1,918,813	1,918,813
28	Net Worth	350,498	306,381	288,464	250,557	276,093
29	Total Assets	12,812,084	11,205,496	9,417,419	7,177,243	6,592,703
30	Earnings per share - Basic (Face Value : Rs. 10 each) in Rs.	2.27	2.02	2.73	2.81	2.90
31	Earnings per share - Diluted (Face Value : Rs. 10 each) in Rs.	2.27	2.02	2.73	2.81	2.90
32	Book Value per Share: Rs. 10 Paid up	18.27	15.97	15.03	13.06	14.39

3.24 Earnings per equity share

S. No.	Particulars	2022-23	2021-22
1	Net Profit as per standalone Profit & Loss Account available for equity shareholders for both basic and diluted earnings per equity share of Rs. 10 (Nominal value)	4,351,975	3,866,558
2	Weighted average number of equity shares for earnings per equity share		
	a) For basic earnings per equity share	1,918,812,856	1,918,812,856
	b) For diluted earnings per equity share	1,918,812,856	1,918,812,856
	Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	-	-
	Weighted average number of equity shares for diluted earnings equity share	1,918,812,856	1,918,812,856
3	**Earning per equity share**		
	a) Basic (in Rs.)	2.27	2.02
	b) Diluted (in Rs.)	2.27	2.02

3.25 Employee Benefits - Disclosures as per AS 15 (Revised)

3.25.1 Defined Contribution Plan

During the year, the Company has recognised the following amounts in the Standalone Revenue account / Standalone Profit and Loss Account:

Particulars	2022-23	2021-22
Employers' contribution to Employee State Insurance	48,875	46,697
Employers' contribution to National Pension Scheme	10,044	10,576
Employers' contribution to Labour Welfare Fund	3,287	562

(All Amounts in Thousands of Indian Rupees)

3.25.2 Defined Benefit Plans

a) Provident Fund

The Company contributes to the employee provident trust "Max Financial Services Limited Employees' Provident Fund Trust" which is managed by the holding company and as per AS–15, Employee Benefits (Revised), read with the Guidance Note on Implementing AS–15 issued by the Accounting Standard Board (ASB), provident funds set up by employers, which requires shortfall in interest to be met by the employer, needs to be treated as defined benefit plan.

Contributions and shortfall, if any, is charged to Standalone Revenue Account / Standalone Profit and Loss Account.

The Company has carried out an independent actuarial valuation to measure the liability towards aforesaid interest shortfall. As per actuarial certificate there is Rs. Nil (March 31, 2022: Rs. Nil) shortfall in the earning of fund against statutorily required "interest rate guarantee" and accordingly, the liability on account of interest rate guarantee is Rs. Nil (March 31, 2022: Rs. Nil).

During the year, the Company has recognised the following amounts in the Standalone Revenue Account / Standalone Profit and Loss Account:

Particulars	2022-23	2021-22
Employers' Contribution to Provident Fund	533,942	460,893

The details of fund and plan asset position as at March 31, 2023 as per the actuarial valuation of active members are as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Plan assets at year end, at fair value	5,930,747	5,177,310
Present value of defined benefit obligation at year end	5,899,574	5,141,913
Surplus as per actuarial certificate	31,173	35,397

Assumptions used in determining the present value obligation of the interest rate guarantee under the deterministic approach:

Particulars	2022-23	2021-22
Discount rate	7.20%	5.66%
Yield on existing funds (Weighted Average YTM)	8.37%	8.57%
Expected guaranteed interest rate (%)	8.15%	8.10%

b) Gratuity

This is a funded defined benefit plan under which the Company makes contributions to the Max Life Employees Group Gratuity Scheme. The scheme provides for a lump sum payment towards gratuity benefit as per the scheme rules, to an employee on his/her exit from employment either by way of resignation, retirement or death. The benefit accrues from the date of joining the employment but vests on completion of 5 years of continuous service. The completion of 5 years of continous service is not applicable in the case of death.

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. Actuarial gains / losses related thereof are expensed/recognized.

(All Amounts in Thousands of Indian Rupees)

The following table sets out the status of the Gratuity Scheme:

Change in Defined Benefit Obligation	2022-23	2021-22
Opening Present value obligation	624,405	577,397
Interest cost	40,197	40,588
Past Service cost	-	-
Current service cost	72,158	90,584
Benefits Paid	(99,034)	(65,918)
Net Transfer in/(out)	-	-
Actuarial (gain)/ loss on Obligations	44,827	(18,245)
Closing Present value obligation	**682,553**	**624,406**
Changes in the Fair value of Plan Assets		
Opening Fair value of Plan Assets	559,921	491,981
Expected return on Plan Assets	38,634	35,423
Contributions	141,500	102,900
Benefits Paid	(99,034)	(65,918)
Net Transfer in/(out)	-	-
Actuarial gain/ (loss) on Obligations	(15,741)	(4,465)
Closing Fair value of Plan Assets	**625,280**	**559,921**
Expenses Recognised		
Current service cost	72,158	90,584
Past Service cost	-	-
Interest cost	40,197	40,588
Expected return on Plan Assets	(38,634)	(35,423)
Net Actuarial (gain)/ loss recognised during the year	60,568	(13,780)
Total Expense recognized	**134,289**	**81,969**

Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets	2022-23	2021-22
Closing Present value obligation	682,553	624,406
Closing Fair value of Plan Assets	625,280	559,921
Net asset/ (liability) recognised in Balance Sheet	**(57,273)**	**(64,485)**
Major categories of plan assets:		
Insurer Managed Funds (Refer Note Below for major categories of plan assets)	625,280	559,921
Estimate towards contribution for next year	57,273	64,485
Actuarial Assumptions:		
Discount Rate (per annum)	7.40%	6.90%
Rate of increase in compensation levels *	7.50%	7.50%
Rate of return on plan assets **	6.75%-11.00%	6.75%-11.00%
Attrition rate:		
Distribution: For service 4 years and below	52% p.a.	52% p.a.
Non Distribution: For service 4 years and below	23% p.a.	23% p.a.
Distribution: For service 4 years and above	16% p.a.	16% p.a.
Non Distribution: For service 4 years and above	11% p.a.	11% p.a.

* 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.

** 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.

(All Amounts in Thousands of Indian Rupees)

Investment details of plan assets:

Particulars	As at March 31, 2023	As at March 31, 2022
The plan assets are invested in insurer managed funds	100%	100%
Asset allocation:		
Government securities	47%	42%
Corporate Debt	33%	20%
Equity shares	16%	19%
Net Current Assets including Money Market Items	0%	3%
Reverse/ Repo	4%	16%
Total	**100%**	**100%**

Experience adjustments on gratuity provisioning

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
Defined benefit obligation	682,553	624,406	577,397	505,653	396,161
Less: Plan assets	625,280	559,921	491,981	141,327	193,865
Surplus / (deficit)	**(57,273)**	**(64,485)**	**(85,416)**	**(364,326)**	**(202,296)**
Experience Adjustments					
- on plan liabilities (gains) / losses	63,393	7,579	5,296	50,315	45,251
- on plan assets (losses) / gains	(15,741)	(4,465)	23,082	(19,969)	(4,525)

3.25.3 Other long term benefits

a) Compensated absence

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:	2022-23	2021-22
Discount Rate (per annum)	7.40%	6.90%
Rate of increase in compensation levels*	7.50%	7.50%

* 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) 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:	2022-23	2021-22
Discount Rate (per annum)	7.40%	6.90%

(All Amounts in Thousands of Indian Rupees)

3.26 Disclosures For ULIP Business

The Company has presented the standalone financial statements of the unit linked funds in **Annexure 1** and **Annexure 2** as required by the Master Circular.

8.27 Statement showing Controlled Fund

(Rs. in Crores)

1	Computation of Controlled fund as per the Balance Sheet	2022-23	2021-22
	Policyholders' Fund (Life Fund)		
	Participating		
	Individual Assurance	58,052	52,070
	Individual Pension	36	40
	Non-Participating		
	Individual Assurance	18,358	12,507
	Group Assurance	1,588	1,513
	Individual Annuity	2,989	1,560
	Health Assurance	39	13
	Group Annuity	79	1
	Linked		
	Individual Assurance	28,817	27,704
	Group Assurance	182	158
	Individual Pension	1,607	1,799
	Group Superannuation	-	-
	Group Gratuity	-	-
	Discontinued on account of non payment of premium	4,885	4,040
	Funds for Future Appropriations		
	Linked	-	-
	Non Linked	3,580	3,237
	Total (A)	**120,212**	**104,642**
	Shareholders' Fund		
	Paid up Capital	1,919	1,919
	Reserves & Surpluses	1,621	1,276
	Fair Value Change	7	1
	Borrowings	496	496
	Total (B)	**4,043**	**3,692**
	Misc. expenses not written off	-	-
	Credit / (Debit) from P&L A/c.	-	-
	Total (C)	**-**	**-**
	Total Shareholders' funds (B+C)	**4,043**	**3,692**
	Controlled Fund (Total (A+B-C))	**124,255**	**108,334**

(All Amounts in Thousands of Indian Rupees)

2	Reconciliation of the Controlled Fund from Revenue and Profit & Loss Account	2022-23	2021-22
	Opening Balance of Controlled Fund	108,334	91,223
	Add: Inflow		
	Income		
	Premium Income	25,342	22,414
	Less: Reinsurance ceded	(460)	(427)
	Net Premium	**24,882**	**21,987**
	Investment Income	6,083	8,710
	Other Income	69	52
	Funds transferred from Shareholders' Accounts	210	132
	Total Income	**31,244**	**30,881**
	Less: Outgo		
	(i) Benefits paid (Net)	9,976	9,273
	(ii) Interim Bonus paid	3	4
	(iii) Change in Valuation of Liability	15,060	16,458
	(iv) Commission	1,614.	1,403
	(v) Operating Expenses	3,791	3,210
	(vi) Provision for Taxation	-	-
	Total Outgo	**30,444**	**30,348**
	Surplus of the Policyholders' Fund	800	533
	Less: transferred to Shareholders' Account	456	278
	Net Flow in Policyholders' account	343	255
	Add: Net income in Shareholders' Fund	435	387
	Net Inflow / Outflow	**778**	**642**
	Add: Change in valuation liabilities	15,060	16,458
	Add: Change in valuation of Investment Property	22	24
	Add: Increase in Paid up Capital	-	-
	Add: Change in Fair Value Change account	151	(339)
	Add: Change in Share Premium	-	(2)
	Add: Change in Borrowings	-	496
	Less: Dividend paid	-	(177)
	Less: Change in Reserves & Surplus (Realised Hedge Reserve)	(90)	9
	Closing Balance of Controlled Fund	**124,255**	**108,334**
	As Per Balance Sheet	124,255	108,334
	Difference	-	-

(All Amounts in Thousands of Indian Rupees)

3	Reconciliation with Shareholders' and Policyholders' Fund	2022-23	2021-22
	Policyholders' Funds		
3.1	**Policyholders' Funds - Traditional-PAR and NON-PAR**		
	Opening Balance of the Policyholders' Fund	70,941	59,532
	Add: Surplus of the Revenue Account	343	255
	Add: Change in valuation Liabilities	13,270	11,440
	Add: Change in Valuation of Investment Property	22	24
	Add: Change in Fair Value Change account	145	(310)
	Total	**84,721**	**70,941**
	As per Balance Sheet	84,721	70,941
	Difference	-	-
3.2	**Policyholders' Funds - Linked**		
	Opening Balance of the Policyholders' Fund	33,701	28,683
	Add: Surplus of the Revenue Account*	-	-
	Add: Change in valuation Liabilities	1,790	5,018
	Total	**35,491**	**33,701**
	As per Balance Sheet	35,491	33,701
	Difference	-	-

3.3	Shareholders' Funds	2022-23	2021-22
	Opening Balance of Shareholders' Fund	3,692	3,008
	Add: Net income of Shareholders' account (P&L)	435	387
	Add: Infusion of Capital	-	-
	Add: Change in Share Premium	-	(2)
	Add: Change in Realised Hedge Reserve	(90)	9
	Add: Change in Borrowings	-	496
	Add: Change in Fair Value Change account	6	(29)
	Less: Dividend paid	-	(177)
	Closing Balance of the Shareholders' fund	**4,043**	**3,692**
	As per Balance Sheet	4,043	3,692
	Difference	-	-
	*Surplus in Linked Fund transferred to Shareholders		

3.28 The additional disclosures on expenses pursuant to the IRDAI Master Circular No. IRDA/F&A/Cir /232/12/2013 dated December 11, 2013 have been detailed herein below:

Heads	2022-23	2021-22
Outsourcing Expenses*	760,379	999,934
Business Development	739,179	316,031
Marketing Support	-	-

*The disclosure is as per Insurance Regulatory and Development Authority of India (Outsourcing of Activities by Indian Insurers) Regulations, 2017.

(All Amounts in Thousands of Indian Rupees)

3.29 Additional disclosure pursuant to clause 7.1 (g) of Corporate Governance Guidelines issued by the IRDAI

Name of the auditor	Services rendered	2022-23	2021-22
FRASER & ROSS	NAV Certification, Rural & Social Certification, Form I, EOM Certification, Consolidation Pack, Investment Certification, Internal Financial Control, Tax Audit, SEBI LODR compliances	6,427	6,052
B. K. Khare & Co.	NAV Certification, Claim Certificate, Internal Financial Control, SEBI LODR compliances	1,467	1,592

3.30 The Micro, Small and Medium Enterprises Development Act, 2006:

Under the Micro Small and Medium Enterprises Development Act 2006 certain disclosures are required to be made relating to Micro Small and Medium Enterprises. The following table sets forth, for the periods indicated, details relating to enterprises covered under the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006.

S. No.	Particulars	2022-23		2021-22	
		Principal	Interest	Principal	Interest
1.	The Principal amount and the interest due thereon remaining unpaid to any supplier	14,821	Nil	4,470	Nil
2.	The amount of interest paid by the buyer in terms of Section 16, along with the amount of the payment made to the supplier beyond the due date	Nil	Nil	Nil	Nil
3.	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under MSMED Act, 2006	Nil	Nil	Nil	Nil
4.	The amount of interest accrued and remaining unpaid at the end of year	Nil	Nil	Nil	Nil
5.	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowed as a deductible expenditure under Section 23	Nil	Nil	Nil	Nil

(All Amounts in Thousands of Indian Rupees)

3.31 Disclosures on penalties forming part of standalone financial statements as per Master circular on Preparation of Financial Statements IRDA/F&A/Cir /232/12/2013 dated December 11, 2013

For the year ended March 31, 2023

S. No.	Authority	Non-Compliance/ Violation	Penalty Levied	Penalty Paid	Penalty Waived / Reduced
1	Insurance Regulatory and Development Authority	Violation of the regulatory provisions in relation to the share swap / transfer arrangement entered with Axis Bank	30,000	30,000	Nil
2	Service Tax Authorities (Including Central Board of Indirect Taxes and Customs)	Not Any	Nil	Nil	Nil
3	Income Tax Authorities	Not Any	Nil	Nil	Nil
4	Any other Tax Authorities	Not Any	Nil	Nil	Nil
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Not Any	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/ CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Not Any	Nil	Nil	Nil
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	To the best of our knowledge and belief, there was no material penalty awarded for the period April 2022 to March 2023	Nil	Nil	Nil
8	Securities and Exchange Board of India	Not Any	Nil	Nil	Nil
9	Competition Commission of India	Not Any	Nil	Nil	Nil
10	Any other Central/State/Local Government/ Statutory Authority	Penalty levied by National Stock Exchange (NSE) for delay of one day in intimations to the stock exchange.	15	15	Nil

(All Amounts in Thousands of Indian Rupees)

For the year ended March 31, 2022

S. No.	Authority	Non-Compliance/ Violation	Penalty Levied	Penalty Paid	Penalty Waived/ Reduced
1	Insurance Regulatory and Development Authority	Violation of IRDAI (Outsourcing of activities by Indian Insurers) Regulations, 2017	300	300	Nil
2	Service Tax Authorities (Including Central Board of Indirect Taxes and Customs)	Not Any	Nil	Nil	Nil
3	Income Tax Authorities	Not Any	Nil	Nil	Nil
4	Any other Tax Authorities	Not Any	Nil	Nil	Nil
5	Enforcement Directorate/ Adjudicating Authority/ Tribunal or any Authority under FEMA	Not Any	Nil	Nil	Nil
6	Registrar of Companies/ NCLT/CLB/ Department of Corporate Affairs or any Authority under Companies Act, 1956	Not Any	Nil	Nil	Nil
7	Penalty awarded by any Court/ Tribunal for any matter including claim settlement but excluding compensation	To the best of our knowledge and belief, there was no material penalty awarded for the period April 2021 to March 2022	Nil	Nil	Nil
8	Securities and Exchange Board of India	Not Any	Nil	Nil	Nil
9	Competition Commission of India	Not Any	Nil	Nil	Nil
10	Any other Central/State/ Local Government / Statutory Authority	Not Any	Nil	Nil	Nil

3.32 Disclosures on unclaimed amounts forming part of standalone financial statements under Master circular IRDA/F&A/Cir/Misc/282/11/2020

FY 2022-23

Particulars	Total Amount	0-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	37-120 Months	Beyond 120 Months
Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policyholders	-	-	-	-	-	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise.	536,119	160,115	102,246	54,547	54,710	43,678	32,749	86,220	1,854

(All Amounts in Thousands of Indian Rupees)

Particulars	Total Amount	0-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	37-120 Months	Beyond 120 Months
Any excess collection of the premium / tax or any other charges which is refundable to the policyholder either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far.	-	-	-	-	-	-	-	-	-
Cheques issued but not encashed by the policyholder / insured.	494,522	86,657	69,375	43,060	39,272	23,625	28,439	199,114	4,980
TOTAL	**1,030,641**	**246,772**	**171,621**	**97,607**	**93,982**	**67,303**	**61,188**	**285,334**	**6,834**

Disclosures on unclaimed amounts forming part of standalone financial statements under Master circular IRDA/F&A/Cir/Misc/282/11/2020

FY 2021-22

Particulars	Total Amount	0-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	37-120 Months	Beyond 120 Months
Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policyholders	-	-	-	-	-	-	-	-	-
Sum due to the insured / policyholders on maturity or otherwise.	414,261	127,439	103,773	56,148	46,372	23,263	17,233	39,263	770
Any excess collection of the premium / tax or any other charges which is refundable to the policyholder either as terms of conditions of the policy or as per law or as may be directed by the Authority but not refunded so far.	-	-	-	-	-	-	-	-	-
Cheques issued but not encashed by the policyholder / insured.	135,335	18,602	18,137	4,379	13,435	12,397	17,577	50,046	762
TOTAL	**549,596**	**146,041**	**121,910**	**60,527**	**59,807**	**35,660**	**34,810**	**89,309**	**1,532**

(All Amounts in Thousands of Indian Rupees)

Details of Unclaimed amounts and Investment Income

Particulars	2022-23		
	Policy Dues	Income Accrued	Total
Opening Balance	532,858	16,738	549,596
Add: Amount transferred to Unclaimed Fund	1,616,345	-	1,616,345
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)	4,674,187	-	4,674,187
Add: Investment Income on Unclaimed Fund	-	48,327	48,327
Less: Amount of claims paid (outflow) during the year	5,806,618	30,965	5,837,583
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	19,360	873	20,233
Closing Balance of Unclaimed Fund	**997,414**	**33,227**	**1,030,641**

Particulars			2021-22
	Policy Dues	Income Accrued	Total
Opening Balance	551,422	16,963	568,385
Add: Amount transferred to Unclaimed Fund	1,153,822	-	1,153,822
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)	4,760,569	-	4,760,569
Add: Investment Income on Unclaimed Fund	-	26,395	26,395
Less: Amount of claims paid (outflow) during the year	5,884,130	25,225	5,909,355
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	48,825	1,395	50,220
Closing Balance of Unclaimed Fund	**532,858**	**16,738**	**549,596**

In accordance with IRDAI Master circular no. IRDA/F&A/CIR/MISC/282/11/2020 on "Unclaimed Amount of Policyholders" dated November 17, 2020 read with rule 3 (6) of Senior Citizens' Welfare Fund Rules, 2016, the unclaimed of policyholders which are more than 120 months as on September 30 every year, will be transferred to the Senior Citizens' Welfare Fund (SCWF) on or before March 01 of that financial year.

Particulars	2022-23	2021-22
Amount transferred during the year to Senior Citizen's Welfare Fund	20,233	50,220

3.33 Disclosures forming part of standalone financial statements as required under IRDAI (Linked Insurance Products) Regulations, 2013

a) **Movement in funds for discontinued policies**

Particulars		2022-23	2021-22
	Fund for Discontinues Policies		
	Opening Balance of Funds for discontinued policies	40,396,839	29,032,995
Add:	Fund of policies discontinued during the year	33,270,811	29,616,959
Less:	Fund of policies revived during the year	14,769,172	12,207,455
Add:	Net Income/ Gains on investment of the fund	2,079,363	1,741,079
Less:	Fund Management Charges levied	269,502	210,780
Less:	Amount refunded to policyholders during the year	11,861,521	7,575,959
	Closing balance of fund for discontinued policies	**48,846,818**	**40,396,839**

(All Amounts in Thousands of Indian Rupees)

b) **Percentage of discontinued to Total Policies (product wise)**

Product Name	2022-23	2021-22
Max Life Fast Track Super	22.0%	21.5%
Max Life Shiksha Plus Super	13.8%	21.0%
Max Life MAXIS Super	1.0%	4.0%
Max Life Platinum Wealth Plan	19.1%	22.5%
Max Forever Young Pension Plan	23.3%	22.9%
Max Life Online Savings Plan	37.3%	26.0%
Max Life Flexi Wealth Plus	36.1%	16.5%
Max Life Flexi Wealth Advantage Plan	1.0%	-

c) **Number and percentage of policies revived**

Particulars	2022-23	2021-22
Number of policies revived	61,103	48,448
Number of policies discontinued	124,361	106,734
Percentage of policies revived	49.13%	45.39%

d) **Charges imposed on account of discontinued policies**

Particulars	2022-23	2021-22
Charges imposed on account of discontinued policies	379,096	330,525
Charges readjusted on account of revival of policies	187,465	152,511

3.34 Bonus to Par policyholders, consequent transfer to shareholders' account will be made upon payment of special bonus in accordance with IRDAI (Distribution of Surplus) Regulations, 2002.

3.35 Details of historical cost of investments valued on fair value basis:

Particulars	Asset Type	As at March 31, 2023		As at March 31, 2022	
		Historical Cost	Fair Value	Historical Cost	Fair Value
Shareholders Fund	Equity	2,885,122	2,948,728	1,960,024	1,970,779
	Mutual Fund	3,500,000	3,502,665	1,800,000	1,800,231
	Investment Property	913,913	918,344	913,913	913,913
	Preference Shares	320	320	-	-
	Total	**7,299,355**	**7,370,057**	**4,673,937**	**4,684,923**
Non Linked Policyholders	Equity	97,419,216	103,773,684	66,572,266	72,410,750
	Mutual Funds/Exchange Traded Funds	1,000,000	1,000,693	5,400,000	5,400,609
	Real Estate Investment Trusts	1,899,613	1,905,660	1,476,368	1,674,422
	Alternate Investment Funds	1,804,377	2,309,005	859,473	1,163,126
	Additional Tier- I Bonds	-	-	291,752	302,799
	Infrastructure Investment Trust	1,244,018	1,595,225	1,559,639	2,117,612
	Investment Property	7,361,235	7,843,007	7,361,235	7,623,541
	Total	**110,728,459**	**118,427,274**	**83,520,733**	**90,692,859**
Linked Policyholders	Equity	183,133,096	196,212,796	151,454,114	163,934,939
	Mutual Funds/Exchange Traded Funds	6,034,094	7,224,603	14,113,380	16,082,320
	Government Securities	55,969,932	55,419,515	65,255,203	64,426,742
	Debentures/ Bonds	40,293,680	39,639,314	30,252,186	29,928,345
	Total	**285,430,802**	**298,496,229**	**261,074,883**	**274,372,346**

(All Amounts in Thousands of Indian Rupees)

3.36 Disclosure of participation of insurer in repo / reverse repo transactions in corporate debt securities as per IRDAI circular no. IRDAI/F&I/CIR/INV/250/12/2012:

For the year ended March 31, 2023:

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily average Outstanding during the year	Outstanding as on March 31, 2023
Security sold under repo				
Government securities	-	-	-	-
Corporate Debt securities	-	-	-	-
Security purchased under reverse repo				
Government securities	20,207,057	52,125,983	38,218,461	35,517,998
Corporate Debt securities	-	-	-	-

For the year ended March 31, 2022:

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily average Outstanding during the year	Outstanding as on March 31, 2022
Security sold under repo				
Government securities	-	-	-	-
Corporate Debt securities	-	-	-	-
Security purchased under reverse repo				
Government securities	14,804,994	46,775,060	25,214,172	44,993,048
Corporate Debt securities	-	-	-	-

3.37 Statement containing names, descriptions, occupations of and directorships held by the persons in charge of management of the business under Section 11 (3) of Insurance Act, 1938:

From April 01, 2022 to March 31, 2023
Name: Mr. Prashant Tripathy
Designation: Managing Director & Chief Executive Officer
Occupation : Service
Directorships held during the year as on March 31, 2023 (apart from Max Life): 1 (Max Life Pension Fund Management Limited)

3.38 During the year ended March 31, 2023, the Company has reassessed the useful lives of certain business applications. Management believes that the revised useful lives of the assets reflect the period over which these assets are expected to be used based on the technical inputs and capability analysis. As a result of the change, the charge in the Revenue Account on account of depreciation for the year ended March 31, 2023, has reduced by Rs. 428,466 (March 31, 2022: Rs. 46,127).

3.39 Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, the Company has provided for and spent Rs. 100,000 (March 31,2022 Rs. 84,038) on various CSR initiatives, during the year, which are as given below:

During the year ended March 31, 2023

CSR Project/Activity	Sector in which project is covered	2022-23
Education - Continued Support To NGOs	Education	77,195
Administrative Exp of Max India Foundation	Office expenses	2,805
Financial Literacy & Volunteer Support	Education, Environment & Health etc	20,000
Total Amount		**100,000**

(All Amounts in Thousands of Indian Rupees)

During the year ended March 31, 2022

CSR Project/Activity	Sector in which project is covered	2021-22
Education - Continued Support To NGOs	Education	72,259
Administrative Exp of Max India Foundation	Office expenses	2,675
Financial Literacy & Volunteer Support	Education, Environment & Health etc	20,000
Total Amount*		**94,934**

* Amount of Rs. 10,896 paid by the Company to Max India Foundation remained unapplied at the end of the Financial Year 2020-21. The same has been applied in Financial Year 2021-22.

3.40 Derivatives

In accordance with the IRDAI master circular for Investment Regulations, 2016 allowing insurers to deal in rupee denominated interest rate derivatives, the Company has Board approved policy covering various aspects related to functioning of the derivative transactions which are undertaken to mitigate interest rate risk as per the hedge strategy, thereby managing the volatility of returns from future fixed income investments, due to variations in market interest rates.

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.

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.

The Company uses hedge Accounting as per guidance note on derivative issued by the Institute of Chartered Accountants of India.

The following table sets forth, for the period indicated, the details of derivative positions:

(All Amounts in Thousands of Indian Rupees)

3.40.1 Amount outstanding and Mark to Market values

Particulars	At March 31, 2023	At March 31, 2022
	Interest rate derivatives	Interest rate derivatives
Cash Flow Derivatives		
1 Derivatives (Outstanding Notional Amount)	187,105,575	136,483,105
2 Derivatives (Average Notional Amount)	159,685,855	120,060,521
3 Marked to market positions		
a) Asset (+)	761,772	291,696
b) Liability (-)	2,023,452	2,490,274
4 Credit exposure		
Current Credit Exposure	761,772	291,696
Potential Future Credit Exposure	5,721,813	4,387,565

3.40.2 Benchmark wise derivative position

FY 2022-23

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	136,483,105	79,224,242	28,601,772	187,105,575
2	Interest Rate Swaps (IRS)	MIOIS/ MIBOR	-	-	-	-	-
3	Interest Rate Futures (IRF)	GOI	-	-	-	-	-

FY2021-22

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	100,466,655	55,385,990	19,369,540	136,483,105
2	Interest Rate Swaps (IRS)	MIOIS/ MIBOR	-	-	-	-	-
3	Interest Rate Futures (IRF)	GOI	-	-	-	-	-

(All Amounts in Thousands of Indian Rupees)

3.40.3 Counterparty Wise derivative position

FY2022-23

S.No.	Counterparty	Notional of Derivative Contract o/s	Current Credit Exposure	Potential Future Credit Exposure
1	JP Morgan Chase	32,951,552	66,958	1,060,803
2	Standard Chartered Bank	16,135,990	21,015	335,551
3	HSBC Bank	8,384,123	1,844	199,468
4	DBS Bank	24,913,833	18,433	524,796
5	Credit Suisse	19,385,375	91,838	769,813
6	CITI Bank	17,197,657	1,261	834,807
7	BNP Paribas	8,830,716	62,523	179,039
8	ICICI Bank	17,503,725	33,597	460,134
9	HDFC Bank	4,860,557	9,905	148,711
10	ANZ Bank	19,713,671	227,644	626,594
11	Barclays Bank	17,228,376	226,754	582,097
	Total	**187,105,575**	**761,772**	**5,721,813**

FY2021-22

S.No.	Counterparty	Notional of Derivative Contract o/s	Current Credit Exposure	Potential Future Credit Exposure
1	JP Morgan Chase	25,272,628	53,469	756,265
2	Standard Chartered Bank	22,371,726	58,738	560,840
3	HSBC Bank	11,507,473	7,199	310,148
4	DBS Bank	23,316,329	22,267	634,146
5	Credit Suisse	9,725,048	1,816	306,417
6	CITI Bank	23,247,620	115,548	1,124,692
7	BNP Paribas	12,505,173	19,918	306,897
8	ICICI Bank	4,881,176	-	238,571
9	HDFC Bank	1,541,796	12,740	85,842
10	ANZ Bank	2,114,136	-	63,747
	Total	**136,483,105**	**291,696**	**4,387,565**

The Guidance note on Hedge Accounting dated July 01, 2021 issued by Institute of Chartered Accountants of India specifically provides that any cumulative gain or loss on the hedging instrument that remains recognised directly in the appropriate equity account from the period when the hedge was effective should remain separately recognised in the equity account until the forecast transaction occurs. In addition, the IRDAI regulation on Preparation of Financial Statements and Auditors report of Insurance Companies, 2002 clearly defines the Fair Value change to reflect only unrealised gains/ losses arising due to changes in the fair value of listed equity shares and derivative instruments.

The amount under Realised Hedge Reserves shall be recycled to Revenue Account basis the forecasted transaction impacts the revenue account. Till such time, the amount reflected as part of Realised Hedge Reserves will not be available for payment of dividends to Shareholders.

(All Amounts in Thousands of Indian Rupees)

3.40.4 Movement in Hedge Reserve

a) 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	919,768	(378,591)	541,177	684,577	1,170,108	1,854,685
Add: Changes during the year	(695,062)	1,145,729	450,677	296,374	(1,548,699)	(1,252,325)
Less: Amounts reclassified to Revenue / Profit & Loss Account included in 'Interest, Dividends & Rent- Gross'	72,662	-	72,662	61,183	-	61,183
Balance at the end of the year	**152,044**	**767,138**	**919,182**	**919,768**	**(378,591)**	**541,177**

b) 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	400,726	-	400,726	547,554	-	547,554
Add: Changes during the year	-	-	-	-	-	-
Less: Amounts reclassified to Revenue / Profit & Loss Account included in 'Interest, Dividends & Rent-Gross'	135,310	-	135,310	146,828	-	146,828
Balance at the end of the year	**265,416**	**-**	**265,416**	**400,726**	**-**	**400,726**

3.41 Borrowings Disclosure

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.

(All Amounts in Thousands of Indian Rupees)

3.41.1 Terms of Borrowings:

Security name	7.50% Max Life Insurance 2031
Type and Nature	Unsecured, subordinated, fully paid-up, rated, listed, redeemable NCDs
Face Value (per security)	Rs. 1,000
Issue Size	Rs. 4,960,000
Date of Allotment	August 2, 2021
Redemption Date/ Maturity Date	August 2, 2031
Call option Date 1, 2, 3, 4, 5	August 2, 2026, August 2, 2027, August 2, 2028, August 2, 2029 and August 2, 2030 respectively
Listing	Listed on Wholesale Debt Market (WDM) segment of NSE
Credit Rating	"CRISIL AA+/Stable" by CRISIL and "[ICRA]AA+(Stable)" by ICRA
Coupon Rate	7.50% per annum
Frequency of the Interest Payment	Annual

Interest of Rs. 373,019 (Year ended March 31, 2022: 245,622) on the said NCDs has been charged to the Standalone Profit and Loss Account.

3.41.2 Maturity pattern from the date of issuance:

Maturity Buckets	Amount
1 to 5 years	-
Above 5 years	Rs. 4,960,000

The Company has written off the debenture raising expenses of Rs. Nil (March 31, 2022: Rs. 19,178) against the Share Premium account as per Section 52 of Companies Act, 2013.

3.42 Deposits made under local laws

The Company has Nil (March 31, 2022: Nil) made under local laws or otherwise encumbered in or outside India as of March 31, 2023, except investments and deposits detailed in Note 3.4 of Schedule 16 (3).

3.43 Performing and non-performing investments

The Company did not hold any non-performing investments during the year except for exposure in ILFS (Infrastructure Leasing & Financial Services Ltd.). In current financial year there is no NPA booked. The Company has exposure of Rs. 250,000 in Linked Segement and Rs. 100,000 in Shareholder fund in ILFS. The same has been fully provided in earlier years. Interest income on these is recognized on receipt basis.

3.44 Impairment of Investments

In accordance with the impairment policy of the Company, diminution in the value of investments has been recognised under the head "Provision for diminution in the value of investments (Net)" in the Standalone Revenue account and the Standalone Profit and Loss account.

The total impairment loss recognized for non-linked segment in the Standalone Revenue account for the year ended March 31, 2023 is Rs. 102,251 (March 31, 2022: Rs. 3,862). Further, impairment (reversal) / loss recognised in the Standalone Profit and Loss account for the year ended March 31, 2023 is Rs. Nil (March 31, 2022: Rs. (-) 11,839). Refer note 3.3 on Schedule 16.

(All Amounts in Thousands of Indian Rupees)

3.45 Pending Litigation

The Company's pending litigations comprise of claims against the Company primarily by the customers and proceedings pending with Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities wherever applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its standalone financial statement at March 31, 2023. In respect of litigations, where the assessment of management for financial outflow is probable, the Company has made a provision of Rs. 1,805,649 at March 31, 2023 (March 31, 2022: Rs. 1,193,885). Refer note 3.1 of Schedule 16 for details on contingent liabilities.

3.46 The 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 Rs. 550,000 to manage pension fund business. Initial paid up capital of Rs. 550,000 has been infused in the month of April 2022.

3.47 Long Term contract

The Company has a process whereby all long term contracts are assessed periodically for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law / Accounting standards for material foreseeable losses on such long term contracts including derivative contracts, if any has been made in the standalone financial statements.

In Insurance Contract, for calculation of actuarial valuation of liabilities for policies in force, reliance has been placed on the Appointed Actuary of the Company. The Appointed Actuary has confirmed that the assumptions used in valuation of liabilities for policies in force 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.

3.48 Revaluation of Investment Property

In accordance with the IRDAI Regulations, 2002 (Preparation of Financial Statements and Auditors' Report of Insurance Companies), the Company's Investment Property are revalued after every three years. During the year ended March 31, 2023 Company has revalued its investment properties which were due for revaluation and market value for such properties is based on valuation performed by an independent valuer. The methods used in valuation of property includes "Discounted Cashflow Method (Rent Reversion)". The real estate investment property is accordingly valued at Rs. 8,761,351 at March 31, 2023 (March 31, 2022: Rs. 8,537,454). The historical cost of the property at March 31, 2023 is Rs. 8,275,148 (March 31, 2022: Rs. 8,275,148).

3.49 Ind AS Implementation

IRDAI issued a circular on July 14, 2022 on "Ind AS Implementation in Insurance sector". The Board Audit Committee has been entrusted with the responsibility of overseeing the progress of the Ind AS (equivalent of IFRS converged standards in India) implementation process and report to the Board quarterly. The Company has set up a steering committee headed by CFO having cross functional representation from Finance & Accounts, Actuarial, Technology etc. to immediately initiate the implementation process. Further, quarterly progress/update is being made to the Board via Audit committee.

The Authority is also in the process of defining the roadmap (including timelines and tasks) for the said

(All Amounts in Thousands of Indian Rupees)

convergence.

Globally IFRS 17 has gone live from January 1, 2023; ICAI has also issued an exposure draft of amendments in Ind AS 117 and issuance of the final standard is awaited. The Company has engaged an external consultant to conduct the initial gap and high-level impact assessment.

Signatures to Schedules 1 to 16

In terms of our report attached

For Fraser & Ross	For B.K. Khare & Co.	For and on behalf of the Board of Directors of Max Life Insurance Company Limited		
Chartered Accountants ICAI Firm Registration No. 000829S	Chartered Accountants ICAI Firm Registration No. 105102W			
Satpal Singh Arora Partner Membership No. 098564	**Shirish Rahalkar** Partner Membership No. 111212	**Analjit Singh** Chairman DIN: 00029641	**Prashant Tripathy** Managing Director & CEO and Principal officer DIN: 08260516	**Amrit Singh** Chief Financial Officer PAN: ASXPS1781R
		Prashant Tripathy Director DIN: 08260516	**V. Viswanand** Director DIN: 08260553	**Anurag Chauhan** Company Secretary Membership No. F9899
		Jose John Appointed Actuary		
Place : Date :	Place: Date :	Place: Date :		

MAX | FINANCIAL SERVICES

MAX FINANCIAL EMPLOYEE WELFARE TRUST MUMBAI

Financial Review

INDEPENDENT AUDITORS' REPORT

To the Members of **Max Financial Employee Welfare Trust**

Report on the Audit of the Financial Statements

OPINION

We have audited the Financial Statements of Max Financial Employee Welfare Trust ("the Trust"), which comprise the Balance sheet as at March 31, 2023, the Income and Expenditure Account for the period from 11th May 2022 to 31st March 2023 and a summary of significant accounting policies and other explanatory information hereinafter referred to as "the Financial Statements".

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of the balance sheet, of the state of affairs of the Trust as at 31st March 2023; and

b) In the case of the income and expenditure account, deficit for the period from 11th May 2022 to 31st March 2023.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing ("SAs"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

TRUST MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The management is responsible for preparation of the financial statements that give a true and fair view of the financial position and financial performance in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets 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.

In preparing the financial statements, management is responsible for assessing the ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the trust or to cease operations, or has no realistic alternative but to do so.

AUDITORS' RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the 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 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 Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

For **P G BHAGWAT LLP**
Chartered Accountants
Firm's Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No.: 136835
UDIN: 23136835BGXPNZ2648

Pune
May 12, 2023

Name of the Trust: Max Financial Employee Welfare Trust
Balance Sheet as at 31st March, 2023

Funds & Liabilites	As at 31.03.2023	As at 31.03.2022	Properties & Assets	As at 31.03.2023	As at 31.03.2022
	(Rs)	(Rs)		(Rs)	(Rs)
Corpus Fund	10,000		**Investment**		
			Shares of Max Financials Securities Limited	**1,218,689,178**	-
Net Corpus fund	**10,000**	-			
			Expenditure over Income	**68,583,684**	-
Current liability					
interest on loan payable	**68,459,043**	-	**Cash and Bank Balances**		
Audit Fees Payable	**15,000**	-	Current Bank Account with AXIS Bank (In the name of Max Financials Employee Welfare Trust)	**320,813**	-
Sundry Creditors					
SBI-SG GLOBAL SECURITIES SERVICES PRIVATE LIMITED	**109,632**				
Unsecured Loan (Refer Note 1)	**1,219,000,000**	-			
	1,287,593,675	-		**1,287,593,675**	-

As per our report of even date

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No: 136835

Place : Pune
Date: 12th May 2023

For Max Financials Employee Welfare Trust

KP Corporate Solutions Limited (Trustee)
Mr. Rahul Somani
Authorised Signatory

Place : Pune
Date: 12th May 2023

Name of the Trust: Max Financial Employee Welfare Trust

Income & Expenditure Account for the year ending 31st March 2023

EXPENDITURE	2022-23 (Rs)	2021-22 (Rs)	INCOME	2022-23 (Rs)	2021-22 (Rs)
To Audit Fees	**15,000.00**	-	By Rent	-	-
To Interest on loan	**68,459,043.00**	-	By Interest	-	-
To Demat custody charges	**109,631**	-	By Donations in cash or kind	-	-
To Miscellaneous Exp	**10**	-	By Grants	-	-
			By deficit carried over to Balance Sheet	**68,583,684**	-
Total (Rs)	**68,583,684**	-	**Total (Rs)**	**68,583,684**	-

As per our report of even date

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No: 136835

Place : Pune
Date: 12th May 2023

For Max Financials Employee Welfare Trust

KP Corporate Solutions Limited (Trustee)
Mr. Rahul Somani
Authorised Signatory

Place : Pune
Date: 12th May 2023

MAX FINANCIAL EMPLOYEE WELFARE TRUST MUMBAI
NOTES TO ACCOUNTS

Significant Accounting Policies:

a. Accounts are prepared on accrual basis of accounting.
b. Investments are stated at cost.
c. The Trust has no contingent liability as on date.

Notes:

1. Maxlife Insurance Limited has provided an unsecured loan of Rs. 1,21,90,00,000 @6.80% interest rate & Interest which is variable based on the expected shareholder fund yield and will be reviewed on an annual basis.

As per our report of even date

For **P G BHAGWAT LLP**
Chartered Accountants
Firm Registration Number: 101118W/W100682

Abhijeet Bhagwat
Partner
Membership No: 136835

Place : Pune
Date: 12th May 2023

For Max Financials Employee Welfare Trust

KP Corporate Solutions Limited (Trustee)
Mr. Rahul Somani
Authorised Signatory

Place : Pune
Date: 12th May 2023

FINANCIAL REVIEW

MAX LIFE PENSION FUND MANAGEMENT LIMITED

INDEPENDENT AUDITOR'S REPORT

To the Members of Max Life Pension Fund Management Limited

Report on the Audit of the Financial Statements

OPINION

We have audited the accompanying financial statements of Max Life Pension Fund Management Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit including other comprehensive income, its cash flows and the changes in equity for the period ended on that date.

BASIS FOR OPINION

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

KEY AUDIT MATTERS

Reporting of Key audit matters are not applicable on the Company being unlisted entity.

OTHER INFORMATION

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board's Report including annexures to Board's Report, but does not include the financial statements and our auditor's report thereon. The Board Report is expected to be made available to us after the date of this auditor's report. Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. When we read the Board's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

RESPONSIBILITIES OF MANAGEMENT FOR THE 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if

such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

(c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows 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 financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2023 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 these financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

(g) In our opinion and according to the information and explanations given to us, the managerial remuneration paid/ provided by the company for the period ended March 31,2023 is in accordance with the provisions of section 197 read with schedule V to the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company did not have any pending litigations which would impact its financial position;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There were no amount which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a. The management has represented that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, 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 persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   b. The management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   c. Based on such audit procedures, we have 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) contain any material mis-statement.

v. The Company has not declared and paid any dividend during the period. Therefore, reporting in this regard is not applicable to the Company.

vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable to the Company w.e.f. April 1, 2023. Therefore, reporting in this regard is not applicable.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Chanderkant Choraria
Partner
Membership No. 521263
UDIN : 23521263BGXKHA1684

Date: April 25, 2023
Place: Noida (Delhi – NCR)

Annexure A to Independent Auditor's Report of even date to the members of Max Life Pension Fund Management Limited on the financial statements as of and for the period ended March 31, 2023 (Referred to in paragraph 1 of our report on the other legal and regulatory requirements)

(i) a. (A) The Company does not have any Property, Plant & Equipment and accordingly, the requirement to report on clause 3(i)(a)(A) of the Order is not applicable to the Company.

(B) The Company does not have any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

b. The Company does not have any Property, Plant & Equipment and accordingly, the requirement to report on clause 3(i)(b) of the Order is not applicable to the Company.

c. There is no immovable property held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

d. The Company does not have any Property, Plant & Equipment, and intangible assets. Therefore, the provisions of clause 3(i)(d) of the Order in respect of revaluation of Property, Plant & Equipment are not applicable to the Company.

e. According to information and explanations given by the management, no proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Therefore, provisions of clause 3(1)(e) of the Order are not applicable to the Company.

(ii) a. The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

b. Based on our examination of the books of accounts of the Company, the Company has not been sanctioned working capital limits from banks or financial institutions during the period. Therefore, the provisions of clause 3(ii)(b) of the Order are not applicable to the Company.

(iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties except investment in a mutual fund, non-convertible debenture and state development loans which is not prejudicial to the interest of the Company. Therefore, the provisions of clause 3(iii) of the Order are not applicable to the Company.

(iv) The Company has not granted any loans or provided any guarantees or securities covered under section 185 & section 186 of the Act. In respect of investment made by the company, in our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 186 of the Act.

(v) The Company has not accepted any deposit or amount which are deemed to be deposits covered under sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended) during the period. Therefore, provisions of clause 3(v) of the Order are not applicable to the Company.

(vi) The Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.

(vii) a. According to the records of the Company examined by us, the Company is regular in depositing undisputed statutory dues including Goods and Service Tax, Provident

Fund, Employees State Insurance, Income-tax, Sales tax, Service tax, Duty of customs, Duty of excise, Value Added tax, Cess and other statutory dues as applicable, with the appropriate authorities. There were no undisputed outstanding statutory dues as at the year-end for a period of more than six months from the date they became payable.

b. According to the information and explanation given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) on account of any dispute.

(viii) According to the information and explanation given to us, there was no transactions which have not recorded in the books of account, but have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 during the period.

(ix) a. The Company has not taken any loans or other borrowings from any lender. Therefore, the provisions of clause 3(ix)(a) of the Order are not applicable to the Company.

b. According to information and explanations given by the management, the Company is not declared willful defaulter by any bank or financial institution or other lender during the period.

c. The Company has not obtained term loans during the period. Therefore, the provisions of clause 3(ix)(c) of the Order are not applicable to the Company.

d. The Company has not raised funds on short term basis during the period. Therefore, the provisions of clause 3(ix)(d) of the Order are not applicable to the Company.

e. According to the information and explanations given to us, the Company has no subsidiaries, joint ventures or associates. Therefore, the provisions of clause 3(ix)(e) and 3(ix)(f) of the Order are not applicable to the Company.

(x) a. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the period. Therefore, the provisions of clause 3(x)(a) of the Order are not applicable to the Company.

b. The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the period. Therefore, the provisions of clause 3(x)(b) of the Order are not applicable to the Company.

(xi) a. Based upon the audit procedures performed and the considering the principles of materiality outline in Standards on Auditing for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company noticed or reported during the period nor have we been informed of any such case by the management.

b. During the period, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c. According to the information and explanation given to us, there are no whistle-blower complaints received by the Company during the period.

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

(xiii) As per records of the Company examined by us, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and details for the same have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.

(xiv) a) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

b) The reports of internal auditor issued for the period till Dec'22 received upto the date of financial statement has been considered by us.

(xv) According to the information and explanations given to us, during the period in our opinion the Company has not entered into any non-cash transactions with its directors or persons connected with them, hence provision of section 192 of the Companies Act, 2013 are not applicable to the Company. Therefore, the provisions of clause 3(xv) of the Order are not applicable to the Company.

(xvi) a. In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Therefore, the provisions of clause 3(xvi)(a) of the Order are not applicable to the Company.

b. In our opinion, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the period. Therefore, the provisions of clause 3(xvi)(b) of the Order are not applicable to the Company.

c. In our opinion, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Therefore, the provisions of clause 3(xvi)(c) of the Order are not applicable to the Company.

d. According to the information and explanation given to us by the management, the Group has .... CICs which are registered with the Reserve Bank of India and one CIC which is not required to be registered with the Reserve Bank of India.

(xvii) The Company has not incurred cash losses in the financial period. Therefore, the provisions of clause 3(xvii) of the Order are not applicable to the Company.

(xviii) There has been no resignation of statutory auditors during the period. Therefore, the provisions of clause 3(xviii) of the Order are not applicable to the Company.

(xix) According to the information and explanations given to us and 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, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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 is not required to spent any amount under section 135 of the Companies Act, 2013 towards Corporate Social Responsibility. Therefore, the provisions of clause 3(xx) of the Order are not applicable to the Company.

(xxi) The Company does not have subsidiary, associate or joint venture. Therefore, the provisions of clause 3(xxi) of the Order are not applicable to the Company.

Annexure B to Independent Auditor's Report of even date to the members of Max Life Pension Fund Management Limited on the financial statements for the period ended March 31, 2023 (Referred to in paragraph 2(f) of our report on the other legal and regulatory requirements)

We have audited the internal financial controls with reference to financial statements of Max Life Pension Fund Management Limited ('the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over the financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. 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 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 Controls 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 controls 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, the Company has, in all material respects, adequate internal financial controls 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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India however the same needs to be further strengthened.

For Singhi & Co.
Chartered Accountants
Firm Reg. No. 302049E

Chanderkant Choraria
Partner
Membership No. 521263
UDIN : 23521263BGXKHA1684

Date: April 25, 2023
Place: Noida (Delhi – NCR)

MAX LIFE INSURANCE

Max Life Pension Fund Management Limited
CIN: U66020HR2022PLC101655
Registered Office: 3rd Floor, Plot no. 90C, Sector 18, Urban Estate Gurugram, Haryana-122001
Website: www.maxlifepensionfund.com

BALANCE SHEET AS AT 31 MARCH, 2023

(Rs. in lakhs)

Particulars	Note No.	As at 31.03.2023
A. ASSETS		
1. Financial assets		
(a) Cash and cash equivalents	3	7.27
(b) Bank balances other than (a) above	4	20.00
(c) Trade receivables	5	0.58
(d) Investments	6	5,676.60
(e) Other financial assets	7	88.76
Total financial assets		**5,793.21**
2. Non financial assets		
(a) Current tax assets (Net)	8	2.96
(c) Other non-financial assets	9	28.51
Total non-financial assets		**31.47**
Total assets		**5,824.68**
B. LIABILITIES AND EQUITY		
I LIABILITIES		
1. Financial liabilities		
Financial liabilities		
(a) Trade payables	10	
(i) total outstanding dues of micro enterprises and small enterprises		4.32
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		96.92
(b) Other financial liabilities	11	200.25
Total financial liabilities		**301.49**
2. Non financial liabilities		
(a) Deferred tax liabilities (net)	13	1.41
(b) Other non-financial liabilities	12	11.27
Total non-financial liabilities		**12.68**
II EQUITY		
(a) Equity share capital	14	5,500.00
(b) Other equity	15	10.51
Total equity		**5,510.51**
Total liabilities and equity		**5,824.68**

The accompanying notes are an integral part of the financial statements. 1 to 44
As per our report of even date attached

The accompanying notes are an integral part of the financial statements. 1 to 44
As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm's Registration No: 302049E

Chanderkant Choraria
Partner
Membership No: 521263

Place: Noida (Delhi - NCR)
Date: 25th April, 2023

For and on behalf of the Board of Directors
Max Life Pension Fund Management Limited

Prashant Tripathy
Chairman
DIN: 08260516

Ranbheer Dhariwal
Chief Executive Officer
PAN: AJRPD5671L

Suresh Bhagavatula
Chief Financial Officer
PAN: AIWPB7392Q
Place: Gurugram
Date: 25th April, 2023

Piyush Soni
Company Secretary
M.No.- A39924

Max Life Pension Fund Management Limited
CIN: U66020HR2022PLC101655
Registered Office: 3rd Floor, Plot no. 90C, Sector 18, Urban Estate Gurugram, Haryana-122001
Website: www.maxlifepensionfund.com

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31 MARCH, 2023

(Rs. in lakhs)

Particulars			Note No.	Period ended 31.03.2023
1.	**Revenue from operations**			
	(a)	Fund management fee		1.41
	(b)	POP commission		0.22
2.	**Total revenue from operations**			**1.63**
3.	**Other income**			
	(a)	Interest income	16	55.72
	(b)	Net gain on fair value changes	17	
		- on investments in mutual funds		223.95
4.	**Total Other Income**			**279.67**
5.	**Total Income (3+4)**			**281.30**
6.	**Expenses**			
	(a)	Employee benefits expense	18	163.89
	(b)	Other expenses	19	103.29
7.	**Total expenses**			**267.18**
8.	**Profit before exceptional items and tax (5-7)**			**14.12**
9.	**Tax expense**			
	(a)	Current tax	13	2.20
	(b)	Deferred tax charge/(credit)	13	1.41
	Total tax expense			**3.61**
10.	**Profit for the period from continuing operations(7-8)**			**10.51**
11.	**Other comprehensive income/(loss)**			
12.	**Total other comprehensive income/(loss)**			**-**
13.	**Total comprehensive income for the year (9+11)**			**10.51**
14.	**Earnings per equity share (EPS)**		22	
	(Face value of Rs. 10 per share)			
	Basic (in Rs.)			0.02
	Diluted (in Rs.)			0.02

The accompanying notes are an integral part of the financial statements. 1 to 44
As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm's Registration No: 302049E

Chanderkant Choraria
Partner
Membership No: 521263

Place: Noida (Delhi - NCR)
Date: 25th April, 2023

For and on behalf of the Board of Directors
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Piyush Soni
Company Secretary
M.No.- A39924

Place: Gurugram
Date: 25th April, 2023

Max Life Pension Fund Management Limited
CIN: U66020HR2022PLC101655
Registered Office: 3rd Floor, Plot no. 90C, Sector 18, Urban Estate Gurugram, Haryana-122001

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH, 2023

(Rs. in lakhs)

	Particulars		Period ended 31.03.2023
A.	**Cash flow from operating activities**		
	Profit before tax		14.12
	Adjustments for :		
	Interest income		(55.72)
	Fair Value changes on investments in mutual funds		(223.95)
	Operating profit before working capital changes		**(265.55)**
	Changes in working capital:		
	Adjustments for (increase)/ decrease in operating assets:		
	Bank balances other than Cash and cash equivalents		
	Trade receivables		(0.58)
	Other financial assets		(1.50)
	Other non-financial assets		(28.51)
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables		101.24
	Other non-financial liabilities		11.27
	Cash generated from operations		(183.63)
	Net income tax (paid) / refunds		(5.16)
	Net cash flow from / (used in) operating activities	**(A)**	**(188.79)**
B.	**Cash flow from investing activities**		
	Bank balances not considered as Cash and cash equivalents (placed) / matured		(20.00)
	Interest income received		45.17
	Investments in mutual funds		
	- Purchased		(13,492.44)
	- Proceeds from sale		11,670.72
	Investments in non convertible debentures		
	- Purchased		(2,494.65)
	Investments in state development loans		
	- Purchased		(1,012.75)
	Net cash flow from / (used in) investing activities	**(B)**	**(5,303.94)**
C.	**Cash flow from financing activities**		
	Proceeds from issue of equity shares		5,500.00
	Net cash (used in) financing activities	**(C)**	**5,500.00**
	Net (decrease)/increase in cash and cash equivalents	**(A+B+C)**	7.27
	Cash and cash equivalents as at the beginning of the year		-
	Cash and cash equivalents as at the end of the year (See note 3)*		**7.27**
*	Comprises:		
	a. Balance with scheduled banks		
	- in current accounts		7.27
			7.27

The accompanying notes are an integral part of the financial statements. 1 to 44
As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm's Registration No: 302049E

Chanderkant Choraria
Partner
Membership No: 521263

Place: Noida (Delhi - NCR)
Date: 25th April, 2023

For and on behalf of the Board of Directors
Max Life Pension Fund Management Limited

Prashant Tripathy
Chairman
DIN: 08260516

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Chief Financial Officer
PAN: AIWPB7392Q

Piyush Soni
Company Secretary
M.No.- A39924

Place: Gurugram
Date: 25th April, 2023

Max Life Pension Fund Management Limited
CIN: U66020HR2022PLC101655
Statement of Changes in Equity for the period ended 31 March, 2023

a. Equity share capital

(Rs. in lakhs)

	Balance at the beginning of the period	Changes	Balance at the end of the period
Particulars	**Amount**	**Amount**	**Amount**
Equity share of Rs. 10 each fully paid up			
Changes in equity share capital during the period			
Issue of equity shares (See note 14)	-	5,500.00	5,500.00
Balance at March 31, 2023	**-**	**5,500.00**	**5,500.00**

b. Other equity

(Rs. in lakhs)

Particulars	Reserves and Surplus Retained earnings	Total
Profit/(Loss) for the period	10.51	10.51
Total comprehensive income/(loss) for the period	**10.51**	**10.51**
Balance at March 31, 2023	**10.51**	**10.51**

The accompanying notes are an integral part of the financial statements. 1 to 44
As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm's Registration No: 302049E

Chanderkant Choraria
Partner
Membership No: 521263

Place: Noida (Delhi - NCR)
Date: 25th April, 2023

For and on behalf of the Board of Directors
Max Life Pension Fund Management Limited

Prashant Tripathy
Chairman
DIN: 08260516

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PAN: AIWPB7392Q

Piyush Soni
Company Secretary
M.No.- A39924

Place: Gurugram
Date: 25th April, 2023

Max Life Pension Fund Management Limited
CIN: U66020HR2022PLC101655
Notes forming part of the financial statements

1. Corporate information

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 Management Limited to act as pension fund under National Pension System (NPS). The registered address of the Company is 3rd Floor, Plot no. 90C, Sector 18, Urban Estate Gurugram, Haryana-122001.

2. Significant accounting policies

2.1 Basis of preparation

(i) Statement of Compliance

The 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 Companies (Indian Accounting Standards) Rules, 2015, as amended, 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.

The term 'period' refers to statement of profit and loss and cash flow statement is for the period started from 28th February 2022 (being the date of incorporation) to 31st March 2023 and financials were prepared for the first time.

(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 116, 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 financials are presented in Indian National Rupee (Rs) which is the company functional currency. All amounts have been rounded to the nearest Lakhs except where otherwise indicated.

2.2 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.

2.3 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.

2.4 Revenue recognition

The compay recognises revenue from contracts with customers based on a five step model as set out in Ind AS 115, Revenue from contracts with customers to determine when to recognize revenue and at what amount:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from services

The Company manages the investments of the National Pension System as formed by the Government of India through the Pension Fund Regulatory & Development Authority (PFRDA). Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services Investment Management Fee is recognised at specific rates agreed with the relevant schemes, applied on the daily net assets managed. The investment management fees are presented net of Goods and Services Tax in the Statement of Profit & Loss Account.

The Company is engaged in the business of distribution and marketing of National Pension System as per the terms and condition of appointment as a Point of Presence (POP) as per the Certificate of Registration vide registration number POP348012023. The POP income includes account opening fees, contribution processing fees and persistency income.

i) Account opening fees are due and recognised on generation of Permanent retirement account number (PRAN).

ii) Contribution Processing fees are recognised on receipt of contribution from the customer.

iii) Persistency Income is recognised on subscriber accounts active for more than six months.

POP Income are presented net of Goods and Services Tax in the Statement of Profit & Loss Account.

Interest

For all Financial instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Interest income related to the investment activities are classified as other income since these are not a part of our core operations.

2.5 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.

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.

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.

2.6 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) 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.

2.7 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.

On the basis of this evaluation, the company has concluded that it currently operates in a single reportable segment.

2.8 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.

2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax (refer note 13)

The tax currently payable is based on taxable profit for the year in accordance with the Income Tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Current Tax Assets and Current Tax Liabilities are offset only if the company has a leally enforceable right to set off the recognized amount, and it intends to realise the asset and settle the liability on a net basis or simultaneously.

Deferred tax

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets to be recovered. Deferred tax is recognised on temporary 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. Deferred tax liabilities are generally recognised for all taxable temporary differences.

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 not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill. Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiary, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Credit of Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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 recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

2.10 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.

2.11 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.

2.12 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.

I Provision

A provision is recognized when the company has a present obligation as a result of a past event and it is probable that the outflow of resources will be required to settle the obligations, in respect of which a reliable estimate can be made. Contingent liabilities are not reognised in the financial Statement.

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.

II Fair value measurements and valuation processes (See note 25)

In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent it is available. Where level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

3. Cash and cash equivalents

(Rs. in lakhs)

Particulars		As at 31.03.2023
(i)	Balance with banks	
	- in current accounts	7.27
Total		**7.27**

4. Bank balances other than cash and cash equivalents

(Rs. in lakhs)

Particulars		As at 31.03.2023
(i)	Balances in earmarked accounts	
	- Balances held as margin money against guarantee	20.00
Total		**20.00**

5. Receivables

(Rs. in lakhs)

Particulars	As at 31.03.2023
Unsecured, considered good	
- Trade receivables	0.58
Total	**0.58**

Trade Receivables - Ageing as at 31.03.2023

(Rs. 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	0.58	-	-	-	-	0.58
(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	-	-	-	-	-	-
	0.58	**-**	**-**	**-**	**-**	**0.58**

6. Investments

(Rs. in lakhs)

Particulars	As at 31.03.2023
A. Investments measured at fair value through profit or loss	
(a) Mutual funds	2,045.68
Total	**2,045.68**
B. Investments measured at amortised cost	
(a) Non convertible debentures	2,620.83
(b) State development loans	1,010.09
Total	**3,630.92**
Total Investments (A+B)	**5,676.60**
Investments outside India	-
Investments in India	5,676.60

7. Other financial assets

(Rs. in lakhs)

	Particulars	As at 31.03.2023
(i)	Security deposits	1.50
(ii)	Interest accrued on deposits and investments	87.26
	Total	**88.76**

8. Current tax assets (net)

(Rs. in lakhs)

Particulars	As at 31.03.2023
Advance tax including tax deducted at source	5.16
Less: Provision for income tax	(2.20)
Advance income tax (net of provision)	**2.96**

9. Other non financial assets

(Rs. in lakhs)

	Particulars	As at 31.03.2023
(i)	Balances with government authorities - input tax credit receivable	
	- Unsecured, considered good	28.51
	- Unsecured, considered doubtful	-
Total		**28.51**

10. Trade payables

(Rs. in lakhs)

Particulars		As at 31.03.2023
Trade payables - Other than acceptances		
-	total outstanding dues of micro enterprises and small enterprises (See note 28)	4.32
-	total outstanding dues of creditors other than micro enterprises and small enterprises	96.92
	Total	**101.24**

Trade payables - Ageing as at 31.03.2023

(Rs. in lakhs)

Particulars	Outstanding for following periods from due date of payment						
	Current but not due	Less than 1 year	1-2 years	2-3 years		More than 3 years	Total
(i) Total outstanding dues of micro enterprises (MSME)	4.32	-	-	-		-	4.32
(ii) Total outstanding dues of creditors other than MSME	96.92	-	-	-		-	96.92
(iii) Disputed dues of MSME	-	-	-	-		-	-
(iv) Disputed dues – Others	-	-	-	-		-	-
Total	**101.24**	**-**	**-**	**-**		**-**	**101.24**

11. Other financial liabilities

(Rs. in lakhs)

Particulars		As at 31.03.2023
(i)	Liability for investments	200.25
Total		**200.25**

12. Other non-financial liabilities

(Rs. in lakhs)

Particulars		As at 31.03.2023
(i)	Statutory remittances (TDS)	**11.27**
	Total	**11.27**

13. Deferred tax liabilities / assets (Net) *

(Rs. in lakhs)

	Particulars	As at 31.03.2023
a)	**Deferred Tax liability being tax impact on -**	
	Fair value of financial instruments measured at FVTPL	12.42
b)	**Deferred Tax Assets being tax impact on -**	
	i) Carry forward income tax losses	8.12
	ii) Incorporation Expenses	0.68
	iii) MAT credit entitlement	2.20
c)	**Net Deferred Tax Liabilities / (assets) (a) – (b)**	**1.41**

A Movement in deferred tax asset / (liability)

(i) Movement of deferred tax asset / (liability) for the year ended March 31, 2023

(Rs. in lakhs)

Particulars	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as on March 31, 2023
<u>Tax effect of items constituting deferred tax liabilities</u>			
Fair value of Financial Instruments measured at FVTPL	12.41	-	12.41
	12.41		**12.41**
<u>Tax effect of items constituting deferred tax assets</u>			
Incorporation expenses	0.68		0.68
MAT credit entitlement	2.20	-	2.20
Carry forward income tax losses	8.12	-	8.12
	11.00	**-**	**11.00**
Deferred tax asset / (liability) (net)	**-1.41**	**-**	**-1.41**

*

The Company recognised deferred tax assets on carry forward losses, incorporation expenses and MAT credit entitlement. The company has concluded that deferred tax assets on MAT credit entitlement, incorporation expenses and carry forward losses will be recoverable using the estimated future taxable income based on the business plans and budgets.

B Income tax recognised in Statement of Profit and Loss

(Rs. in lakhs)

Particulars			As at 31.03.2023
(a)	**Current tax**		
	In respect of current year		2.20
	Adjustments recognised in the year for current tax of prior periods		-
			2.20
(b)	**Deferred tax charge / (credit)**		
	In respect of current year		**1.41**
			1.41
	Total tax expense charged in Statement of Profit and Loss		**3.61**
(c)	**The income tax expense for the year can be reconciled to the accounting profit as follows:**		
	Profit before tax		14.12
	Applicable tax rate		26.00%
	Income tax expense calculated		3.67
	Effect of expenses that are not deductible in determining taxable profit		(0.06)
	Total tax expense charged in Statement of Profit and Loss		**3.61**

14. Equity share capital

(Rs. in lakhs)

Particulars	As at 31.03.2023
Equity share capital	5,500.00
	5,500.00
Authorised share capital:	
60,000,000 equity shares of Rs. 10 each with voting rights	6,000.00
Issued and subscribed capital comprises:	
55,000,000 equity shares of Rs. 10 each fully paid up with voting rights	5,500.00

Fully paid equity shares:	Number of shares	Share capital (Rs. in lakhs)
Issue of shares during the period	55,000,000	5,500.00
Balance as at March 31, 2023	**55,000,000**	**5,500.00**

Refer notes (i) to (iv) below

(i) The Company has only one class of equity shares having a par value of Rs. 10 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	
	No. of Shares	% Holding
Fully paid equity shares with voting rights:		
- Max Life Insurance Company Limited (including nominee shareholders)	55,000,000	100.00%

(iii) Shares held by promoters

Promoter name	As at 31.03.2023	
	No. of Shares	% of total shares
- Max Life Insurance Company Limited (including nominee shareholders)	55,000,000	100.00%

(iv) Change in shares held by promoters during the current year

Promoter name	Increase in shareholding
- Max Life Insurance Company Limited (including nominee shareholders)	100.00%

15. Other equity

(Rs. in lakhs)

	As at 31.03.2023
Profit for the year	10.51
Closing balance	**10.51**

16. Interest Income

(Rs. in lakhs)

Particulars		Period ended 31.03.2023
On financial assets measured at amortised cost		
(a)	Interest on deposits with banks	45.43
(b)	Interest on Non Convertible Debentures	9.34
(c)	Interest on State Development Loans	0.95
Total		**55.72**

17. Net gain on fair value changes

Net gain/(loss) on financial instruments at fair value through profit or loss

(Rs. in lakhs)

Particulars		Period ended 31.03.2023
(a)	Mutual Funds	223.95
		223.95
Fair Value changes :		
(a)	Realised	176.21
(b)	Unrealised	47.75

18. Employee benefits expense

(Rs. in lakhs)

Particulars		Period ended 31.03.2023
(a)	Salaries and wages *	163.89
	Total	**163.89**

* All employees are deputed from Max Life Insurance Company Limited i.e. Holding Company

19. Other expenses

(Rs. in lakhs)

Particulars		Period ended 31.03.2023
(a)	IT expenses	29.01
(b)	Marketing and research expenses	26.83
(c)	Legal and professional expenses	13.49
(d)	Director's sitting fees	12.96
(e)	Membership and subscription	10.99
(f)	Rent including lease rentals	8.41
(g)	Auditor fees and expenses (Refer Note- 27)	1.28
(h)	Rates and taxes	0.08
(i)	Miscellaneous expenses	0.24
	Total	**103.29**

20. Commitments and contingent liabilities

(Rs. in lakhs)

Particulars		Period ended 31.03.2023
A.	**Capital commitments**	Nil
B.	**Contingent liabilities**	Nil

21. Segment information

The Company is primarily engaged in the business of managing pension fund business 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.

22. Calculation of Earnings per share (EPS) - Basic and Diluted

(Rs. in lakhs)

Particulars	Period ended 31.03.2023
Basic EPS	
Profit attributable to shareholders (Rs. in lakhs)	10.51
Weighted average number of equity shares outstanding during the year (Nos.)	55,000,000
Face value per equity share (Rs.)	10
Basic Earnings Per Share (Rs.)	0.02
Diluted EPS	
Equivalent weighted average number of employee stock options outstanding (Nos)	-
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	55,000,000
Diluted Earnings Per Share (Rs.)	0.02

23. Related party disclosures

A. List of related parties

Holding company	- Max Life Insurance Company Limited
Names of other related parties with whom transactions have taken place during the year	
Entity/person having significant influence/	- Max Financial Services Limited
control upon the Company	
Key Management Personnel (KMP)	- Mr. Prashant Tripathy (Chairman and Non-executive Director)
	- Mr. Sachin Arora (Chief Executive Officer)
	(Till 14th October, 2022)
	- Mr. Ranbheer Dhariwal (Chief Executive Officer)
	(Appointed w.e.f. 15th October, 2022)
	- Mr. Suresh Bhagavatula (Chief Financial Officer)
	- Mr. Piyush Soni (Company Secretary)
Independent directors	- Ms. Sonu Halan Bhasin
	- Mr. Dinesh Kumar Mittal (Till 31st March, 2023)
	- Mr. K Narasimha Murthy
	- Mr. Ashok Kacker (w.e.f. 1st April, 2023)

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.

(Rs. in lakhs)

Nature of transaction	Year ended 31.03.2023
1. Max Life Insurance Company Limited	
(a) Equity Share Capital	5,500.00
(b) Reimbursement of Expenses (Excluding Taxes)*	228.55
(c) POP Commission Received	0.18
(d) NPS Contribution	40.91

*Reimbursement of expenses also includes staff cost of Key Managerial Personnel - Suresh Bhagavatula, Piyush Soni, Sachin Arora & Ranbheer Dhariwal

C. Transactions with the key management personnel during the year:

(Rs. in lakhs)

Name of key management personnel	Nature of transaction	Year ended 31.03.2023
Ms. Sonu Halan Bhasin	Director sitting fees*	4.40
Mr. Dinesh Kumar Mittal		3.36
Mr. K Narasimha Murthy		5.20

*Amount includes directors' fee worth 6.16 lakhs reimbursed to Max Life Insurance Company Limited. This is included under 'Reimbursement of Expenses.'

D. The following table provides the year end balances with related parties for the relevant financial year :

(Rs. in lakhs)

Particulars	Name of related party	As at March 31, 2023
Trade payables	Max Life Insurance Company Limited	95.90

24 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

(Rs. in lakhs)

Financial assets	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Cash and cash equivalents	7.27	-	-	7.27
Bank balances other than cash and cash equivalents	20.00	-	-	20.00
Trade receivables	0.58	-	-	0.58
Investments	3,630.92	-	2,045.68	5,676.60
Other financial assets	88.76	-	-	88.76
	3,747.53	**-**	**2,045.68**	**5,793.21**
Total financial assets				**5,793.21**

(Rs. in lakhs)

Financial liabilities	Measured at amortised cost	Measured at FVTOCI	Measured at FVTPL	Total carrying value
Trade payables	101.24	-	-	101.24
Other financial liabilities	200.25	-	-	200.25
	301.49	**-**	**-**	**301.49**

(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).

(Rs. in lakhs)

		As at March 31, 2023				
		<1 year	1-3 Years	3-5 Years	> 5 Years	Total
-	Trade payables	101.24	-	-	-	101.24
-	Other financial liabilities	200.25	-	-	-	200.25
	Total	**301.49**	**-**	**-**	**-**	**301.49**

(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.

25. Fair value measurement

i) Financial assets and financial liabilities that are not measured at fair value are as under:

Particulars	As at 31.03.2023	
	Carrying amount	Fair value
Financial assets		
Cash and cash equivalents	7.27	7.27
Bank balances other than cash and cash equivalents	20.00	20.00
Trade receivables	0.58	0.58
Investment	3,630.92	3,630.92
Other financial assets	88.76	88.76
Financial liabilities		
Trade payables	101.24	101.24
Other financial liabilities	200.25	200.25

Note :

The carrying value of the above financial assets and financial liabilities carried at amortised cost approximate these fair value.

ii) Financial assets and liabilities measured at fair value as at March 31, 2023 is as follows:

(Rs. in lakhs)

Particulars	As at 31.03.2023	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Financial assets				
Investment in mutual funds*	2,045.68	2,045.68	-	-
Total	**2,045.68**	**2,045.68**	**-**	**-**

* Based on the NAV report issued by the fund manager

iii) **Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are :

(a) recognised and measured at fair value and

(b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard.

Level 1: The hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in this level.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, security deposits included in this level.

iv) Assets and liabilities which are measured at amortised cost for which fair values are disclosed. All the financial asset and financial liabilities measured at amortised cost, carrying value is an approximation of their respective fair value.

26. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars			As at 31.03.2023		
			Within 12 months	After 12 months	Total
A.	**ASSETS**				
1.	**Financial Assets**				
	(a)	Cash and cash equivalents	7.27	-	7.27
	(b)	Bank balance other than (a) above	-	20.00	20.00
	(c)	Receivables - Trade receivables	0.58	-	0.58
	(d)	Investments	2,545.13	3,131.47	5,676.60
	(e)	Other financial assets	87.26	1.50	88.76
	Total financial assets		**2,640.24**	**3,152.97**	**5,793.21**
2.	**Non financial Assets**				
	(a)	Current tax assets (Net)	2.96	-	2.96
	(b)	Other non-financial assets	28.51	-	28.51
	Total non-financial assets		**31.47**	**-**	**31.47**
	TOTAL Assets		**2,671.71**	**3,152.97**	**5,824.68**
B.	**LIABILITIES AND EQUITY**				
1.	**Financial liabilities**				
	(a)	Trade payables			
		(i) total outstanding dues of micro enterprises and small enterprises	4.32	-	4.32
		(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	96.92	-	96.92
	(b)	Other financial liabilities	200.25	-	200.25
	Total financial liabilities		**301.49**	**-**	**301.49**
2.	**Non-financial liabilities**				
	(a)	Deferred tax liabilities (net)	1.41	-	1.41
	(b)	Other non-financial liabilities	11.27	-	11.27
	Total non-financial liabilities		**12.68**	**-**	**12.68**
	Equity				
3.	(a)	Equity share capital	-	5,500.00	5,500.00
	(b)	Other equity	-	10.51	10.51
	Total equity		**-**	**5,510.51**	**5,510.51**
	Total liabilities and equity		**314.17**	**5,510.51**	**5,824.68**

27. Payment to auditors (excluding Goods and Services Tax) (included in legal and professional)

(Rs. In Lakhs)

Particulars	Year ended 31.03.2023
To statutory auditors:	
For audit (Including limited reviews)	1.25
For certifications	-
Reimbursement of expenses	0.03
Total	**1.28**

28. Disclosure under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

(Rs. In Lakhs)

Particulars		As at 31.03.2023
(i)	Amounts payable to suppliers under MSME Development Act, 2006 (suppliers) as at year end	
	- Principal	4.32
	- 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.

29. Previous Year Figures

Being the first year of reporting, Comparative previous period figures are not applicable.

30. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

31. Additional Regulatory Information

Ratio	Numerator	Denominator	As at 31.03.2023
Current Ratio (In times)	Current assets (Financial assets less Investment in subsidiary and investment property)	Current liabilities	8.50
Debt – Equity Ratio (In times)	Debt	Shareholder's Equity	NA
Debt Service Coverage Ratio (In times)	Earning before interest and taxes (EBITA)	Debt	NA
Return on Equity (ROE) (In %)	Net Profits after taxes	Average Shareholder's Equity	0.38%
Trade receivables turnover ratio (In times)	Revenue from Operation	Average Trade Receivabl	5.62
Trade payables turnover ratio (In times)	Other expenses	Average Trade Payables	1.78
Net capital turnover ratio (In times)	Revenue	Working Capital	0.15
Net profit ratio (In %)	Net Profit for the year	Revenue	3.74%
Return on capital employed (ROCE) (In %)	Earning before interest and taxes (EBITA)	Capital employed	0.26%
Return on Investment(ROI) (In %)	Income generated from invested funds	Share Capital	0.19%

32. Details of benami property held

No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

33. Borrowing secured against current assets

The Company has not borrowed from banks and financial institutions on the basis of security of current assets.

34. Wilful defaulter

The Company have not been declared wilful defaulter by any bank or financial institution or government or any government authority.

35. Relationship with struck off companies

The Company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

36. Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under the Companies Act, 2013.

37. Compliance with approved scheme(s) of arrangements

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

38. Utilisation of borrowed funds and share premium

The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries

The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries

39. Undisclosed Income

There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

40. Details of crypto currency or virtual currency

The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.

41. Valuation of PP&E, intangible asset and investment property

The Company does not have PP&E, Intangible asset and investment property, hence this note is not applicable.

42. Title deeds of immovable properties

The Company does not have immovable property, hence this clause is not applicable.

43. Registration of charges or satisfaction with Registrar of Companies

There are no charges or satisfaction which are to be registered with the Registrar of Companies.

44. Utilisation of borrowings availed from banks and financial institutions

The Company has not borrowed from banks and financial institutions, hence this clause is not applicable

The accompanying notes are an integral part of the financial statements. 1 to 44
As per our report of even date attached

For Singhi & Co.
Chartered Accountants
Firm's Registration No: 302049E

Chanderkant Choraria
Partner
Membership No: 521263

Place: Noida (Delhi - NCR)
Date: 25th April, 2023

For and on behalf of the Board of Directors
Max Life Pension Fund Management Limited

Prashant Tripathy
Chairman
DIN: 08260516

Ranbheer Dhariwal
Chief Executive Officer
PAN: AJRPD5671L

Suresh Bhagavatula
Chief Financial Officer
PAN: AIWPB7392Q

Piyush Soni
Company Secretary
M.No.- A39924

Place: Gurugram
Date: 25th April, 2023

MAX | FINANCIAL SERVICES

MAX LIFE INSURANCE

MAX FINANCIAL SERVICES LIMITED

Max Towers, L-21, C-001/A/1, Sector - 16B, Noida - 201301 (U.P.)

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