



# OPTIMISING STRONG GROWTH & STABILITY

ANNUAL REPORT 2017-18







**Annual Report**

**2018**

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## FINANCIAL REVIEW

MAX FINANCIAL  
SERVICES LIMITED  
STANDALONE  
MAX FINANCIAL  
SERVICES LIMITED  
CONSOLIDATED



# CORPORATE REVIEW

OUR ENTERPRISE  
MEASURES OF SUCCESS  
OUR PATH  
OUR VALUES  
BOARD OF DIRECTORS

## OUR ENTERPRISE



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



Launched in 2000, Max Life is a joint venture with Mitsui Sumitomo Insurance, Japan. It is India's largest non-bank private life insurer, with revenues of ₹ 14,967 Cr. and a customer base of 4.1 million across more than 200 offices across India.



Max India Limited, a multi-business corporate, owns and actively manages a 49.7% stake in Max Healthcare, a 51% stake in Max Bupa Health Insurance and a 100% stake in Antara Senior Living.



Launched in 2000, Max Healthcare is an equal JV partnership between Max India and Life Healthcare, South Africa. It is a leading provider of standardised, seamless and world-class healthcare services, focused on tertiary and quaternary care. Max Healthcare has revenues of ₹ 2,787 Cr. from over 2,500 beds across 14 hospitals.



HEALTH INSURANCE

Launched in 2008, Max Bupa is a 51:49 JV with Bupa Finance Plc., UK. It is one of India's leading standalone health insurance companies with revenues of ₹ 755 Cr., about 16,000 agents and tie-ups with over 3,600 quality hospitals across over 350 cities in India.



ANTARA  
SENIOR LIVING

Launched in 2013, Antara is a 100% subsidiary of Max India. It is pioneering the concept of 'Age in Place' for people over 55, by developing Senior Living communities in India. The first Antara community was launched in April 2017 near Dehradun, Uttarakhand.





Max Ventures and Industries Limited (MaxVIL) operates primarily in the areas of manufacturing and real estate, and serves as the Group's entrepreneurial arm to explore the 'wider world of business', especially taking cues from the economic and commercial reforms agenda of the present Government, including 'Make in India', 'Skill India', 'Digital India', among others.



Launched in 1988, Max Speciality Films is a strategic partnership with Japan's Toppan Printing Co. Ltd. in which the Company holds 51%. It is a leading manufacturer of speciality packaging films and is at the forefront of both BOPP and Lamination technology in India.



Established in 2016, Max Estates Limited is the real estate arm of the Max Group. With a team comprising engineers, architects, planners and specialists, and collaborations with global leaders in design, master planning, landscape and sustainability, Max Estates is committed to delivering a truly unique quality of excellence and lifestyle to all our customers.



Max I. Limited is MaxVIL's wholly-owned subsidiary, which facilitates Intellectual & Financial Capital to promising and proven early-stage organizations across identified sunrise sectors. Its investment model is a hybrid of accelerators and venture funding, providing both mentoring and growth capital for the organizations it invests in.



Launched in 2008, Max India Foundation (MIF) represents the Max Group's social responsibility efforts. The Foundation's work is focussed on healthcare for the underprivileged and has benefitted more than 32 lakh people in over 600 locations since its inception.



## MEASURES OF SUCCESS

MFS Consolidated Revenues<sup>1</sup> :  
**₹ 14,967 Cr.,  
grew 15%**

Max Life Embedded Value: **₹ 7,509 Cr.;**  
**Operating RoEV  
20.6%**

Value of New Business:  
**₹ 656 Cr,  
grew 31%**

Assets Under Management crossed  
**₹ 50,000; grew 18%  
to ₹ 52,237 Cr.**

New Business Margin:  
**20.2%**



Max Life Gross  
Written Premium:  
**₹ 12,501 Cr.,  
grew 16%**

Conservation Ratio  
at an all-time high of  
**89.6%**

Shareholders'  
Profit After Tax:  
**₹ 528 Cr.**

Policyholder  
bonus:  
**₹ 1084 Cr.**

**275%  
Solvency  
Ratio**

Sum Assured  
in force:  
**₹ 511,541 Cr.,  
grew 35%**

<sup>1</sup> Excludes Max Life unit-linked investment income

<sup>2</sup> As at 31st March 2018

## 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, policy holders, shareholders and employees

Do what is right for our customers, and treat them fairly

Lead the market in quality and reputation

Be the go-to standard for partnerships and alliances with all distributors and partners

Maintain cutting edge standards of governance

## 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.

### 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.



### 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 behaviour.

## BOARD OF DIRECTORS



### Mr. Analjit Singh

Founder & Chairman Emeritus, Max Group  
Chairman, Max Financial Services Limited

Mr. Analjit Singh is the Founder and Chairman Emeritus of The Max Group, a US\$ 3 billion multi-business enterprise, with interests in life insurance (Max Life), health care (Max Healthcare), health insurance (Max Bupa), senior living (Antara), speciality packaging (Max Speciality Films) and real estate (Max Estates). Max Group is renowned for service excellence and has successful joint ventures with some of the pre-eminent firms including Mitsui Sumitomo and Toppan from Japan, Life Healthcare from South Africa and Bupa Plc from the United Kingdom. Earlier partners include DSM, Netherlands; New York Life Insurance Company; Hutchison Whampoa; Motorola; Lockheed Martin and others.

Amongst private family owned businesses, Mr. Analjit Singh is the founder of Leeu Collection, a group of leisure boutique hotels in Franschoek, South Africa; The Lake District, UK; and soon to come in Florence, Italy. The Leeu Collection also includes a significant presence in wine and viticulture through Mullineux Leeu Family Wines; an active F&B portfolio of restaurants and partnerships with Ritu Dalmia, La Colombe in the Cape SA and the Alajmo Group in Italy. Art and Landscaping are also major pillars with a strong relationship with Everard Read, SA.

A self-made entrepreneur Mr. Analjit Singh was awarded Padma Bhushan, India's third 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 Graduate School of Management, Boston University. He has been conferred with an honorary doctorate by Amity University.

Professionally, he is the non-executive Chairman of Max Ventures and Industries, Vodafone India and a Director on the board of Sofina NV/SA, Belgium.

Mr. Analjit Singh is 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 Board of Governors of the Indian Institute of Technology (IIT), Roorkee- India's oldest and most prestigious engineering college. He also served as Chairman of the Doon School.

Mr. Analjit Singh is a member of the Prime Minister's Indo UK CEO council. In past he has also served on the Prime Minister's Indo US CEO council. Mr. Analjit Singh has also served as the co-chair of Prabodhan, a unique forum for facilitating closer and more effective engagement between European and Indian decision makers and opinion leaders.

He has been felicitated by Senator Hillary Clinton, former US Secretary of State on behalf of 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.

He also serves as the Honorary Consul General of the Republic of San Marino in India from October 2007 till August 2018.



**Mr. Mohit Talwar**

Managing Director

A veteran in the Corporate Finance and Investment Banking industry, Mr. Mohit Talwar has a wealth of experience in Corporate Finance and Investment Banking, having spent 24 years in Wholesale Banking across global organizations such as Standard Chartered, ANZ Grindlays and Bank of Nova Scotia, prior to joining the Max Group.

He is currently the Managing Director of Max Financial Services Limited and Max India Limited, and Vice Chairman of Max Ventures and Industries Limited (MaxVIL). In addition, he is the Chairman of Max Speciality Films and serves on the Boards of Max Life Insurance, Max Healthcare, Max Bupa Health Insurance and Antara Senior Living.

In his earlier role as the Deputy Managing Director of the erstwhile consolidated Max India Limited, he successfully leveraged his strong relationships with institutional investors, hedge funds, banks and private equity firms, and led several complex corporate finance and financial structuring deals to ensure adequate investment and liquidity for the Group's operations. He has played a central role in executing key transactions including the setting up of Max Bupa Health Insurance, bringing on board MS&AD Insurance Group Holdings as the new JV partner for Max Life and Life Healthcare's entry as JV partner in Max Healthcare, and later the equalization of its stake in the business, and completing the mega-restructuring of the erstwhile Max India into three new listed companies, which received a significantly positive reaction from capital markets. In his new role, Mr. Talwar was instrumental in executing a stake repurchase transaction with IDFC Limited, and more recently a transaction with IFC to repurchase its stake in Max Healthcare. He has also overseen key transactions in MaxVIL, including the induction of Toppan Group as a JV partner in Max Speciality Films, and a 22.5% stake sale to New York Life's subsidiary.



**Ms. Naina Lal Kidwai**

Independent Director

Naina Lal Kidwai is an Independent Director at Max Financial Services and Advent Private Equity, a Non-Executive Director on the global board of CIPLA Ltd and Larsen & Toubro and Past President of FICCI (Federation of Indian Chambers of Commerce & Industry). She retired as Executive Director on the board of HSBC Asia Pacific and Chairman HSBC India in December 2015.

An MBA from Harvard Business School, she makes regular appearances on listings by Fortune and others of international women in business and is the recipient of multiple awards and honours including the Padma Shri for her contribution to Trade and Industry, from the Government of India.

Her interests in water conservation and the environment are reflected in her engagements with The Shakti Sustainable Energy Foundation, International Advisory Council of the Inquiry of United Nations Environment Program (UNEP), Global Commission on Economy & Climate. She serves as Chair of FICCI Sustainability Energy and Water Council and Chair of the India Sanitation Coalition. Till recently, Ms. Kidwai was serving as the Chairman of the Board of Max Financial Services Limited.



**Mr. Aman Mehta**

Independent Director

Mr. Aman Mehta retired as CEO of HSBC Asia Pacific in Jan 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 and Micro-Credit, Corporate Governance, Banking, Insurance, Pension and Finance. He holds a Master's degree in Science with specialisation in Physics from the University of Allahabad, India.



**Mr. Ashwani Windlass**

Non-Executive Director

Mr. Ashwani Windlass was part of the founding team at Max India, having served the Max Group in different capacities including as its Joint MD as well as MD, Hutchison Max Telecom from 1994 until 1998. He continues to serve on the Boards of Max Financial Services Limited and Max India Limited. He has been the Chairman, MGRM (Asia-Pac) and Vice Chairman, and the MD of Reliance Telecom. He serves on leading advisory and statutory Boards, including acting as Chairman SA&JVs, MGRM Inc., USA, and member at Antara Senior Living Limited, Max Ventures Pvt. Ltd., Vodafone India Ltd., Jubilant FoodWorks Ltd. and Hindustan Media Ventures Ltd. He holds degrees in B.Com (Gold Medal), Bachelor of Journalism and MBA.





**Mr. Rajesh Khanna**

Independent Director

Mr. Rajesh Khanna is the founder and CEO of Arka Capital Advisors Pvt. Ltd, and is an investor in various companies. He is a Director of Max Life Insurance Company Limited. Mr. Khanna is a member of the Equity Investment Committee of Piramal Fund Management Pvt. Ltd. He is on the Advisory Committee of Annamrita Foundation, an NGO which serves 1.2 million meals daily through its 20 kitchens across India, to school children and others. Previously, he served as a Managing Director and India Head of Warburg Pincus, a global private equity firm, and was a member of its global Executive Management Group. He received a PGDM from the Indian Institute of Management, Ahmedabad and is a Chartered Accountant.



**Mr. Sahil Vachani**

Non-Executive Director

Mr. Sahil Vachani is the Managing Director and CEO of Max Ventures and Industries Limited (MaxVIL), and was recently appointed as a Director on the Boards of Max Financial Services Limited and its subsidiary Max Life Insurance. He joined the Boards of these companies as a representative of the Owner Sponsor Group led by Mr. Anajit Singh.

Sahil joined the Max Group in 2016 with a focus on creating a powerful Real Estate brand – Max Estates Limited, and steering MaxVIL's other businesses towards growth. He has diverse expertise across various sectors including consumer durables and real estate.

Since assuming his role at MaxVIL, he has successfully completed two key transactions which will have an enduring impact on the Company's growth journey over the next few years. The first is the sale of a 22.5% stake in MaxVIL to a subsidiary of New York Life Insurance Company in January 2017; and second, the induction of Toppan Printing Co. Ltd, Japan (Toppan) as a joint venture partner with a 49% stake in MaxVIL's legacy manufacturing business – Max Speciality Films (MSF).

Besides MSF, he is currently overseeing two new business verticals under MaxVIL – Max Estates and Max I. Max Estates focuses on Grade-A commercial spaces. Its flagship project Max Towers, a prime commercial tower of ~0.6 million sq. ft. located on the Delhi-Noida Direct flyway, will be ready in 2018 and work on the second project, the redevelopment of Max House in Okhla, New Delhi is set to commence in FY2019. The other vertical, Max I., facilitates intellectual & financial Capital to promising and proven early-stage organizations across identified sunrise sectors. So far, it has made investments in Azure Hospitality Pvt. Ltd., which owns and operates successful F&B brands such as Mamagoto and Dhaba, and FSN E-Commerce Ventures Pvt. Ltd, which owns and operates the leading online beauty destination Nykaa.com.



**Mr. Sanjay Nayar**

Non-Executive Director

Sanjay Nayar joined KKR in 2009 and is a Member and CEO of KKR India. He is also a member of the Asia Portfolio Management Committee and Asian Investment Committee. He is on the board of KKR's portfolio companies, Radiant Healthcare, Bharti Infratel, and Coffee Day Holdings, and has had significant involvement with KKR's investment in Apollo Hospitals. He also supports expanding the range of KKR's credit and capital markets offerings across the region. Prior to joining KKR, he served as CEO of Citigroup's Indian and South Asian operations and as a member of Citigroup's Management Committee and Asia Executive Operating Committee.

Currently, he is a member of the board of USISPF, and SEBI's NISM Board of Governors. Serves on the Board of Emerging Markets Private Equity Association (EMPEA), Washington D.C; and Indian School of Business (ISB); and Founding Member of Brookings,

Mr. Nayar was the deputy chairman of the Indian Banks Association (IBA); the Committee of the Reserve Bank of India tasked with building a Centre for Advanced Financial Learning (CAFRAL); Co-Chairman of the Banking Committee for the Federation of Indian Chambers of Commerce and Industry (FICCI). He also served as the Chairman of the Indian Private Venture Capital Association.



**Mr. Rahul Khosla**

President, Max Group and Executive President, MFSL  
Permanent Invitee

Mr. Rahul Khosla is a seasoned business leader with deep management experience, broad leadership skills and wide business perspectives developed over the last 35 years of working in India and globally. He is currently President of the Max Group, and also serves as Executive President, Max Financial Services; Chairman, Max India; Chairman, Max Life Insurance; and Chairman, Max Healthcare. He also serves on the Boards of Antara Senior Living and Max Bupa Health Insurance Company.

Under his leadership, the Max Group has delivered superior financial performance, significantly grown market capitalization, and concluded seminal corporate transactions. He also led the mega-restructuring of the erstwhile Max India into three new listed entities. Before joining Max, Mr. Khosla spent more than a decade in Singapore as the Group Head of Products at Visa Inc for Asia Pacific, Central Europe, Middle East and Africa, following his role at Visa Inc as Chief Operating Officer for the Asia Pacific region. He held several senior roles prior to that – as Country Head for ANZ Grindlays' consumer banking businesses in India; Head of Retail Assets, Strategy, Finance and Legal at Bank of America; CFO for the American Express TRS businesses for India and South Asia, and as a Business Leader to help set up a pioneering in-house global processing facility for American Express.

Mr. Khosla served as President, NatHealth, India's leading multi-stakeholder platform for healthcare organisations in 2016 and as the Chair of the FICCI Committee on Health Services in 2017. In addition, he serves on the Executive Board of the Indian School of Business (ISB), one of Asia's top B-Schools.

He is a Fellow member of the Institute of Chartered Accountants of India, an Economics graduate from St. Stephens College, Delhi and completed his schooling at St. Xavier's in Delhi.



## Max Life

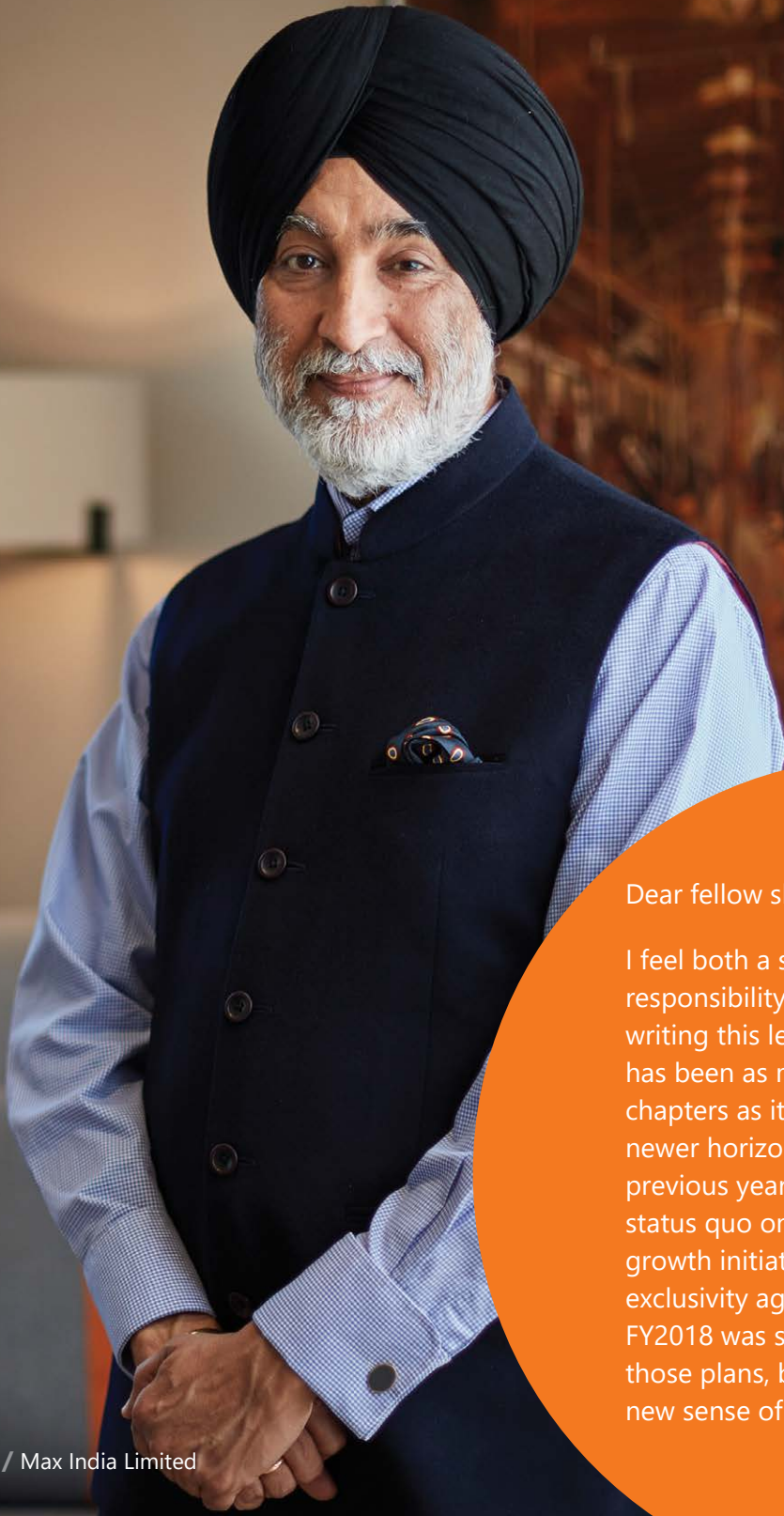
Mr. Rahul Khosla	Chairman
Mr. Rajesh Sud	Executive Vice Chairman and Managing Director
Mr. Dinesh Kumar Mittal	Independent Director
Mr. Hideaki Nomura	Non-Executive Director
Mr. John Poole	Non-Executive Director
Mr. K. Narasimha Murthy	Independent Director
Ms. Marielle Theron	Non-Executive Director
Mr. Masataka Kitagawa	Non-Executive Director
Mr. Mohit Talwar	Non-Executive Director
Mr. Rajesh Khanna	Independent Director
Mr. Rajit Mehta	Non-Executive Director
Mr. Sahil Vachani	Non-Executive Director



# STRATEGIC REVIEW

CHAIRMAN'S LETTER  
BUSINESS REVIEW

## CHAIRMAN'S LETTER



Dear fellow shareholders,

I feel both a sense of heightened responsibility and a real pleasure in writing this letter to you. The past year has been as much about closing old chapters as it has been about exploring newer horizons. While much of the previous year was spent maintaining status quo on our various planned growth initiatives because of our exclusivity agreement with HDFC Life, FY2018 was spent not only on reviving those plans, but as much on defining a new sense of purpose for Max Life.

In addition, to reaffirm my continued commitment to India and all our businesses here, the Board of Max Financial Services (MFS) and I concurred that it would be in the best interest of the Company and our shareholders, that as the principal sponsor of the Company, I should assume the role of Chairman of the Board, and I thus took over the role of Chairman of MFS from Naina Lal Kidwai on 23 July, 2018.

I have known Naina for over four decades. I have immense regard for her at a personal and professional level and commend her for her invaluable support and guidance to MFS and Max Life over the past two years. I am glad that she continues to be an integral part of the MFS Board.

### Business Performance

Before I discuss some of the key developments from the previous year and share our future plans, allow me to briefly share a snapshot of the Company's performance in FY2018.

MFS reported consolidated revenues of ₹ 14,967 crore in FY2018, growing 15% over the previous year. Our consolidated net profit of ₹ 296 crore was 25% lower than the previous year due to certain one-off investment gains and reserve changes in FY2017.

The Company's sole operating business, Max Life demonstrated broad-based growth across channels with Individual Adjusted Sales of ₹ 3,215 crore, growing 22%. This was primarily driven by improvement in productivity and increased demand for unit-linked products across channels. Max Life's Gross Written Premium in FY2018 was ₹ 12,501 crore, growing 16% over the previous year.

Max Life's Embedded Value as per the Market Consistent (MCEV) methodology stood at ₹ 7,509 crore, with an Operating Return on EV (RoEV) of 20.6%. The Value of New Business (VNB) written during FY2018 was ₹ 656 Cr, growing 31% over the previous year, and the New Business Margin stood at 20.2%, 140 bps higher compared to the previous year.

MFS reported consolidated revenues of **₹ 14,967** crore in FY2018, growing 15% over the previous year.

This year also marked the first time that Max Life's Assets under Management (AUM) crossed the ₹ 50,000-crore mark with an AUM of ₹ 52,237 crore as on 31st March 2018, 18% higher compared to the previous year. I am pleased to share that the performance of both traditional and unit linked funds has been commensurate with the risks assumed in respective funds. Overall, the funds outperformed the benchmarks during the year.

It is not only the financials that attest to the quality of this business, but the multitudes of national and international accolades the company has won over the years.

Earlier this year, Max Life became the first Indian financial services company ever to win Gold at the prestigious World Conference organised by the American Society for Quality (ASQ) in Seattle USA. Max Life beat 23 teams from 16 companies across 8 countries (including USA, UAE, Japan, China, Argentina, Mexico, and Malaysia) to win the Gold award. For the second time in three years, Max Life Insurance was recognised as Life Insurer of the Year at Outlook Money Awards, which indicates the high standards of corporate performance consistently maintained by the company.

Some of the other awards won by Max Life in FY2018 and over the last few months include:

- Ranked as No. 1 amongst Life Insurance Companies, Top 15 in the BFSI sector and amongst Top 50 overall by the Great Place to Work® India

**Max Life was ranked as No. 1 amongst Life Insurance Companies, Top 15 in the BFSI sector and amongst Top 50 overall by the Great Place to Work (R) India.**

- No. 1 in Customer Loyalty in Insurance India 2018, an independent survey by Kantar IMRB
- Prestigious Effie Award for Communication Effectiveness for protection campaign
- Fintelekt Insurance Award for e-Business Leader
- Best Customer Service Initiative Award for shortest policy issuance time for digital customers

These wins are an unequivocal recognition of the strong foundation of processes and commitment to ethics and quality that our business has built over the past few years. Full credit goes to the leadership, management and employees of Max Life, whose efforts continue to garner multiple accolades year after year.

### **Industry Context**

Max Life operates in a fast-growing industry with strong growth potential. 21 out of 23 private industry players have witnessed growth in FY2018 out of which the top 10 private industry players have delivered more than 10% growth. For the last 6 quarters, the private industry has outperformed Life Insurance Corporation (LIC) in terms of new sales growth, which is driven by increase in both the number of policies as well as the case size. The private industry has gained +232 bps market share in the last financial year.

Part of the reason for this is the Government's focus on formalisation of the economy – which is manifest in various initiatives such as demonetisation, introduction of the GST and overall push on Digitisation.

This has resulted in a tangible shift from physical to financial savings in Indian households. Within 2017

itself, there was an approximately 20% growth in the flow of household savings into financial assets. This is the highest in the last 7 years. The life insurance industry has and will continue to benefit from this shift and is expected to grow 15-17% over the next 3 years.

There is also a clear and evident shift in consumer preferences towards private life insurance companies, but in a cluttered market with 23 players, consolidation is inevitable.

We are acutely cognisant of this and as you are all aware, Max Life has often expressed its intent to grow inorganically by acquiring high quality bank-owned life insurance assets which would enable us to offer our product portfolio to a much wider customer base.

### **IDBI Federal Life Acquisition**

With that intent, earlier this year Max Life entered a bid to acquire a majority stake in IDBI Federal Life Insurance. As we were confident about the asset, especially with respect to the access the acquisition would give us to its wide network of bank branches across the country, we made a competitive bid and it was widely reported in the media that Max Life was the front runner for the acquisition.

While both the parties were in the midst of negotiations, it emerged that the Government was mulling over a variety of plans for restructuring of IDBI Bank, including a possible sale of the Government's stake. This directly challenged some of our assumptions and pre-conditions which would have assured the sanctity of our business case. Such assumptions and preconditions were an integral part of our negotiations with IDBI Federal.

Since IDBI Federal was unable to accede to our conditions, we decided that the risk-reward equation was not in Max Life's favour or in the favour of MFS shareholders and it would be best that we withdraw our bid for IDBI Federal.

We continue to search for quality assets for good consolidation opportunities.





## Outlook

Over the years, Max Life has built a reputation for having one of the highest performing agency channels in the industry. The Boards of MFS and Max Life have reaffirmed our commitment to re-invigorate our proprietary channels by significantly adding to our agency force and offices, while continuing to develop our digital and direct sales channels. Over the next 3 years, Max Life plans to add 36,000 agents each year, and will make investments of ₹ 250 crore over the next 12 months to add 145 new branches.

This is a significant step in re-building and re-energising our proprietary channels. The logic for this expansion is anchored in the strategy to diversify our distribution footprint, and implementing new models with better profit signatures.

We also continue to focus strongly on Digital and direct online sales, which is evident from the 112% growth in this channel in FY2018. 95% of Max Life's proposals are processed digitally which has helped reduce policy issuance turnaround time by almost 50%. We are already market leaders in term plan sales and have started operating in the savings space as well.

Our Bancassurance channel currently contributes 60% of overall new sales each year. We are focused on retaining and growing our existing relationships with Axis Bank and Yes Bank, which are highly productive and continue to grow stronger year on year, delivering over 25% growth in the previous year. Our relationship with Axis Bank remains strong, stable and mutually rewarding as an alliance that is a win-win for both parties, respectively delivering value that is superior to other alternatives.

Max Life and Axis Bank have achieved a new milestone in building one of the most admired bancassurance partnerships in India by crossing ₹ 10,000 crore in New Premium (individual and group) since the inception of this partnership in 2010. The partnership has now provided financial security to more than 15 lakh customers by providing a total individual sum assured of over ₹ 88,960 crore. In new business premium, this partnership has delivered a CAGR of 26% since its

inception and has collected a total premium of over ₹ 24,000 crore since inception.

Our alliance with Yes Bank continued its strong growth performance during the year and retained its position as one of the fastest growing bancassurance relationships in the Indian life insurance sector. The Lakshmi Vilas Bank alliance also witnessed growth in new business in line with management expectations and we continued to be the dominant life insurance partner for the Bank. We will continue all efforts to deepen these relationships by integrating systems, improving customer experience and providing relevant solutions all of which are even more critical in an open architecture environment.

Max Life has also won several partnerships for Group Term Life and Group Credit Life in the last financial year, and is consistently looking for new corporate agency partnerships.

Finally, with a healthy solvency ratio of 275% and fund-raising capabilities, as I mentioned earlier, we have the appetite as well as the ability to aggressively pursue inorganic growth. Acquiring a high quality bank-owned life insurance asset would enable us to offer our product portfolio to a much wider customer base. However, we will focus first and foremost on the quality of the target asset and will not proceed with any such transaction until we are convinced that it will be in the ultimate interest of our customers and stakeholders.

We have always been and continue to be guided by our core values of Sevabhav, Excellence and Credibility, which have helped us establish new benchmarks of service quality, honesty and ethics. Earning and keeping your trust has always been essential to this leadership team. I thank you for putting your faith in our endeavours.

With best wishes,

**Analjit Singh**

Chairman, Max Financial Services Limited

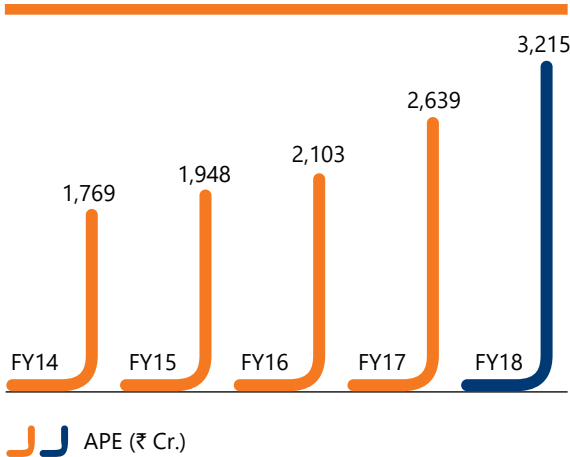
# BUSINESS REVIEW



Embedded Value (EV) at  
**₹ 7,509** Cr.\*,  
 operating RoEV **20.6%**

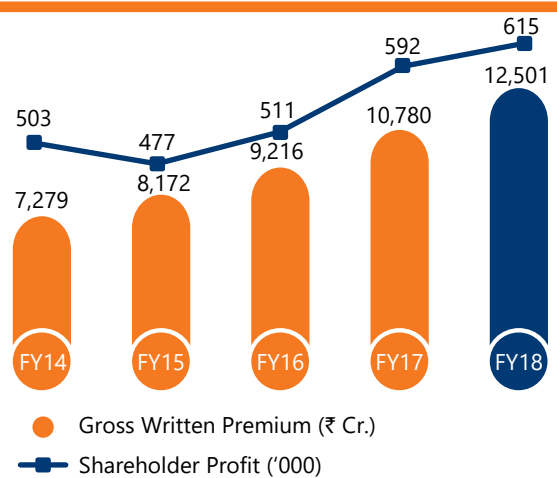
Value of New Business increased to  
**₹ 656** Cr, grows **31%**

## INDIVIDUAL ADJUSTED PREMIUM EQUIVALENT



Growth primarily driven by productivity improvement and increased demand for unit-linked products

## GROSS WRITTEN PREMIUM AND SHAREHOLDER PROFIT



Efficiency improvement and various initiatives to improve renewal conservation drove strong overall premium growth

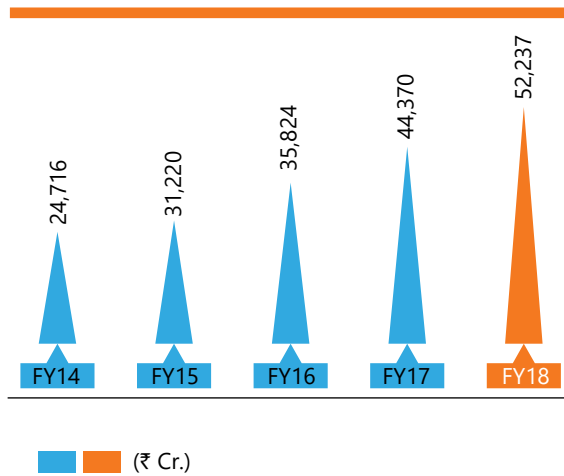
\* As at 31st March 2018

Sum assured in force at  
**₹ 511,541** crore,  
**35%** higher than FY2017

Solvency Surplus of  
**₹ 2,208 Cr.** and  
 Ratio at **275%**

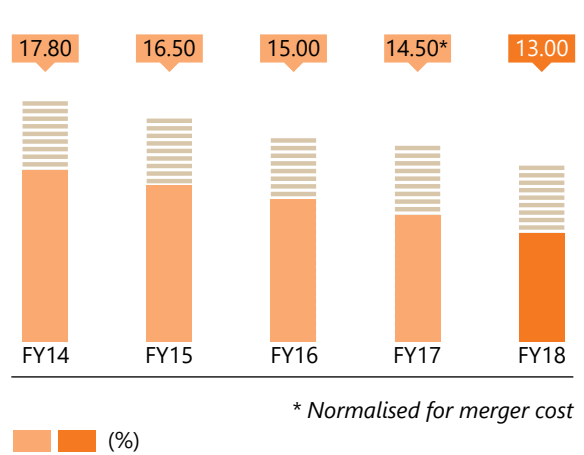
New Business Margin grows  
**140 bps**, to **20.2%**

**ASSETS UNDER MANAGEMENT\***



FY2018 marked the first time Max Life's AUM crossed the ₹ 50,000 Cr. mark

**OPERATING EXPENDITURE RATIO (OPEX/NET PREMIUM)**



Consistent cost optimisation efforts continue to bear results.

Conservation Ratio up  
**100 bps** to **89.6%**



# MANAGEMENT DISCUSSION AND ANALYSIS

MAX FINANCIAL SERVICES

MAX LIFE

BUSINESS RESPONSIBILITY  
REVIEW



**Mr. Rahul Khosla**  
President, Max Group & Executive President, MFSL



**Mr. Mohit Talwar**  
Managing Director



**Ms. Archana Pandey**  
Sr. Director - Corporate Affairs



**Mr. Sandeep Pathak**  
Company Secretary



**Ms. Sujatha Ratnam**  
Chief Financial Officer



**Ms. Vandana Trehan**  
EA to Group President

**Max Financial Services Limited** ('MFSL' or 'the Company'), a part of the US\$ 3 billion Max Group, dynamically manages a majority stake in Max Life Insurance Company Limited ("Max Life"), India's largest non-bank owned, private life insurance company. Max Life is a joint venture with Mitsui Sumitomo Insurance (MSI), a Japan headquartered global leader in life insurance. After the demerger of the erstwhile Max India Limited in January 2016, MFSL became the first listed company in India focusing exclusively on life insurance, thus providing an opportunity for Indian investors to get access to a unique pure life insurance business. The Company currently holds 70.75% stake in Max Life as on date of this report.

In FY2018, Max Financial Services Limited reported consolidated revenues of ₹14,967 crore, with an encouraging growth of 15% over the previous year. The Company reported consolidated Net Profit of ₹296 crore, 25% lower compared to the previous year.

MFSL's sole operating subsidiary **Max Life Insurance** demonstrated broad-based growth across channels with Individual Adjusted Sales of ₹3,215 crore in FY2018, growing 22% over the previous year. This was primarily driven by improvement in productivity and increased demand for unit-linked products across channels. Max Life's Renewal Premium stood at ₹8,152 crore, increasing 15% over the previous year, led by efficiency improvement and various initiatives aimed at lapse recovery. Gross Written Premium in FY2018 was ₹12,501 crore, rising to 16% over the previous year.

**Max Life achieved an important milestone this year with its Assets under Management (AUM) crossing the ₹ 50,000 crore mark for the first time. The AUM as at 31<sup>st</sup> March 2018 stood at ₹ 52,237 crore, growing 18% over the previous year.**

Max Life also reported Market-Consistent Embedded Value (MCEV), of ₹7,509 crore, with an Operating Return on EV (RoEV) of 20.6%. For a detailed review of MCEV, please refer to page no. 45 of the Annual Report. The Value of New Business (VNB) written during FY2018 was ₹656 crore, growing 31% over the previous year, and the New Business Margin stood at 20.2%, 140 bps higher compared to the previous year. Max Life achieved an important milestone this year with its Assets under Management (AUM) crossing the ₹50,000 crore mark for the first time. The AUM as at 31<sup>st</sup> March 2018 stood at ₹52,237 crore, growing 18% over the previous year. Max Life is now the 5<sup>th</sup> largest fund manager among private life insurers in India. The Company's AUM has grown steadily over the years, reflecting consistent performance, new strategies and a stable approach to product portfolio mix.

### **CORPORATE DEVELOPMENTS**

At its meeting held on 23<sup>rd</sup> July 2018, the Board of Max Financial Services Limited appointed Mr. Analjit Singh, Founder and Chairman Emeritus of the Max Group as Director and non-executive Chairman of the Company. Mr. Analjit Singh is the sponsor and principal shareholder of Max Financial Services Limited, Max India Limited and Max Ventures and Industries Limited ("MaxVIL"). Mrs. Naina Lal Kidwai who had been serving as Chairman of Max Financial Services Limited since 15<sup>th</sup> January, 2016, continues to serve on the Board as an Independent Director for her full term.

Another key appointment on the Board of the Company was of Mr. Sahil Vachani, Managing Director and CEO of MaxVIL, on 25<sup>th</sup> May 2018. He was also appointed to the Board of Directors of Max Life, effective 18<sup>th</sup> May 2018. Mr. Vachani joined the Boards of these companies as a representative of the Owner Sponsor Group led by Mr. Analjit Singh.

### **HUMAN RESOURCES**

The number of employees on the permanent rolls in Max Financial Services Limited as on 31<sup>st</sup> March 2018 is 13.

**Sevabhav, Credibility and Excellence** continue to be the key HR pillars, skillfully intertwined across all the talent and performance measures. The organisation has continued to emphasise right through the year its strong





focus on building effective corporate governance, fostering an inclusive work culture, enhancing talent capabilities to drive performance and development. This was achieved by leveraging progressive ways of employee learning and development.

The Company is committed to build and sustain its talent pipeline by attracting and retaining the right talent and investing in adequate capability enhancement of employees. Concerted efforts have been directed towards multiple talent management interventions, in-house training programmes as well as sponsoring employees to attend external training and career development programmes for improving their functional and managerial effectiveness. Additionally, the power of Digital HR is being harnessed to ensure that the workforce is capable of multi-skilling, thus enriching the overall employee experience.

The Company has established an organisational structure which is agile and fluid, focused on delivering results and efficient performance in a dynamic business environment. The organisation strongly

believes in focusing on all-round employee wellness. It strives to create effective communication channels for employees such that they are all aligned to the common business goals / strategy.

### OUTLOOK

Max Life has demonstrated strong and consistent organic growth over the past few years. At the same time, with a healthy solvency ratio of 275% and fundraising capabilities, the Company has the passion as well as the ability to aggressively pursue inorganic growth. With the acquisition of an exceptional quality bank-owned life insurance asset, this move would certainly empower Max Life to offer its product portfolio to a much wider and growing customer base. Simultaneously, the business will continue to build on its existing strengths of need-based selling of long-term savings and protection products through a well-balanced distribution architecture comprising bancassurance, agency and the rapidly growing digital channel.



**Mr. Rajesh Sud**  
Executive Vice Chairman and Managing Director



**Mr. Aalok Bhan**  
Director & Chief Distribution Officer



**Mr. Amitabh Lal Das**  
Director & Head - Legal, Compliance & Regulatory Affairs



**Mr. Jose C. John**  
Director & Appointed Actuary



**Mr. Manik Nangia**  
Director- Marketing & Chief Digital Officer



**Mr. Mihir Vora**  
Director & Chief Investment Officer



**Mr. Prashant Tripathy**  
Senior Director & Chief Financial Officer



**Mr. Shailesh Singh**  
Director and Chief People Officer



**Mr. V. Viswanand**  
Senior Director & Chief Operations Officer

### LIFE INSURANCE INDUSTRY – LEVERAGING SHIFT TO FINANCIAL SAVINGS

The Financial Year 2017-18 (FY2018) was a year to celebrate when Indian life insurance industry witnessed another year of 20+% growth in new business. The significant growth for the second year in a row strengthened the belief that consumer confidence in financial savings is sustainable and life insurance industry is well placed to cement its eminent position in the customers' financial plan.

Individual New Business (Adjusted First Year Premium) for the Indian life insurance industry recorded 19% growth in FY2018. Both LIC and a large number of private life insurers recorded double digit growth on this vector. The market share of private life insurers increased to 56.2%.

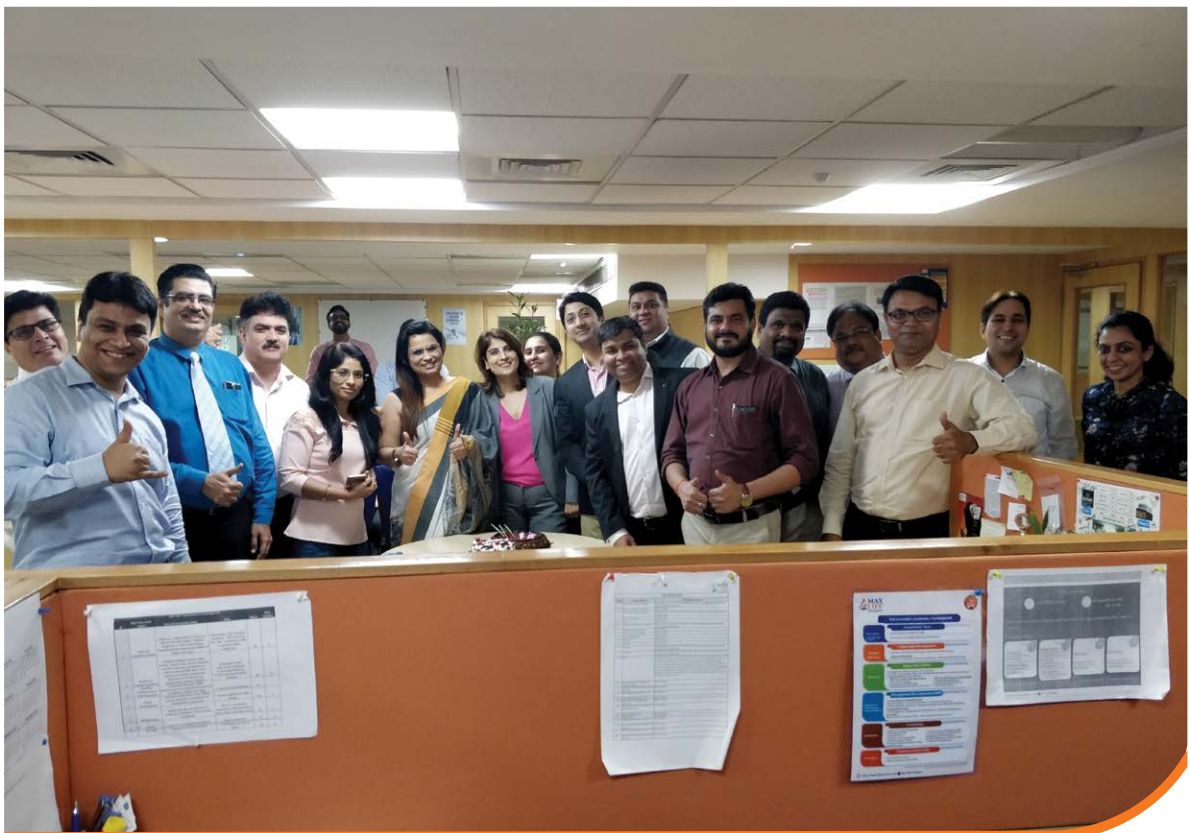
The industry also witnessed two more private life insurers coming up with an Initial Public Offering and now investors have an opportunity to participate in

the success story of top 4 private life insurers through stock markets. Many M&A opportunities also opened up in the sector and are likely to reshape the industry structure going forward. The Indian life insurance industry is clearly demonstrating signs of maturing into the next phase of sustained growth.

### REGULATORY UPDATE

#### IRDAI (Insurance Web Aggregators) Regulations, 2017

In April 2017, these regulations were brought in with an objective to supervise and monitor Web Aggregators as an insurance intermediary. The regulations revised the eligibility conditions including change in capital requirements, net worth, etc. New detailed requirements related to operational matters were also introduced. Web Aggregators were allowed to receive remuneration for leads converted into sale of insurance policies along with receiving rewards in case of products sold with zero commission.



Max Life Insurance recorded another year of strong all round performance in FY2018



### **MOF Circular regarding transfer of unclaimed amounts into the Senior Citizens Welfare Fund (SCWF)**

Government of India has established Senior Citizen Welfare Fund for promoting the welfare of senior citizens. Unclaimed amounts after a specified period needs to be transferred to this fund by 1<sup>st</sup> March every year in the prescribed manner. Insurers to contact account holders as per the specified procedure.

### **Prevention of Money Laundering (Maintenance of Records) Second Amendment – MOF Notification, IRDAI Circulars and subsequent Supreme Court Order**

The Central Government in consultation with the Reserve Bank of India made amendments to the Prevention of Money Laundering (Maintenance of Records) Rules, 2005 to incorporate mandatory requirements of Aadhar and PAN for the KYC purpose. In line with this change, requirements of obtaining Aadhar & PAN from all customers was made mandatory along with mandatory authentication/validation of the information provided, using authentication facility provided by UIDAI. However, as per Supreme Court order dated March 13, 2018 and IRDAI Circular dated April 3, 2018, the requirement of collecting Aadhar from existing customers has been deferred till final SC order.

### **IRDAI (Outsourcing of Activities by Indian Insurers) Regulations, 2017**

To ensure that insurers follow prudent practices on management of risks arising out of outsourcing, prevent negative systemic impact and to protect the interests of policyholders, IRDAI came up with IRDAI (Outsourcing of Activities by Indian Insurers) Regulations, 2017 in April 2017. Outsourcing definition was amended to exclude services which were normally not carried in house such as legal services, banking, courier, medical examination, forensic analysis. Bank reconciliation and market conduct issues can now be outsourced. New requirement like Outsourcing Committee, material outsourcing arrangements,

maintenance of outsourcing records etc. were introduced. Requirements related to reporting related to outsourcing were also modified.

### **IRDAI (Protection of Policyholder's Interests) Regulations 2017**

To protect interests of insurance policyholders and that the insurers, distribution channels and other regulated entities fulfill their obligations towards policyholders and have in place standard procedures and best practices in sales & service of insurance policies, IRDAI introduced (Protection of Policyholders' Interests) Regulations, 2017. New requirements like Board policy on PPHI, display the terms and conditions of products, service parameters and turnaround times on the website, grievance procedure etc. were introduced through this regulation. Policy servicing and claim related TATs were also modified.

### **Compliance on Guidelines related to Information and Cyber Security**

In the wake of recent cyber-attacks and also to implement appropriate mechanism to mitigate cyber risks, IRDAI came out with a comprehensive cyber security framework for the insurance sector of India. Mandatory appointment of Chief Information Security Officer (CISO) is now required, who is responsible for articulating and enforcing the policies to protect their information assets and formation of Information Security Committee (ISC).

### **IRDAI Appointed Actuary Regulations 2017**

Modification proposed in the eligibility requirements and duties and responsibilities of an Appointed Actuary. Opportunity given to the insurer unable to appoint an Appointed Actuary to approach the Authority for relaxation of conditions. Restriction on insurer to carry on insurance/reinsurance business without an appointed actuary for a period exceeding one year. Any non-compliance in this regard shall attract appropriate actions under the relevant provisions of the Insurance Act, 1938.

**MAX LIFE INSURANCE IN FY2018 – ANOTHER YEAR OF SUPERIOR PERFORMANCE**

Max Life Insurance recorded another year of strong all round performance in FY2018. Following are some of the key milestones achieved during the year:

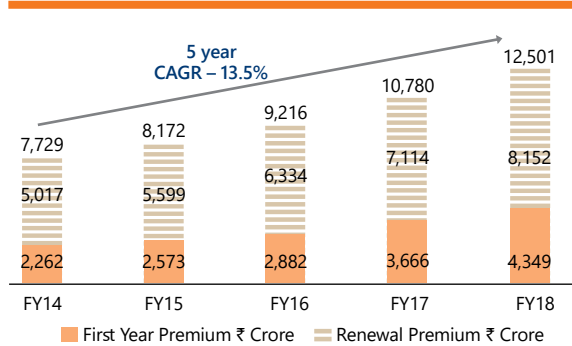
- Total revenue (Gross Written Premium + Investment Income) crossed ₹ 15,000 crore mark
  - Gross Written Premium at ₹ 12,501 crore recorded a growth of 16%,
  - First Year Premium at ₹ 4,349 crore grew by 19% and

- Renewal Premium grew by 15% to ₹ 8,152 crore.
- In terms of Individual Adjusted First Year Premium, Max Life Insurance recorded a growth of 22% to ₹ 3,215 crore.

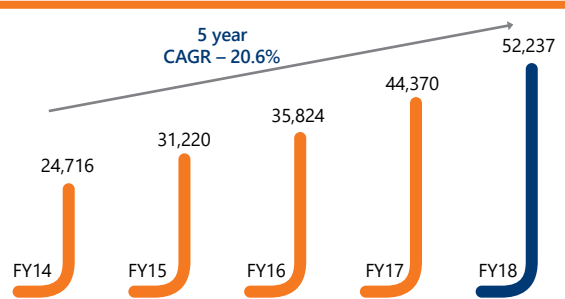
- Assets Under Management crossed ₹ 50,000 crore mark to ₹ 52,237 crore recording a growth of 18%
- Sum Assured in Force crossed ₹ 5 lakh crore mark – ₹ 5,11,541 crore; growth of 35%
- Shareholders’ Profit After Tax in FY2018 stood at ₹ 528 crore

**Snapshot of the company’s performance through key financial parameters:**

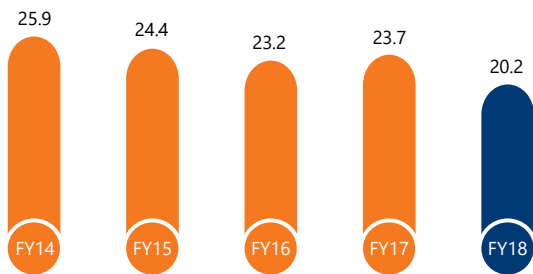
**Gross Written Premium (₹ Crore)**



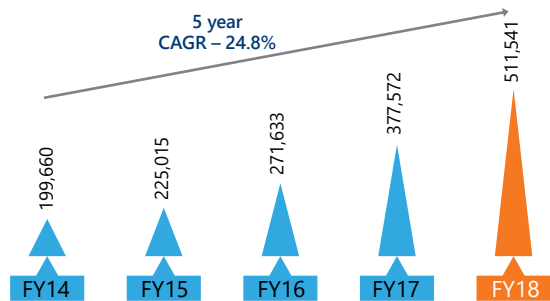
**Assets Under Management (₹ Crore)**



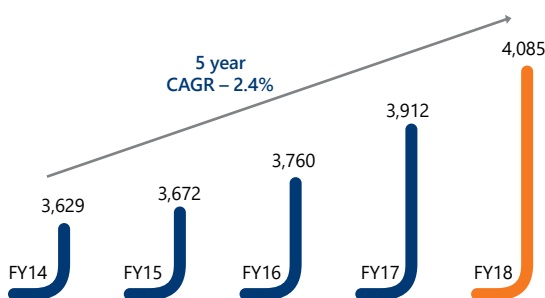
**Cost to Gross Premium Ratio (%)**



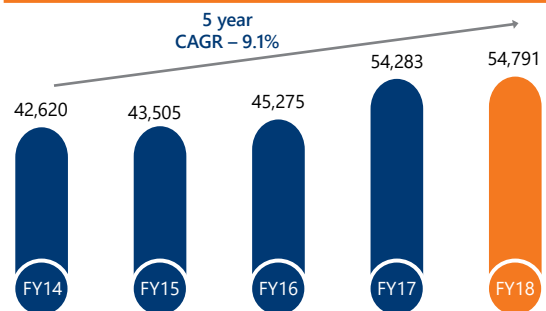
**Sum Assured in Force (₹ Crore)**



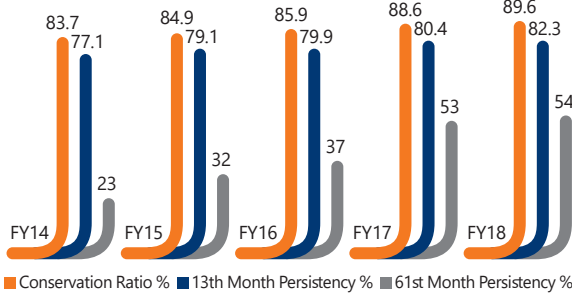
**No. of in-force policies (# in '000)**



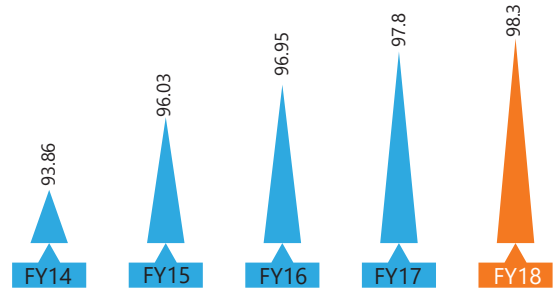
**No. of agent advisors (#)**



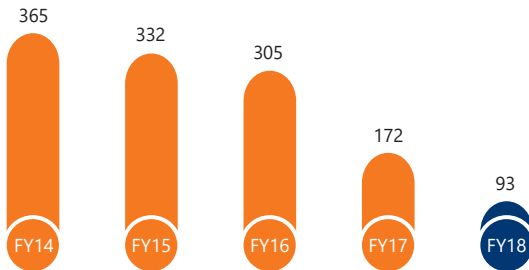
**Customer Retention (%)**



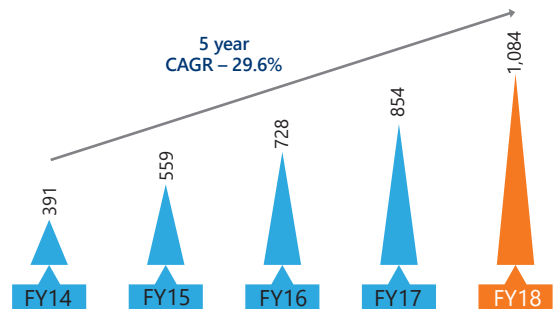
**Claims Settlement Ratio (%)**



**Grievance Incidence Rate (per 10,000)**



**Policyholder Bonus (₹ Crore)**



**Max Life Online Term Plan Plus is here. Protect your family today!**

- Choice of 3 Death Benefit variants**
- Accelerated Critical Illness Benefit\***
- Affordable Riders to maximise protection**
- Option to enhance cover at important milestones**
- Coverage till age 85 by paying only till age 60**
- Quick, hassle-free online application process**

**Max Life Online Term Plan Plus, UIN - 104N092V03.** A Non-Linked Non Participating Term Insurance Plan. LIFE INSURANCE COVERAGE IS AVAILABLE IN THIS PRODUCT. The first five benefits listed above can be available by paying additional premium. \*Accelerated payout in case diagnosed with any one of the 40 critical illnesses. **Max Life Insurance Company Limited is a Joint Venture between Max Financial Services Limited and Mitsui Sumitomo Insurance Co. Ltd.** Max Life Insurance Co. Ltd., 11th Floor, DLF Square Building, Jacaranda Marg, DLF City Phase II, Gurugram - 122002 (Haryana). For more details on risk factors, Terms and Conditions, please read the prospectus carefully available on [www.maxlifeinsurance.com](http://www.maxlifeinsurance.com) before concluding a sale. You may be entitled to certain applicable tax benefits on your premiums and policy benefits. Please note all the tax benefits are subject to tax laws prevailing at the time of payment of premium or receipt of benefits by you. Tax benefits are subject to changes in tax laws. Insurance is the subject matter of solicitation. Trade logos displayed belong to Max Financial Services Limited and Mitsui Sumitomo Insurance Co. Ltd. respectively and are used by Max Life Insurance Co. Ltd. under a license. Contact Toll Free No. 1800 200 3383. ARN: Max Life/Ideas/Annual Report/OTPP/July 2018

**IRDAI Regn. No.104**

**BEWARE OF SPURIOUS/FRAUD PHONE CALLS!**

- IRDAI is not involved in activities like selling insurance policies, announcing bonus or investment of premium.
- Public receiving such phone calls are requested to lodge a police complaint.

## Highlights for the Financial Year (FY) ended March 31, 2018 are as under:

Particulars	(₹ crore)		
	Financial Year 2018 (April 2017 – March 2018)	Financial Year 2017 (April 2016 – March 2017)	Growth %
<b>Financial Performance</b>			
New Business Premium (First Year Premium and Single Premium)	4,349	3,666	19
Adjusted Individual First Year Premium*	3,215	2,639	22
Renewal Premium	8,152	7,114	15
Commission Expenses	893	936	-5
Operating Expenses (Policyholders')	1,610	1,591	1
Shareholders Profit / (Loss) After Tax	528	660	-20
<b>Key Business Parameters</b>			
Solvency Ratio	275%	309%	-34%
Share Capital including Reserves and Surplus	2,689	2,506	7
Assets Under Management	52,237	44,370	18
Sum Assured In-Force	5,11,541	3,77,572	35
Market Consistent Embedded Value	7,509	6,590	14
Return on Embedded Value	20.6%	19.9%	70 bps
<b>Customer Parameters</b>			
Conservation Ratio (%)	89.6	88.6	100 bps
13 <sup>th</sup> Month Persistency (%)	82.3	80.4	190 bps
61 <sup>st</sup> Month Persistency (%)	54	53	100 bps
Claim Paid Ratio (%)	98.3	97.8	45 bps

\*Individual Regular First Year Premium plus 10% of Single Premium

### MAX LIFE INSURANCE – STRATEGY FOR CONSISTENT AND PROFITABLE GROWTH

Strategy of any successful organisation is rooted in the environment it operates in. Indian Life Insurance is operating in a dynamic environment impacted by multiple factors such as local economic growth, growing urbanization, increasing longevity and digital revolution. India is witnessing a significant change with a stable political environment, government policies having clear economic agenda and focus on promoting the habit of financial savings. In addition, Indian consumer is changing – living in the present, carrying positive expectations of the future but at the same time having to fend for their own financial future and hence wanting their money to work harder to provide them financial freedom and to protect it. With this backdrop, Max Life Insurance created its five-pillar strategy for the Financial Year 2017-18.

- **Strengthening proprietary channels** – Max Life Insurance has a balanced multi-channel

distribution architecture. Proprietary channels, which include Agency, Customer Advisory Team and e-commerce, form core of this distribution architecture. The Company decided to further strengthen these channels and invest in their expansion while continuing to be a leader on quality parameters.

- **Stronger integration with bancassurance partners** – Max Life Insurance enjoys long standing and most productive relationships with its bancassurance partners. The focus on strengthening relationship with Axis Bank, Yes Bank and Lakshmi Vilas Bank by integrating systems, better customer understanding and relevant solutions became even more critical in an open architecture environment.
- **Reinforcing our digital and e-commerce offering** – Indian consumers are adopting digital technology at a fast pace and mobile internet has completely changed content consumption and information



seeking behaviour. This creates a new opening for the life insurance industry. Max Life Insurance decided to strengthen its presence in e-commerce and at the same time create a digitally equipped employee and distribution force best suited to leverage the new ecosystem.

- **Enhance Protection business** – Protection is core to life insurance business. Max Life Insurance has and will continue to strengthen its protection portfolio and increase the element of protection in all the product solutions.
- **Set industry benchmark on customer and health parameters** – Growth without quality of business is not sustainable. Max Life Insurance has always kept this frame in mind while creating its growth strategy. Leadership on all customer parameters such as persistency, mortality, grievance management, customer engagement and loyalty etc. was identified as key to a sustainable and profitable growth.

### STRENGTHENING MULTI-CHANNEL DISTRIBUTION ARCHITECTURE

In a country as diverse as India and with the potential that is unmatched in the world, a multi-channel distribution architecture is essential for any life insurance company. Max Life Insurance realized this early in its journey and created a balanced distribution mix. Over the years, the Company has created one of the most productive agency distribution channels, stable and high-performing third party distribution relationships as well as leadership in e-commerce. The Company has also shown the ability to constantly review, learn and upgrade its distribution channels to maintain its leadership in the industry.

#### Proprietary Distribution Channels

Proprietary distribution channels have been core to the Company's distribution architecture. Agency Distribution, Customer Advisory Team and e-Commerce witnessed strong growth momentum and, at the same time, further improved the quality of business. The proprietary channels recorded a growth of 16% during the year.

- **Agency Distribution** – Agency Distribution is the largest proprietary channel of Max Life Insurance and is considered the benchmark on quality of

people and processes as well as the consultative sales to its customers. As a result, Max Life's agency distribution has one of the highest office productivity levels in Indian Life Insurance industry. Recruitment of quality agent advisors was the key focus area for the channel during FY2018 as this is an important vector for building a career agency model. A variety of initiatives yielded good results and helped improve the quality of agent recruitment.

- **Customer Advisory Team** – Max Life Insurance has a strong in-house team that engages with existing customers in select cities. This direct-to-customers channel recorded high growth aided by increase in both productivity and in the number of relationship managers. The channel continues to have 13th month persistency in line with global standards.
- **Online Channel** – During the year, online term sales more than doubled. Max Life further consolidated its market position within the life insurance market place by holding on to its leadership position in term plans and adding savings plans to its portfolio. Almost 15% of Max Life customers came through the online channel. The channel provided 58% of the protection cover (i.e. Total Sum Assured) written by Max Life Insurance in the year.
- **New channels** – Max Life Insurance has been leading the industry in adoption of the concept of Insurance Marketing Firms (IMFs) right from the time it was introduced. During the year, the company expanded the IMF channel and now has 152 IMFs which account for more than fifty percent of IMFs registered with IRDAI.

#### Third Party Distribution

- **Axis Bank** – Max Life's long standing relationship with Axis Bank is one of the most successful bancassurance relationships in the Indian life insurance industry with both partners committed to provide superior value to their customers. The company maintained its growth momentum at Axis Bank. Opening of new Bank branches, branch activation and increased preference for ULIPs amongst high ticket customer segment aided the growth in new business.

**During FY2018, the company's renewal premium grew by 15% to ₹ 8,152 crore and Max Life Insurance continued its leadership in conservation ratio at 89.6%.**

- **YES Bank** – This relationship continued its strong growth performance during the year and retained its position as one of the fastest growing bancassurance relationships in Indian life insurance sector. Increased focus on affluent customers resulted in greater share of ULIPs in the product mix. The company remained focused on customer parameters. As a result, 13<sup>th</sup> month persistency witnessed an increase. The company increased branch activation in YES Bank through a significant increase in their specified persons.
- **Other bancassurance relationships** - Lakshmi Vilas Bank witnessed growth in new business in line with management expectations and the company continued to be the dominant life insurance partner for the Bank even in an open architecture environment. Our UCB partnerships also recorded a healthy growth.

### Group Business

Group business continued to make good progress with a growth in written premium by 15% as it added some leading corporates to its customer base.

### CONTINUOUS FOCUS ON OPERATIONAL EFFICIENCY FOR ENHANCING CUSTOMER EXPERIENCE

Customer retention is the best evidence of both selling right product solutions and the quality of service a company provides to its customers, which in turn leads to better customer engagement.

During FY2018, the company's renewal premium grew by 15% to ₹ 8,152 crore and Max Life Insurance continued its leadership in conservation ratio at 89.6%. 13<sup>th</sup> month persistency was 82.3% and recorded an increase of 190 bps over last year. 61<sup>st</sup> month persistency at 54% recorded a growth of 80 bps over FY2017.

Management's focus on reducing customer complaints resulted in a significant reduction on this parameter. After 38% reduction in FY2017, in FY2018, the company witnessed 37% reduction in complaints resulting in the Grievance Incidence Rate improving to 95 per 10,000. Max Life's efforts to educate customers about fraudulent calling mechanism resulted in 17% reduction in spurious call complaints. The Company worked closely with the police to nab such fraudulent callers which resulted in multiple bank accounts of such offenders being frozen. Information security processes were further strengthened during the year.

Payment of death claim is the biggest moment of truth in a life insurance contract. The company is amongst the best in Claims Paid Ratio and continued its leadership journey on that front with Claim Paid Ratio improving to 98.3%. The company paid 10,152 death claims worth ₹ 353 crore during the Financial Year 2017-18. Since inception, Max Life Insurance has paid ₹ 2,223 crore towards death claim to 81,253 families.

Customer Experience Index, a cumulative index of customer experience across key policyholder transactions, witnessed an increase in Top 2 box score to 81% with 5 out of 10 touchpoints having scores of about 80% which is in line with global standard results. In addition, the Customer Confidence Index improved to 80% due to significant increase in Treating Customer Fairly Index to 91%.

### PRODUCT MIX – INCREASE IN SHARE OF PROTECTION AND ULIPs

Max Life Insurance has a balanced product portfolio having an optimal mix of traditional endowment plans, unit linked plans and pure protection plans.

During the year, Max Life Insurance added four new products – Max Life Assured Wealth Plan – a guaranteed lump sum maturity benefit with a short premium paying term, Max Life Online Savings Plan – an online unit linked insurance plan with options for wealth creation and planning for children education, Max Life Online Term Plan – a feature rich online term plan and Max Life Point of Sales product – a simple product for the PoS channel.

Protection portfolio is one of the key focus areas for Max Life Insurance. During the year, sales of Online

Term Plan doubled with sales through offline channels like CAT, Axis Bank and Agency Distribution also contributing significantly.

### **COST MANAGEMENT**

Operational efficiency is key to reducing cost in the Company. The operating expenses (policyholders) to net premium ratio improved from 14.5% in FY2017 to 13.0% in FY2018 and the cost (Commission plus policyholders operating expenses) to net premium ratio improved from 23.7% FY2017 to 20.2% in FY2018.

### **INVESTMENT PERFORMANCE**

The company's Assets under Management (AUM) of ₹ 52,237 crore recorded a healthy growth of 18% over last year. The returns of Traditional and Unit-Linked funds has been commensurate with the risks assumed in respective funds.

The traditional funds continue to have highest quality credit assets, with over 94.6% of the debt investments in AAA or equivalent instruments. The equity portfolio has close to 83% of exposure to good quality large-cap stocks which are expected to provide superior returns over the long-term. From a strategic investments initiative, the company is constantly evaluating ways and means to improve portfolio yield with a non-commensurate increase in risk. Newer asset classes that have been initiated in the past 3 years and are now seeing ramp up such as Real Estate, AIF investments amongst others.

New investment initiatives during the year were:

- Investments into InVITs (Infrastructure Investment Trust),
- Ramp up of real estate investments,
- Investment in alternative investment fund (AIF), and
- Looking for credit opportunity to enhance in yield on the portfolio.

The company adopted the Stewardship Code as prescribed by the IRDAI and the investment team started engaging with managements of investee companies and voting on material proposals to protect our investment portfolio.

### **POLICYHOLDER BONUS**

The Board of Directors took advice from the company's Appointed Actuary and approved the recommendation to

- Increase the 2017 regular bonus rates by 5% for all the old products closed to new business.
- Increase the 2017 regular bonus rates by 7.5% for four products which are open to new business - Life Perfect Partner Super, Life Gain Premier, Whole Life Super and Future Secure II.
- Maintain the regular bonuses illustrated at 8% investment return for two products which are open to new business – Monthly Income Advantage Plan and Future Genius Education Plan.
- Pay terminal bonuses to maturities and eligible deaths such that the final payouts are aligned to their asset shares.

The total cost of regular bonus payable for the next 12 months is estimated to be ₹ 1,084 crore, an increase of ₹ 230 crore from the bonus distributed last year amounting to ₹ 854 crore. In addition, the payment of terminal bonus on eligible deaths and maturities has been approved, the cost of which would be ₹ 12 crore.

### **INFORMATION TECHNOLOGY – LEVERAGING TECHNOLOGY FOR BUSINESS TRANSFORMATION**

During FY2018, significant technological interventions were undertaken by Max Life Insurance with an aim to transform business outcomes. A complete revamp of the Max Life Insurance Corporate website and customer servicing, enabled with world class user experience (UX), mobile responsiveness and powered with latest technologies, has helped substantially increase the B2C revenue through online route. Max Life Insurance also launched smart BOTs for superior customer experience and real-time business metrics accessible "Anytime, Anywhere and on the go". Other key applications launched included a unified system for enhanced experience in Operations (UNO) and mPower- a mobile responsive one stop shop mobile application for empowering Agents and Relationship Associates for customer and self-servicing.

## ENHANCED ENGAGEMENT WITH EMPLOYEES

At Max Life Insurance, improving employee experience & people practices is the bedrock of the company's high-performance culture. Throughout the year, initiatives on supporting performance, celebration of personal & professional milestones and volunteering for social impact were planned at local and organization level. Continuous listening and acting on feedback are enabled through an annual employee engagement survey in partnership with IBM Kenexa, annual Great Place to Work Study and Internal Pulse surveys.

2018 study by Great Place to Work Institute, India recognizes Max Life amongst top 15 workplaces in the BFSI category. Max Life is the only life insurance company to be part of this list. Overall, Max Life Insurance is ranked 43rd in the Great Places to Work in India in 2018.

94% employees participated in the recent annual engagement Survey conducted in Quarter 4, FY2018. IBM has reported Max Life engagement levels amongst top decile of its global client database.

Digitisation of HR processes is key to offering convenience to our employees who are spread across 300+ locations in India. Employee App has now become the lifeline for our employees through which they can

complete transactions like attendance management, salary slip request, create and participate in polls for better listening etc. In addition, through eCube, our employee portal, the company is able to communicate and engage with all its employees.

Pehal, an employees' volunteering programme, gained further momentum during the year. Around 3,500 employees and almost all agency distribution offices participated in various social causes such as financial literacy for under-privileged students via school contact programme, green plantation drive, healthcare activities such as blood donation, immunisation and health camps and collection and distribution of goods for underprivileged section of the society.

At our Founders' Day, 271 employees and their families were recognized with Long Service Awards for completing 10 and 15 years of service.

## STRENGTHENING THE MAX LIFE BRAND

"Do kadam aage" or always ahead of the challenges in life by protecting your financial future campaign was on television twice in the year. This campaign supported by online and social presence resulted in stronger brand association with protection. The campaign also helped open more doors for our offline sellers.

During the year, the Marketing function carried out a few experiments to support business objectives. A



The Max Life Actuarial Team at an employee training event.

radio campaign in Mumbai and Delhi had a compelling narrative for daily commuters and clearly articulated the need for protection connecting it with the real life situations on road. The company for the first time sponsored a Marathon in Bengaluru which received very good response and helped the brand build a connect with a health and wellness platform.

### GENERATING INSURANCE AWARENESS AMONGST CUSTOMERS

Max Life Insurance continued to work towards increasing awareness about life insurance and financial concepts amongst its existing customers and prospective life insurance customers. In line with the IRDAI focus, the company worked on four specific themes.

#### ■ Campaign on the benefits of life insurance

Max Life Insurance has engaged with its existing and prospective customers through its social media assets like Facebook and Twitter to enhance their understanding about the true role life insurance can play in meeting their needs. During FY2018, the company carried out two television campaigns and a radio campaign to educate consumers about the need for protection against unforeseen events of life. Throughout the year the company worked towards imparting knowledge to policyholders and prospects through authored articles in national and regional dailies, knowledge articles through own website, social media assets and direct electronic mailers. As a special initiative, during the last quarter of the year, the company distributed handouts on 'Myth buster on Taxation' and 'Tax Calculator'. Sellers were empowered with leaflets on lifestyle changes which was shared with existing and prospective customers who walked into our offices during 'Word Cancer Day'. Physical electronic posters were displayed in the company's own offices and offices of distribution partners giving information about how life insurance can play an important role at various life stages.

#### ■ Campaign focusing on protection of consumers

Fraudulent activities and spurious calling to fleece genuine life insurance consumers of their hard earned money is a big challenge for the life insurance industry. There is a need to make concerted efforts to overcome this menace. Max Life Insurance made its contribution by educating consumers about such activities through videos

which were posted on Social media assets and were sent to existing customer base. In addition, Max Life Insurance also took legal measures to take action against unscrupulous elements who are engaged in such activities.

#### ■ Campaign for children and youth

Max Life Insurance launched a special campaign of teaching the youth of India about the basic financial concepts. We believe that if they are introduced to financial planning early in their life, these people will be in a better position to implement these concepts in real life to their benefit. Max Life Insurance employees educated ~6,000 students of 56 schools in Gurugram, Jammu, Gwalior, Hyderabad, Vadodara, Rourkela and Guwahati. This campaign was extremely successful as students actively participated in these financial literacy class. They were also provided with reference books on financial literacy. Information about Government promoted financial schemes so that the students could share those with their parents which could benefit the household.

#### ■ Campaign for the under-privileged and rural and socially backward

Max Life Insurance adopted Dhakrani village in Uttarakhand in 2015. Our employees and agent advisors have been carrying out door to door financial literacy campaign in the village. During the year, our employees reached out to 995 households – conducted financial needs analysis and educated them about the financial products suitable for their identified needs. Efforts were made to encourage them to invest small amounts in government initiatives such as Pradhan Mantri Jeevan Jyoti Bima Yojana, Pradhan Mantri Suraksha Bima Yojna, Atal Pension Yojna etc.

### A ROBUST RISK MANAGEMENT FRAMEWORK TO ADDRESS ENTERPRISE WIDE RISKS

Your Company'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



Max Life launched a special campaign targeted at the youth

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.

Risk management activities are supervised on behalf of the Board by the Risk, Ethics and Asset Liability Management Committee, whose responsibilities conform to those prescribed by the IRDAI. The Management Risk Committee chaired by the Executive Vice Chairman and Managing Director 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 Company.

Your Company has an operationally independent Risk Management Function in place, headed by a Chief Risk Officer. The function is responsible for the supervision of all risk management activities in the Company, including developing the risk appetite, maintaining an aggregated risk view across the Company, 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.

Your Company 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 Company. It is also 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 risk management system is a continuous cycle of improvement over the Company's existing risk management elements. Your Company is progressing well on its vision of a matured state of risk culture where every individual takes responsibility of risks and has a thorough understanding of all risk tolerances.

Your Company has in place a risk management system that enables it to develop and implement strategies, policies, procedures and controls to manage different types of risks., A Risk Appetite Statement is in place

which identifies and addresses each material risk to which the Company is exposed and establishes the degree of risk that the Company is willing to accept in pursuit of its strategic objectives, business plans and the interest of the policyholders. These material risks have been categorized in the areas of Strategic, Insurance, Investment and Operational Risks. The Risk Management Strategy has been developed which defines the Company'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.

The risk management framework also ensures that the level of risk accepted is within the Company's risk capacity and the level of capital adequacy is in excess of the level prescribed in the regulations.

**REPORT ON MARKET CONSISTENT EMBEDDED VALUE**

Keeping in view the requirements of long-term investors, the company has been reporting the Embedded Value (EV) for the past several years. The EV

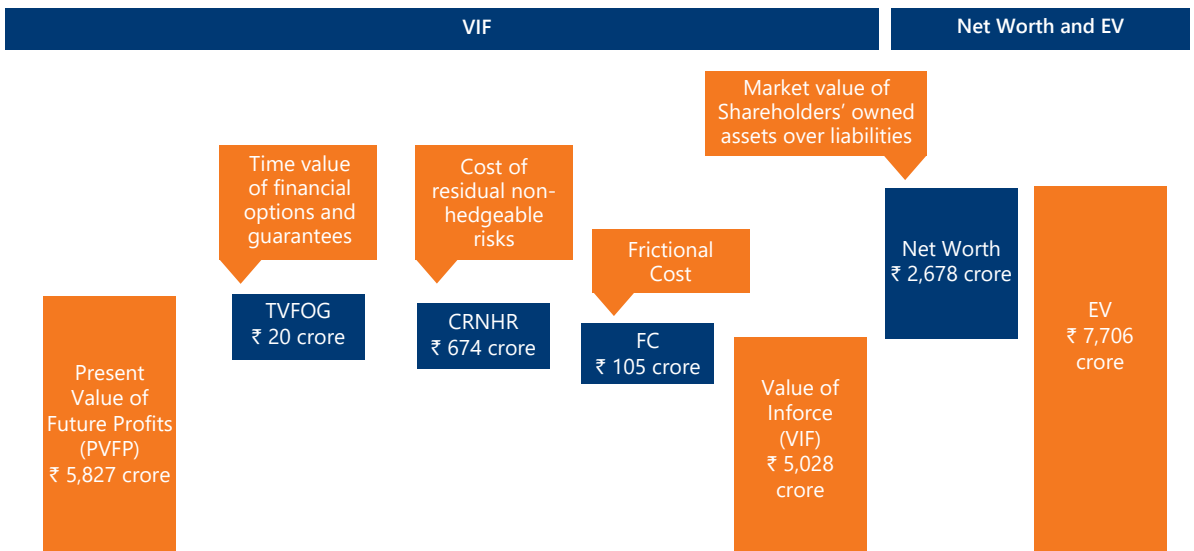
of the Company, as at 31<sup>st</sup> March 2018, stood at ₹ 7,706 crore. Post payment of final proposed shareholder dividend of ₹ 197 crore, which will be accounted post 31<sup>st</sup> March 2018, the closing EV will be ₹ 7,509 crore.

The EV is a measure of the shareholder value arising from the in-force policies and the net worth of the company as at the valuation date. The company uses a market consistent methodology approach as this approach better reflects the value of an insurance company by explicitly allowing for insurance and economic risks rather than using implicit overall allowance for risks through Risk Discount Rate in the traditional approach.

**Market Consistent Embedded Value (MCEV) method**

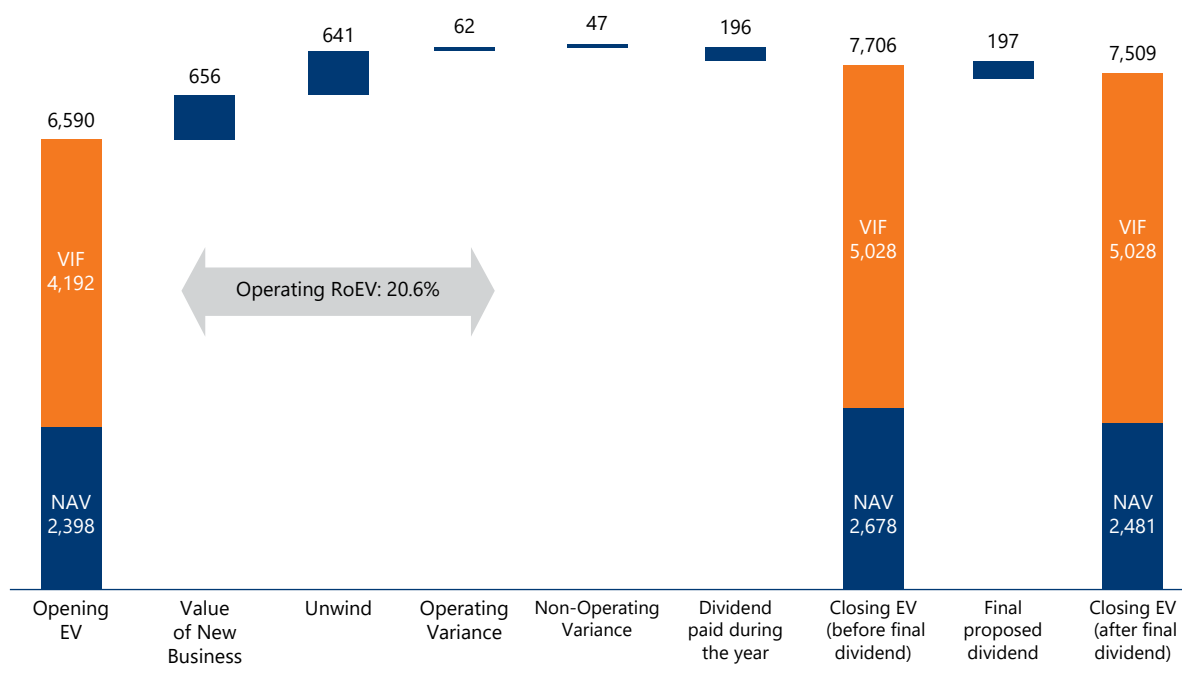
The EV of the Company is calculated keeping in view the MCEV principles issued by the Stichting CFO Forum Foundation and the Actuarial Practice Standard 10 as issued by the Institute of Actuaries of India. However, the methodology and results are not intended to be compliant with these standards.

In MCEV, 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).



Note: The deductions for risks to arrive at the VIF represent a reduction of ~14% in the PVFP, in line with last year's reduction. The largest deduction is in respect of CRNHR.

**EV movement analysis: March 2017 to March 2018** (Figures in ₹ crore)



- Operating return on EV of 20.6% is mainly driven by new business growth and unwind of discounting.
- Operating variance mainly constitutes the positive impact of mortality and persistency experience variance and modeling enhancements.
- Non-operating variances are mainly driven by equity and interest rate movements since March 2017.
- The interim shareholder dividend of ₹ 196 crore has been paid during the year and a final dividend of ₹ 197 crore will be accounted post 31<sup>st</sup> March 2018. Post the payment of the final dividend, the closing EV will be ₹ 7,509 crore.

**Value of New Business (VNB)**

The VNB represents the value added to the EV due to the new business written by the Company during the year. For FY2018, the VNB was ₹ 656 crore, calculated at actual costs, resulting into new business margin of 20.2%.

**WAY FORWARD / OUTLOOK**

With increasing focus on digitisation and formalization of the economy, there is a growing market for financial savings products. In addition, the demand for life and health protection is also increasing. This creates new growth opportunities for the Indian life insurance sector which has recorded close to 20% growth per annum over the last two financial years.

Max Life Insurance is well placed to leverage this opportunity through its multi-channel distribution and a comprehensive offering of products. To further strengthen its distribution architecture, Max Life Insurance is committed to expand the geographical footprint of agency distribution, further strengthen its e-commerce and direct distribution (Customer Advisory Team) channels and drive growth through new distribution channels such as Insurance Marketing Firms. The company has already initiated implementation of these expansion programmes. At the same time, the company will further strengthen its





Max Life team winning Gold at the ASQ awards 2018 in Seattle, USA

existing bancassurance relationships with Axis Bank, Yes Bank, Lakshmi Vilas Bank and multiple Urban Cooperative Banks. In addition, the company proposes to be an active participant in the open architecture opportunities in bancassurance.

Max Life Insurance, known for its customer centric approach to business, plans to further enhance its engagement with more than 33 lakh existing customers, understand their needs through big data analysis and offer them customised solutions at every stage of their lives. The company plans to increase the share of protection and ULIPs in its product mix, keeping in mind the changing customer requirements. During the financial year 2018-19, Max Life Insurance will evaluate some of the industry first ideas including wellness which it plans to integrate with its existing product designs.

To further improve its customer service, Max Life Insurance has created Customer Centre of Excellence

(CoE). The Customer CoE will benchmark our customer service practices with best in class global practices, learn from customer service practices across industries and improve our service standards.

Digitisation will continue to be a key focus area for the company with focus on Employee, Customer and Distribution digital. The company aims to create a paperless and mobile first ecosystem to provide frictionless processes. Digitisation is one of the key agenda for Max Life Insurance in the process of creating an efficient and quality organisation.

During FY2019, the company will continue on its profitable growth path and aim to outperform private life insurance industry in business growth, set new benchmarks in customer-centricity and achieve new milestones in our great workplace journey.

## BUSINESS RESPONSIBILITY REVIEW



**Mohini Daljeet Singh**  
Chief Executive

Gulnaz and her family hail from Uttarakhand. Her father, a daily wage earner supported his daughter to pursue higher education. In 2014, Gulnaz [then 17 years old] was about to complete her 12th Standard when a young man whose proposal she had rejected threw acid on her. Gulnaz was in the hospital for 2 months and underwent multiple surgeries with some help from the CM Relief Fund.

Meanwhile, Gulnaz filed an FIR and had the culprit put behind bars for 10 years. However, she still needed additional surgeries and approached Max India Foundation (MIF) through Max Super Speciality Hospital, Dehradun. Her surgery was successfully done in October 2015. Later, Gulnaz received a scholarship

and enrolled in a college in Chennai. But this was not the end of her relationship with MIF.

When Gulnaz came home in May 2017 during her vacations, she was appalled to see her father's deteriorating condition because of a heart problem. Once again, she approached MIF, and given the criticality of her father's health, the Foundation came on board. Her father was successfully treated at Max Hospital, Patparganj and is back to leading a healthy, happy life in his hometown, while Gulnaz has returned to her graduation studies and aspires to pursue a dignified career.

This is just one of the 30 lakh such stories that MIF has had the privilege to be a part of over the past decade. The Max Group's Responsibility journey hit the significant milestone of 10 years of caring in January 2018. This journey has been characterised by the ethos of *Sevabhav* and *giving with dignity* to make a difference in the lives of the underprivileged. In these 10 years, MIF connected with 30,99,491 beneficiaries through 444 NGOs at 785 locations.

To commemorate 10 years of serving the underprivileged, a Coffee Table Book was released on Max Annual Day, on 15th January, 2018. On 22nd January, a special Thanksgiving Event was organised wherein many stakeholders including NGO partners joined in.

In FY 2017-18, Max India Foundation was felicitated with "Asia's Greatest CSR Brand Award" at the India Singapore Business & Social Forum 2018 on 29th January at Marina Bay Sands, Singapore. This Award is given to the most prominent brands that have lent a helping hand and worked towards the development of the society at large. The Foundation also received other Awards as highlighted in the box. The Foundation is humbled by the various laurels that have come its way and understands the responsibility entrusted to it.

### Awards and Recognitions

- Mohini Daljeet Singh, CEO, Max India Foundation was felicitated with the CSR Person of the Year Award for her outstanding contribution to the social development sector by India CSR at the CSR Leadership Summit on 26th May 2017
- Max India Foundation was conferred with CSR Campaign of the Year Award towards Fight Against Cancer by India International CSR Conclave on 11th May 2017
- Mohini Daljeet Singh, CEO, Max India Foundation was honoured with CSR Leader of the Year Award at the India International CSR Conclave held on 11th May 2017.

## Core Interventions

### Health

Health needs are immediate, yet accessibility and affordability is a huge gap area for the underprivileged. Over the years, the Foundation has perfected various health interventions which bring much-needed support in the lives of the underprivileged. The interventions have been strategically designed with a blend of curative, preventive and promotive aspects. The key interventions include:

### Immunisation Programme

This programme is meant for the children in the age group of 0-12 years who are Not Immunised or are Partially Immunised. Children are vaccinated against MMR, DPT, Hepatitis-B, and Typhoid as per the guidelines of WHO. The programme mandate is to "close the immunisation gap" and thus complement GOI's Mission Indradhanush. We believe that healthcare for a child must begin with protection through immunisation. The programme protects

children against nine life-threatening diseases. As a new initiative, the Foundation introduced HPV vaccine for underprivileged girls in the age group of 9-15 years for protection against cervical cancer.

In FY 2017-18, 18,448 vaccine shots were administered to children.

### Health Camps

Often underprivileged people ignore niggling symptoms of ill-health due to several reasons like losing a day's wage, travelling long distances or lack of funds for even a basic consultation. Women and the elders are the worst affected. Small issues unattended can become big problems and lead to expensive treatment or loss of life.

Max India Foundation organises health camps [including general health camps and multi-speciality health camps] for the underprivileged across urban slums and rural areas with the objective of providing quality healthcare in an accessible and affordable manner. A team of qualified doctors and paramedical staff conducts the health camps wherein free consultations and medicines are provided. The range of specialties covered includes gynaecology, paediatrics,



MIF's 9th Artificial Limbs and Polio Callipers Camp was held in April 2017

ophthalmology, oncology, dental, or diabetes check-up among others. Pathology tests like random blood sugar, HB, Bone Density, ECG, etc. are also done. In certain eye check-up camps, free eyeglasses are also provided. Critical cases are referred for further treatment.

In FY 2017-18, 1,70,201 patients have benefited through 719 camps. These health camps address immediate healthcare needs of the marginalised at their doorsteps.

### **Surgeries and Treatment**

High out-of-pocket expenses make it impossible for the underprivileged to undergo high-value surgeries. Arranging large sums of money is out of the question for them. Max India Foundation helps them to get a new lease of life. In FY 2017-18, the Foundation reached out to 1,559 patients with timely intervention, thereby preventing them from getting caught in the vicious cycle of debt and poverty. These surgeries include a large number of paediatric cardiac surgeries, neurosurgeries, orthopaedic surgeries, cataract surgeries and oncology care through Max Healthcare Hospitals.

### **Provision of Free Artificial Limbs and Polio Callipers to the Needy**

The programme aims to improve the mobility of physically challenged individuals so that they are able to live their life independently with dignity. This enhances their self-confidence and can improve their economic well-being.

Max India Foundation's 9th Mega Artificial Limbs and Polio Callipers Camp were held in Dehradun from 18-21st April, 2017. In addition, the Foundation in partnership with Kiwanis Club of New Delhi provides 15 artificial limbs every month to the physically challenged. Further, six physically challenged youth were provided specially-designed motorised vehicles with disabled-friendly attachments in partnership with Rajiv Gandhi Foundation under their "Access to Opportunities" initiative. 391 physically challenged have been provided free of cost artificial limbs and polio callipers in FY 2017-18.

**Sateshwari** was accidentally hit by a truck. Her wound had just about healed when she heard of the camp in Dehradun. Sateshwari was provided with an artificial limb at the camp and she is full of hope. *"Life took an ugly turn with that unfortunate accident. I hope to be back to leading a normal life with the help of an artificial limb",* says Sateshwari.

### **Lifeline Express**

MIF is proud to be associated with Lifeline Express which is a novel concept of train hospital on wheels [conceptualised by the Impact India Foundation]. Every year since 2008, the Foundation provides support for Lifeline Express at Madhya Pradesh. In the camp held in FY 2017-18, a total of 12,880 patients were examined.

### **SUPPORTING ALLIED HEALTH INTERVENTIONS**

Good health is an outcome of multiple factors; therefore, Max India Foundation has been working on a host of allied-health sustaining factors like environment, nutrition, clean drinking water and others as elaborated below:

### **Sustainable and Eco-Friendly Environment**

Good environment is a basic requirement to realise good health. World Health Organisation has estimated that 13 million deaths annually are attributable to preventable environmental causes. The Foundation's work around the environment is centred on environmental awareness coupled with environment-friendly action. In addition to tree plantation drives across Delhi, Haryana, Punjab and Uttarakhand, MIF has been spearheading structured monthly environment awareness campaigns. These campaigns serve the dual purpose of sensitising the people about the issue as well as suggesting various practical action points to improve the environment. The same is shared with key stakeholders including NGO partners as well as employees of the Max Group. The objective is to improve green cover, enhance oxygen supply as well as arrest soil erosion, thereby leaving the greener planet for the future generations.



MIF's Health Van was launched in 2017 to provide basic medical services to the under privileged in Delhi/NCR.

### Clean Drinking Water

Waterborne diseases are a major reason for severe health problems. In order to provide access to clean drinking water, Max India Foundation has forayed into providing clean water in government schools meant for underprivileged children in Delhi as well as in the adopted villages. So far, nearly 14,000 children have benefited through this initiative. Clean drinking water not only has health benefits but also helps in improved learning outcomes since there is less absenteeism from school.

### Nutrition

India is home to over one-third of the world's stunted (chronically malnourished) children (World Food Programme, 2016). Some of the partners we work with are engaged with malnourished children for whom getting two meals a day is a huge struggle. The mid-day meal or nutritious snack offered through Max India Foundation's support may be the only wholesome meal of the day for them. Max India Foundation made over 11,000 meals possible in FY 2017-18.

### Drug De-addiction

It is estimated that around 7.21 crore people in India are affected by drugs. Drug abuse is emerging as a major health hazard with a sizeable number of youth

caught in this vicious cycle. To address the menace, Max India Foundation has been supporting a drug de-addiction counselling centre for the youth of Baramulla, J&K since April 2016. The Centre started and anchored by the Indian Army organises drug de-addiction seminars, recreational activities, individual and group counselling sessions, motivational talks and occupational rehabilitation. In FY 2017-18, the drug de-addiction programme has benefited 742 youth.

The intervention was further broadbased through our partnership with UNODC [United Nation Office of Drug and Crime]. Under the partnership, UNODC is working in the state of Punjab to curb the drug menace with focus on counselling and awareness initiatives. The partnership will also cover village Rail Majra. The training of trainers was held in November 2017 and strives to bring effective change on the ground.

### HEALTH AWARENESS

Max India Foundation has given great importance to health awareness to promote healthy behavioural practices amongst underprivileged communities. We believe preventive healthcare yields better outcomes in the long-term and saves huge sums of money which would be spent on treatment. The focus areas include ills of tobacco, vector-borne disease, cancer awareness and others which are conveyed through a

mix of infotainment approaches like films, flip books, talks, demonstrations, puppet shows, etc. So far, over 18.45 lakh individuals have been reached through health and hygiene awareness initiatives. In FY 2017-18, 31,036 individuals were reached. Over the years, the awareness level of the community on various healthcare aspects has significantly improved.

Whilst health awareness remains an integrated part of all health camps, Max India Foundation runs strategic campaigns around anti-tobacco and cancer which are detailed below:

### Anti-Tobacco Campaign

Tobacco kills over 10 lakh people in India every year; in Delhi alone, there are 30 lakh tobacco users. Given the gravity of the problem, Max India Foundation has been running various outreach programmes focussed against the use of tobacco with an emphasis on strict enforcement of Cigarettes and Other Tobacco Products Act (COTPA 2003). So far, 589 policemen have been sensitised including DCPs and Inspectors/Sub-Inspectors who are emerging as champions of our cause. Doctors from Max Hospitals as well as patients who are cancer survivors have played a key role in the

sensitisation of police. Further, over 27,903 people have been fined by Delhi Police for violation of COTPA which is a positive step in the enforcement of the Act.

As part of World No Tobacco Day on 31st May 2017, a televised awareness campaign was run on India Today News Channel. The campaign highlighted the alarming facts about perils of cigarette smoking. Also, the work of Max India Foundation to curb the tobacco menace was highlighted. The collaboration with India Today helped reach larger audience base.

Another element was added to the Programme when a focussed intervention on educational institutes was initiated in June 2017. Under Tobacco Free Education Institutes (TFEI) initiative, training programmes are organised for Principals of government schools so that they sensitise children on the ill-effects of tobacco as well as conduct tobacco-free audits of their respective schools. So far, 485 Principals of North Delhi Municipal Corporation schools have been trained and sensitised on COTPA.



Team Max India Foundation



An MIF immunisation camp

### Cancer Screening and Awareness Camps

Recent years have witnessed a sudden spurt in cancer cases. MIF has adopted a two-pronged approach to combat the problem. On the one hand, there is an emphasis on cancer awareness as well as screening, so that cancer cases are identified at early stages for effective recovery. On the other hand, economically weak cancer patients are provided free or subsidised treatment. Max India Foundation has been conducting cancer screening camp including free mammography and pap smear tests at awareness camps. The focus is on early detection to ensure better outcomes.

### Celebrate Me – Triumph Over Cancer

“Celebrate Me” celebrates the spirit of cancer survivors who braved cancer and emerged triumphant. The first season of Celebrate Me was held in 2015 and over the years it has emerged as an important annual signature event. Celebrate Me 2017 was held from 23rd to 28th September in collaboration with CanKids...KidsCan. The focus of the event was on Childhood cancer and efforts were made to spread the message from Delhi to Punjab covering a stretch of 1,500 km that childhood cancer is curable if diagnosed in time. The awareness was conducted in a unique manner with a car rally from Delhi to Punjab. The “Fight Against Cancer Champions” stopped at different locations to inform the community about prevention and cure of childhood cancer.

### Max India Foundation, Evolving As Knowledge Partner

Over the years, Max India Foundation has evolved as an expert thought leader. One giant leap was taken when Max India Foundation joined hands with ASSOCHAM as Knowledge Partner for the Conference titled “Health Security For All”.

The maiden Conference held on 26th May, 2016 focussed on “Health & Insurance”, whereas the 2nd successive Conference held on 1st June, 2017 focussed on “Access to Quality & Affordable Healthcare”. Ms. Mohini Daljeet Singh, CEO, Max India Foundation delivered the keynote address. Further, a resource paper on “Health Policy 2017” was released which was very well received by the participants.

### VILLAGE ADOPTION PROGRAMME FOR DEVELOPING SUSTAINABLE VILLAGES

Max India Foundation has adopted three villages – Rail Majra in Punjab and Dhakrani as well as Chandrothi in Dehradun, Uttarakhand. The Village Adoption programme has been making a positive difference in the lives of the underprivileged. With interventions around health, sanitation, waste management, school infrastructure upgradation, skill development in the community, the programme is creating model villages to enhance the quality of life of the underprivileged. The highlights for FY 2017-18 are as follows:

#### Health Facilities

Due to inadequate health facilities, provision for quality health services has been made with appropriate interventions in the form of health camps, health centres, eye check-up camps and immunisation camps. The range of health services helps the villagers to avail quality services from specialists which they would not have access to otherwise.

#### Environment Conservation and Preservation

Max India Foundation has been sensitising villagers about the environment conservation and preservation. Tree plantation drives are almost an annual affair across all the three villages. In particular, Max India Foundation has developed a small park in Dhakrani village for the residents. The park is centrally located



A Health Camp organised by MIF

near an upcoming Aanganwadi and ITI (Industrial Training Institute) and has emerged as a hub of community activity.

#### Hygiene Improvement through Solid Waste Management

Waste management was an issue of concern. Max India Foundation initiated activities to implement the solid waste management system by implementing clean-up drives, awareness programme, solid waste collection, and disposal system. The villagers are also regularly sensitised on the importance of cleanliness as well as educated on segregation of waste. As part of the same, a composting unit has been set up in Dhakrani. Segregation of waste is being done, so that the organic waste does not end up in landfills and can be composted which can be used by farmers in the village.

#### Sanitation and Sewerage Project

Dhakrani village had no sewerage system in place. Wastewater spilled onto the garbage spread on the streets as well as polluted the sources of drinking water supply. To address the issue, a sewerage treatment project is underway. So far, over 1,00,000 running feet of the pipeline has been laid. Sand filters and septic



tanks are being built from which wastewater will be treated and will be fit for agricultural purpose. Three phases of this project are complete and the fourth phase is under construction.

### **Skill Development for the Youth [New Initiative]**

On a special case basis, Max India Foundation has set up a life skills training centre at Dhakrani in partnership with NGO Head Held High (HHH) Foundation. The initiative provides Life Skills training to zero literate rural youth in a 6 months' intensive programme. The core of the initiative is to make India capable, where rural youth with no schooling are trained to be work-ready in a professional environment. This transformation enables such youth to be able to live life with dignity, opening up economic opportunities. The Centre was formally inaugurated in November 2017 and the first batch passed out in May 2018.

### **Science Lab [New Initiative]**

In order to develop a scientific bent of mind amongst children, a science lab has been set up in all the three

adopted villages. Children have got access to 60 working models and the objective is to understand and appreciate the basic principles of science. Additionally, teachers have been trained so that they are able to use the models effectively and engage with children.

### **IMPACT**

MIF with its 360-degree approach towards holistic healthcare has been able to make a genuine difference in the lives of the underprivileged. The decade-long interventions on the ground have been successful in addressing key challenges of low-quality care, lack of health awareness and limited access to health facilities. Further, the focus on health awareness has significantly helped in bringing behavioural change in the beneficiaries. They are adopting healthy practices to safeguard their health. Today, the Foundation has been able to win the trust and confidence of the community and bring smiles to their faces. Max India Foundation in its own small way has been able to make a humble contribution towards nation-building through a healthier population.







# CORPORATE GOVERNANCE REPORT

# CORPORATE GOVERNANCE REPORT

## OUR CORPORATE GOVERNANCE PHILOSOPHY

Max Financial Services Limited continues to be committed towards maintaining the highest standards of Corporate Governance recognizing that in today's environment, it is a critical driver for achieving excellence, attracting high-quality talent, and optimizing capital sourcing and allocation.

To ensure strong discipline in capital management, robust performance management of its businesses and sustained value creation across all stakeholders, Max Financial Services embarked upon a journey a few years ago, to implement a comprehensive governance framework across the Group. This entailed 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 Chairmen. 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

Various people processes of the Board have been optimized (viz. on-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, inviting external speakers to take Board sessions, are in place to ensure that the

Board time is spent optimally on 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 sub-committees of the Board that are composed of the right balance between executive, non-executive and independent Directors, who add value to and are specifically qualified for the particular sub-committee. Detailed charters are published for every sub-committee 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 & behaviour, 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, 2018, the Board comprised of seven members with one executive director and six non-executive directors of which four were independent. Mrs. Naina Lal Kidwai (DIN: 00017806) acting as Chairman of the Board of Directors of the Company as on March 31, 2018, is an Independent Director.

None of the Director 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.

Mr. Sahil Vachani (DIN: 00761695) has been appointed as an additional director in non-executive capacity with effect from May 25, 2018. Further, Mr. Analjit Singh (DIN: 00029641), Founder and Chairman Emeritus Max Group, has been appointed as an additional director in non-executive capacity and designated as Chairman of the Board of Directors of the Company, with effect from July 23, 2018. Mrs. Naina Lal Kidwai continues to be on the Board in capacity of an Independent Director.

The details of the Directors and their attendance at the Board meeting during the year 2017-18 and at the last annual general meeting, including the details of their Directorships and Committee Memberships, as of March 31, 2018, are as under:

Name of Director	Attendance at Board meetings during the year 2017-18		Attendance at last AGM held on September 26, 2017	Number of Directorships in other companies as on March 31, 2018*	Number of committee positions held in other public companies as on March 31, 2018**	
	Held	Attended			Chairman	Member
Mrs. Naina Lal Kidwai [Independent Director & Chairman]# DIN: 00017806	5	5 <sup>^</sup>	Yes	6	–	4
Mr. Mohit Talwar [Managing Director] DIN: 02394694	5	5	Yes	7	1	3
Mr. Rajesh Khanna [Independent Director] DIN: 00032562	5	5	No	3	–	0
Mr. Aman Mehta [Independent Director] DIN: 00009364	5	2	No	5	1	5
Mr. Ashwani Windlass [Non-Executive Director] DIN: 00042686	5	5	No	5	3	–
Mr. Dinesh Kumar Mittal [Independent Director] DIN: 00040000	5	3	Yes	11	–	7
Mr. Sanjay Omprakash Nayar [Non-Executive Director] DIN: 00002615	5	3 <sup>^^</sup>	No	17	–	2

\* Excluding Foreign Companies and Companies formed under Section 8 of the Companies Act, 2013 / Section 25 of the Companies Act, 1956

\*\* 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

<sup>^</sup> Two meetings attended through Video Conferencing.

<sup>^^</sup> Two meetings attended through Video Conferencing.

# Ceased to be Chairman of the Board with effect from July 23, 2018

Details of Board meetings held during the year ended March 31, 2018:

S. No.	Date	Board Strength	No. of Directors present
1	May 30, 2017	7	4
2	August 9, 2017	7	6
3	November 13, 2017	7	7
4	February 9, 2018	7	4
5	March 21, 2018	7	7

There were no inter-se relationships between our Board members, as on March 31, 2018.

Mr. Sahil Vachani and Mr. Analjit Singh, who were appointed as directors after March 31, 2018, are related to each other - Mr. Sahil Vachani being son-in-law of Mr. Analjit Singh.

The details of equity shares of ₹ 2/- each held by Directors of the Company as on March 31, 2018 are: (a) Mr. Ashwani Windlass – 28,450 shares, (b) Mr. Aman Mehta – 29,000 shares, (c) Mr. Rajesh Khanna – 25,000 shares and (d) Mr. Mohit Talwar – 27,063 shares.

### 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 120 days, as required by law.

Apart from the aforesaid four 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 Committees of 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) seven days in advance. The Board is regularly updated on the key risks and the steps and process initiated for managing, reducing and, if feasible, eliminating various risks. Business risk evaluation and management is an ongoing process with the Company.

To enable the Board to discharge its responsibilities effectively, members of the Board are apprised on the overall performance of the Company and its subsidiary 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, nature of the industry in which the Company operates, business model of the Company, etc. The detail of such familiarization programme is available at the following link of website of the Company [www.maxfinancialservices.com/shareholder-information](http://www.maxfinancialservices.com/shareholder-information).

### CODE OF GOVERNANCE

In compliance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing 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 [www.maxfinancialservices.com](http://www.maxfinancialservices.com). 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 31st March, 2018 and a declaration to this effect signed by the Managing Director 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 prevention of insider trading, which is applicable to all the Directors, Promoters, Key Managerial Personnel and designated employees / persons.

### COMMITTEES OF THE BOARD

The composition of the Committees of the Board of Directors of the Company underwent the following two changes, during the year under review:

- (a) Mr. Sanjeev Kishan Mehra (DIN: 02195545) resigned from the Board of Directors of the Company effective May 19, 2017 and accordingly ceased to be a member of the Investment & Finance Committee; and
- (b) Mrs. Naina Lal Kidwai was inducted as a member of Audit Committee with effect from May 30, 2017.

#### Audit Committee:

As on March 31, 2018, this Committee comprised of Mr. D.K. Mittal (Chairman), Mr. Aman Mehta, Mr. Rajesh Khanna, Mrs. Naina Lal Kidwai and Mr. Mohit Talwar. All members of the Committee, except Mr. Mohit Talwar, are Independent Directors. Mr. Rahul Khosla, Executive President of the Company is a permanent invitee to the Committee. The Company Secretary of the Company acts as the Secretary to 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 Listing Regulations and applicable provisions of the Companies Act, 2013. This Committee inter alia, recommends appointment and remuneration of statutory auditors – secretarial auditors – internal auditors; reviews Company's financial reporting processes and systems and internal financial controls, financial and risk management policies, 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. D. K. Mittal, Chairman of the Audit Committee, was present at the last Annual General Meeting.

#### Meetings & attendance during the year ended March 31, 2018:

Director	Number of meetings held	Number of meetings attended
Mr. D.K. Mittal	5	3
Mr. Aman Mehta	5	2
Mr. Rajesh Khanna	5	5
Mrs. Naina Lal Kidwai	5	5
Mr. Mohit Talwar	5	5

#### Nomination and Remuneration Committee:

As on March 31, 2018, this Committee comprised of Mr. Rajesh Khanna (Chairman), Mr. Aman Mehta, Mr. Ashwani Windlass and Mrs. Naina Lal Kidwai. All the members are Independent Directors, except Mr. Ashwani Windlass who is a non-executive non-independent Director. Mr. Rahul Khosla, Executive President of the Company is a permanent invitee to the Committee.

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 Listing Regulations and applicable provisions of the Companies Act, 2013. This Committee inter alia, evaluates the compensation and benefits for Executive Directors 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 allotment of equity shares arising from 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.

**Meetings & attendance during the year ended March 31, 2018:**

Director	Number of meetings held	Number of meetings attended
Mr. Rajesh Khanna	2	2
Mrs. Naina Lal Kidwai	2	2
Mr. Aman Mehta	2	1
Mr. Ashwani Windlass	2	2

**Remuneration paid to the Directors during 2017-2018**

During the year 2017-18, the Company paid a sitting fees of ₹ 1,00,000/- per meeting to its non-executive / Independent Directors for attending the meetings of 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 the payment of sitting fees. Details of the sitting fees paid during 2017-18 are as under:

S. No.	Name of Director	Sitting Fee paid (In ₹)
1	Mrs. Naina Lal Kidwai	13,00,000.00
2	Mr. Ashwani Windlass	20,00,000.00
3	Mr. Rajesh Khanna	20,00,000.00
4	Mr. Aman Mehta	7,00,000.00
5	Mr. Dinesh Kumar Mittal	16,00,000.00

The remuneration payable to Managing Director of the Company, including performance incentives and grant of ESOPs / PSPs, 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.

Details of the remuneration of Mr. Mohit Talwar as Managing Director for the period from April 1, 2017 to March 31, 2018 are as under:

Description	Amount in ₹
Salary and allowances	3,30,18,060
Other Benefits (Perquisites)	8,94,18,932
Performance Incentive / special payments	1,95,00,688
Retirals	17,04,960
Service contract	5 years
Notice period	3 months
Stock options granted (in numbers)	-

The severance fee, if any, shall be payable as per the provisions of Companies Act, 2013. The Variable Compensation / Performance Incentive shall be paid depending on the performance rating and Company's performance within the limits approved by shareholders of the Company.

During the year 2017-18, no Director was granted any employee stock options. Mr. Mohit Talwar was granted phantom stock units for a benefit value of ₹ 1 crore at the time of grant. During the year, 2,52,710 employee stock options were vested with Mr. Mohit Talwar, out of grants made in earlier years, and the same have since been exercised and allotted.

The performance evaluation procedure for Directors is detailed in the Directors' Report attached as part of this Annual Report.

**Stakeholders' Relationship Committee:**

As on March 31, 2018, this Committee comprised of Mr. Ashwani Windlass (Chairman), Mr. D.K. Mittal and Mr. Mohit Talwar. Key responsibilities of this Committee are formulation of procedures, in line with the statutory guidelines, for ensuring 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.



**Meetings & attendance during the year ended March 31, 2018:**

Director	Number of meetings held	Number of meetings attended
Mr. Ashwani Windlass	6	6
Mr. Mohit Talwar	6	6
Mr. D.K. Mittal	6	4

The Committee has delegated the authority to effect transfer and / or transmission of shares up to 1000 per folio to Company Secretary / Compliance Officer, and such transfers are subsequently ratified in 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 which were under legal proceedings / disputes. During the financial year ended March 31, 2018, eight complaints were received and resolved by the Company, which were general in nature viz. issues relating to non-receipt of dividend, annual reports, share certificates etc., all of those were resolved to the satisfaction of the respective shareholders. Mr. Sandeep Pathak – Company Secretary of the Company is the designated Compliance Officer.

**Investment & Finance Committee:**

As on March 31, 2018, this Committee comprised of Mr. Ashwani Windlass (Chairman), Mr. D.K. Mittal, Mr. Rajesh Khanna and Mr. Mohit Talwar. Mr. Rahul Khosla, Executive President of the Company, is a permanent invitee to the Committee. The responsibilities of this Committee are to review financial performance of business(es) carried on by the Company and its subsidiary, review and recommend revenue and capital budgets of the Company and its subsidiary, review and recommend various fund raising options and financial resources allocation to Company's subsidiary and to review proposals on business restructuring, mergers, consolidations, acquisitions, investments, establishment of joint ventures and divestments of any businesses, etc.

**Meetings & attendance during the year ended March 31, 2018:**

Director	Number of meetings held	Number of meetings attended
Mr. Ashwani Windlass	5	5
Mr. D. K. Mittal	5	3
Mr. Rajesh Khanna	5	5
Mr. Mohit Talwar	5	5

**Corporate Social Responsibility Committee**

As on March 31, 2018, this Committee comprised of Mr. Aman Mehta, Mr. Ashwani Windlass, Mr. D.K. Mittal and Mr. Rajesh Khanna. The responsibilities of this Committee are as enshrined in the Companies Act, 2013 read with Company's CSR Policy, as amended from time to time. The Committee met once during the year ended 31st March, 2018.

**Meetings & attendance during the year ended March 31, 2018:**

Director	Number of meetings held	Number of meetings attended
Mr. Ashwani Windlass	1	1
Mr. Rajesh Khanna	1	1
Mr. Aman Mehta	1	1
Mr. D.K. Mittal	1	1

**Risk and Compliance Review Committee**

As on March 31, 2018, this Committee comprised of Mr. Aman Mehta, Mr. Ashwani Windlass, Mr. D.K. Mittal and Mr. Rajesh Khanna. The responsibilities of this Committee are as enshrined in the Companies Act, 2013, applicable listing regulations and as per the risk management framework of the Company. The Committee met once during the year ended March 31, 2018.

**Meetings & attendance during the year ended March 31, 2018:**

Director	Number of meetings held	Number of meetings attended
Mr. Ashwani Windlass	1	1
Mr. Rajesh Khanna	1	1
Mr. Aman Mehta	1	1
Mr. D.K. Mittal	1	1

**Separate meeting of Independent Directors**

During the year under review, the Independent Directors had a separate meeting on August 9, 2017

whereat, inter alia, the following agenda items were considered, in terms of applicable regulations:

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

**ANNUAL GENERAL MEETING**

The Annual General Meetings (AGMs) of the Company are held at the Registered Office of the Company at Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144533. The details of 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, 2015	September 23, 2015 4:00 PM	■ Approval for amendment to the "Max Employee Stock Option Plan – 2003" in accordance with the regulatory requirements prescribed under SEBI Regulations.
March 31, 2016	September 27, 2016 10:30 AM	■ Approval for appointment of Mr. Mohit Talwar as the Managing Director of the Company for a period of five years effective January 15, 2016 and remuneration payable to him for the initial period of three years, i.e., from January 15, 2016 until January 14, 2019.
March 31, 2017	September 26, 2017 10:30 AM	■ Approval for partial modification in respect of remuneration payable to Mr. Mohit Talwar as Managing Director of the Company, with effect from April 1, 2017 until January 14, 2019, by way of removal of sub-limits and authorization to the Board of Directors and / or Nomination and Remuneration Committee to determine and regulate the remuneration from time-to-time, within the overall limits as approved earlier by the shareholders of the Company in last Annual General Meeting.

## POSTAL BALLOT AND POSTAL BALLOT PROCESS

During the financial year 2017-18, the Company had not passed any resolution through postal ballot process.

No resolution requiring postal ballot process as required by the Companies (Management and Administration) Rules, 2014, is proposed to be placed for the shareholders' approval at the Annual General Meeting scheduled on September 25, 2018

## 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 and published in Financial Express (English) and Desh Sewak (Punjabi). The results can also be accessed on the Company's website [www.maxfinancialservices.com](http://www.maxfinancialservices.com). 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 or relatives, etc., that may have potential conflict with the interests of the Company at large.

The Company has formulated a policy for transacting with related parties, which is available at the following link on the website of the Company [www.maxfinancialservices.com/shareholder-information](http://www.maxfinancialservices.com/shareholder-information).

Transactions entered with the related parties are disclosed in Note no. 30 under Notes to Accounts to the 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, Listing 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 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 Whistle Blower Policy of the Company.

### (d) Disclosure of compliance with corporate governance requirements

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### (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 which are all operating in India, there is no foreign exchange exposure. Hence, the said disclosure is not applicable to the Company.

### (f) Dividend Distribution Policy

The Board of Directors of the Company approved a Dividend Distribution Policy in terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is enclosed as an annexure to the Directors' Report and is also available at the following link on the website of the Company [www.maxfinancialservices.com/shareholder-information](http://www.maxfinancialservices.com/shareholder-information).

## SUBSIDIARY COMPANY

The Company had one material unlisted subsidiary company viz., Max Life Insurance Company Limited ("Max Life") during the year 2017-18, which is the only subsidiary of the Company. Further, the Company has formulated a policy for determining 'material subsidiaries' which is disclosed at the following link on the website of the Company [www.maxfinancialservices.com/shareholder-information](http://www.maxfinancialservices.com/shareholder-information).

Mr. Rajesh Khanna and Mr. D K Mittal are the common Independent Directors for the Company and Max Life. Further, Mr. Mohit Talwar – Managing Director of the Company and Mr. Sahil Vachani are non-executive directors on the Board of Max Life.

## 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 Managing Director and Chief Financial Officer of the Company, in compliance of Regulation 17(8) read with Part B, Schedule II of the Listing 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 Listing Regulations and the said certificate is annexed to the Report as **Annexure-III**.

## DISCLOSURE ON NON-MANDATORY REQUIREMENTS

The Company has duly complied with all the mandatory requirements under Listing Regulations and the status of compliance with the non-mandatory recommendations under Part E of Schedule II of the Listing 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 financial statements of the Company for the financial year 2017-18.

### Separate posts of Chairman and CEO

The Company has separate persons to the post of Chairman and Managing Director. Mrs. Naina Lal Kidwai, Independent Director was the Chairman of the Company till July 23, 2018 and Mr. Analjit Singh, non-executive Director has been appointed as Chairman of the Company effective July 23, 2018. Mr. Mohit Talwar is the Managing Director of the Company.

### 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**

Place: New Delhi  
Date: August 6, 2018

**Naina Lal Kidwai**  
Independent Director  
DIN: 00017806

**Mohit Talwar**  
Managing Director  
DIN: 02394694

# ANNEXURE-I

## TO THE CORPORATE GOVERNANCE REPORT

### **Declaration by the Managing 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 Company's Code of Conduct for the financial year ended March 31, 2018 from all Directors and Senior Management personnel of the Company.

For **Max Financial Services Limited**

Place: New Delhi  
Date: August 6, 2018

**Mohit Talwar**  
Managing Director  
DIN: 02394694

## ANNEXURE-II

### TO THE CORPORATE GOVERNANCE REPORT

#### CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER

To  
The Board of Directors,  
**Max Financial Services Limited**

We, Mohit Talwar, Managing Director and Sujatha Ratnam, 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, 2018 and that 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 are 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: August 6, 2018

**Mohit Talwar**  
Managing Director  
DIN: 02394694

**Sujatha Ratnam**  
Chief Financial Officer

# ANNEXURE-III

## TO THE CORPORATE GOVERNANCE REPORT

### CORPORATE GOVERNANCE CERTIFICATE

To

The Members

**Max Financial Services Limited**

Bhai Mohan Singh Nagar,

Railmajra, Tehsil Balachaur,

District Nawanshahr, Punjab- 144533

We have examined all 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 2018. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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

**Rupesh Agarwal**

Managing Partner

Membership No. ACS 16302

Certificate of Practice No. 5673

Date: 06.08.2018

Place: Delhi







# GENERAL SHAREHOLDER INFORMATION

# GENERAL SHAREHOLDER INFORMATION

## REGISTERED OFFICE:

Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur,  
District Nawanshahr, Punjab - 144533.

## INVESTOR HELPLINE:

Max House, 1, Dr. Jha Marg, Okhla, Phase III,  
New Delhi-110 020  
Phone: 011 42598000, Fax: 011 26324126  
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: info@masserv.com

## ANNUAL GENERAL MEETING:

**Date and Time:** Tuesday, September 25, 2018  
at 11.00 am

**Venue:** Registered Office of the Company  
at Bhai Mohan Singh Nagar,  
Railmajra, Tehsil Balachaur,  
District Nawanshahr, Punjab-144 533.

## BOOK CLOSURE :

Wednesday, September 19, 2018 to Tuesday,  
September 25, 2018 (both days inclusive)

## STOCK CODE:

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

## 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 – 2018-19:

1. First quarter results - By first week of  
August 2018
2. Second quarter & - By second week of  
half yearly results November 2018
3. Third quarter results - By second week of  
February 2019
4. Annual results - By May 30, 2019

## 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 2018-19.

## CONNECTIVITY WITH DEPOSITORIES:

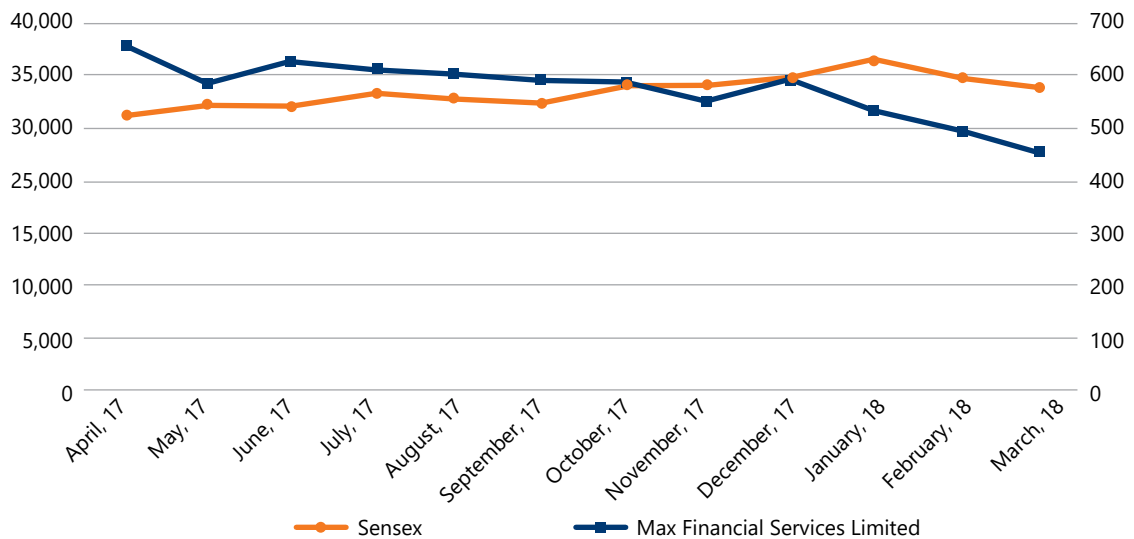
The Company's shares are in dematerialized mode  
through National Securities Depository Limited  
(‘NSDL’) and Central Depository Services (India)  
Limited (‘CDSL’).

	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, 17	675.95	560.00	675.00	560.80
May, 17	683.95	514.00	683.20	513.80
June, 17	640.20	568.85	638.20	570.05
July, 17	639.95	567.40	640.00	566.00
August, 17	629.75	576.65	629.00	577.05
September, 17	652.90	580.25	652.70	580.20
October, 17	604.00	552.95	610.00	551.00
November, 17	590.05	540.95	591.00	541.25
December, 17	611.25	520.15	610.00	516.20
January, 18	604.75	515.00	604.20	515.85
February, 18	557.35	485.65	556.65	486.05
March, 18	501.00	417.30	500.65	418.00

## Share Price vs Sensex



## SHAREHOLDING PATTERN AS ON MARCH 31, 2018:

Category	No. of shares held	% of shareholding
Promoters	8,13,02,738	30.29
Mutual Funds and UTI	7,47,34,785	27.85
Banks, Financial Institutions	4,16,602	0.16
Insurance Companies	45,750	0.02
Foreign Institutional Investors	1,16,33,206	4.33
Foreign Portfolio Investors	6,75,11,500	25.15
Alternate Investment Funds	11,29,369	0.42
Bodies Corporate	49,32,001	1.84
Non-resident Indians/ Overseas Corporate Bodies	15,78,081	0.59
Clearing Members	4,09,201	0.15
Resident Individuals	2,37,18,911	8.84
Trusts	5,00,823	0.19
Unclaimed Suspense Account	4,71,060	0.17
<b>Total</b>	<b>26,83,84,027</b>	<b>100.00</b>

## DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2018:

No. of Shareholders	Percentage to total	Shareholdings	No. of shares	Percentage to total
63,494	97.63	1 to 5000	1,73,88,951	6.48
814	1.25	5001 to 10000	29,13,209	1.08
315	0.48	10001 to 20000	22,68,813	0.85
92	0.14	20001 to 30000	11,41,105	0.43
62	0.10	30001 to 40000	10,68,290	0.40
28	0.04	40001 to 50000	6,45,880	0.24
63	0.10	50001 to 100000	22,91,660	0.85
171	0.26	100001 - Above	24,06,66,119	89.67
<b>65,039</b>	<b>100.00</b>	<b>Total</b>	<b>26,83,84,027</b>	<b>100.00</b>

## DEMATERIALISATION STATUS AS ON MARCH 31, 2018:

- (i) Shareholding in dematerialised mode 99.41%
- (ii) Shareholding in physical mode 0.59%

## RECONCILIATION OF SHARE CAPITAL AUDIT

As stipulated by the Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, a 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 the Securities

and Exchange Board of India (Listing Obligations and Disclosure Requirements)(Fourth amendment) Regulations, 2018 notified on June 8, 2018, vide which SEBI prescribed that w.e.f. December 5, 2018, 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 shareholding in all companies in your demat account.
6. Demat account can be operated from anywhere in the world.

## SHARE TRANSFER SYSTEM

In respect of shares upto 1000 per folio, transfers (including transmission) are effected on a weekly basis. For others, the transfers are effected within limits



prescribed by law. The average turnaround time for processing registration of transfers 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) Regulations, 2015 ("Listing Regulations"). The said policy is enclosed as an annexure to the Directors' Report and is also available on the website of the Company [www.maxfinancialservices.com](http://www.maxfinancialservices.com).

### **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.

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

Not Applicable

### **COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES:**

Not Applicable

### **PLANT LOCATIONS:**

Not Applicable

### **COMMUNICATION OF FINANCIAL RESULTS**

The unaudited quarterly financial results and the audited annual accounts are normally published in the

Financial Express (English) and Desh Sewak (Punjabi). The financial results, press releases and presentations etc. are regularly displayed on the Company's website- [www.maxfinancialservices.com](http://www.maxfinancialservices.com)

### **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 – 110 020

#### **Contact Person**

Mr. Sharwan Mangla  
Tel No.:-011-26387281/82/83  
Fax No.:- 011 – 26387384  
e-mail: [info@masserv.com](mailto:info@masserv.com)

#### **Max Financial Services Limited (Corporate Office)**

Secretarial Department  
Max House, 1, Dr. Jha Marg  
Okhla Industrial Area, Phase – III  
New Delhi – 110 020

#### **Company Secretary and Compliance Officer**

Mr. Sandeep Pathak  
Tel. No.:- 011-42598000  
Fax No.:- 011-26324126  
e-mail:- [spathak@maxindia.com](mailto:spathak@maxindia.com)

Please visit us at [www.maxfinancialservices.com](http://www.maxfinancialservices.com) for financial and other information about your Company

For **Max Financial Services Limited**  
(formerly Max India Limited)

**Mohit Talwar**

Managing Director  
DIN: 02394694

New Delhi  
August 6, 2018





# FINANCIAL REVIEW





## BOARD'S REPORT

### Dear Members,

Your Directors have pleasure in presenting the Thirtieth Board's Report of Max Financial Services Limited ("MFSL" or "the Company") along with the audited Statement of Accounts for the financial year ended March 31, 2018.

### Standalone Results

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

	(Rs. Crore)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Income</b>		
Revenue from Services operations	21.24	21.22
Revenue from Investment Activities	207.50	233.70
Other income	0.68	1.36
<b>Total Revenue (I)</b>	<b>229.42</b>	<b>256.28</b>
<b>Expenditure</b>		
Employee benefits expenses	39.84	37.20
Depreciation and amortization	1.92	1.96
Other expenses	64.62	63.12
<b>Total Expenses (II)</b>	<b>106.38</b>	<b>102.28</b>
<b>Profit/(Loss) Before tax (I-II)</b>	<b>123.04</b>	<b>154.00</b>
Tax Expense	-	-
<b>Profit/(Loss) After Tax</b>	<b>123.04</b>	<b>154.00</b>

Your Company is primarily engaged in business of making and holding investments in its subsidiary, Max Life Insurance Company Limited and accordingly in terms of extant RBI guidelines, your Company is a Core Investment Company ("CIC") with its financial income exceeding 50% of its total income and financial assets (investment in securities etc.) exceeding 50% of the total assets. However, it does not meet the criteria stipulated by RBI for Systemically Important CIC and hence registration under Section 45-IA of RBI Act, 1934 is not required.

Net worth of your Company on a standalone basis grew by around 8.4% to Rs 1981 crore as at March 31, 2018 as against Rs.1828 crore as at March 31, 2017.

### Consolidated Results

In accordance with the Companies Act, 2013 ("the Act") and Accounting Standard ("AS") - 21 on Consolidated Financial Statements read with AS - 27 on Financial

Reporting of Interests in Joint Ventures/ subsidiaries/ step - down subsidiaries, the audited consolidated financial statements are enclosed as part of this Annual Report.

The subsidiary of your Company, Max Life Insurance Company Limited ("Max Life"), delivered another year of strong performance like last year, in line with Indian Life Insurance industry which witnessed high growth in new business for second year in a row. This growth strengthens the belief that consumer confidence in financial savings is sustainable and life insurance industry is well placed to leverage that.

During the year 2017-18, renewal premium income of Max Life grew by 15% to Rs. 8,152 crore taking gross written premium to Rs. 12,501 crore, an increase of 16% over previous year. The Market Consistent Embedded value as on March 31, 2018 was Rs.7,706 crore up 14% from previous year's Rs 6,739 crore and the individual adjusted first year premium for the year was Rs. 3,215 crore, up 22% from Rs. 2,639 crore for the immediate previous year. The Assets Under Management (AUM) of Max Life as at end of the year were Rs 52,237 crore, registering a growth of around 18% over Rs 44,370 crore as at end of the previous year.

The highlights of the consolidated financial results of your Company and its subsidiary are as under:

	(Rs. Crore)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Income</b>		
Revenue from operations	16,577.35	15,227.89
Other Income	28.77	20.81
<b>Total Revenue (I)</b>	<b>16,606.12</b>	<b>15,248.70</b>
<b>Expenses</b>		
Change in policy reserves	8,213.33	7,969.51
Claims and other benefits payout	4,946.65	3,776.81
Employee benefits expense	776.28	918.13
Finance Costs	11.03	8.93
Depreciation and Amortisation	62.77	62.53
Legal and professional expenses	70.08	64.63
Other expenses	1,987.93	1,746.60
<b>Total Expenses (II)</b>	<b>16,068.07</b>	<b>14,547.14</b>
<b>Profit / (Loss) Before Tax (I-II)</b>	<b>538.05</b>	<b>701.56</b>
Tax Expense	87.54	108.29
<b>Profit / (Loss) After Tax</b>	<b>450.51</b>	<b>593.27</b>
Share of profit attributable to Minority Interest	(154.34)	(197.91)
<b>Profit / (Loss) After tax (after adjusting Minority Interest)</b>	<b>296.17</b>	<b>395.36</b>

### Material Changes affecting Financial Position

There are no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company i.e. March 31, 2018 and the date of the Directors' report i.e. August 6, 2018.

Your Company was contemplating raising of funds by way of equity or debt or a mix thereof, subject to necessary approvals, for making further investments in Max Life to partially fund a potential acquisition opportunity. However, as Max Life decided not to pursue the said acquisition opportunity, no funds were raised by the Company. The Board of Directors of your Company further decided not to access public funds.

### Subsidiaries, Associates & Joint Venture companies

As on March 31, 2018, your Company had only 1 (one) subsidiary i.e. Max Life Insurance Company Limited ("Max Life"). There were no other associate or joint venture companies. The basic details of subsidiary form part of Form MGT-9 attached to this report as **Annexure - 1**.

During the year under review, your Company acquired 1,41,70,817 equity shares of Rs. 10/- each in Max Life in March, 2018. Accordingly, the equity stake of the Company in Max Life increased to 70.75% as at March 31, 2018.

A report on the performance and financial position of Max Life, included in the consolidated financial statements, presented in Form AOC-1 is attached to this report as **Annexure - 2**, as per Rule 8(1) of the Companies (Accounts) Rules, 2014.

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

As provided in Section 136 of the Companies Act, 2013, the financial statements and other documents of the subsidiary company Max Life Insurance Company Limited are not being attached with the financial statements of the Company. The complete set of financial statements including financial statements of the subsidiary of the Company is available on website of the Company at [www.maxfinancialservices.com](http://www.maxfinancialservices.com). These documents will also be available for inspection during business hours at the registered office of the Company and shall also be made available to the shareholders of the Company in hard copy, on demand.

### Dividend

Your Directors have not recommended any dividend for the financial year 2017-18.

The Board of Directors of your Company has approved a Dividend Distribution Policy in line with Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the said policy is attached to this report as **Annexure - 3**. The said policy is also available on website of the Company at [www.maxfinancialservices.com/shareholder-information](http://www.maxfinancialservices.com/shareholder-information).

### Transfer to Reserves

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

### Share Capital

The Authorized share capital of the Company as on March 31, 2018 was Rs. 60,00,00,000/- (Rupees Sixty Crores only) comprising of 30,00,00,000 equity shares of Rs. 2/- each.

During the year under review, 11,13,978 equity shares of Rs.2/- each were allotted to the option-holders under the 'Max Employee Stock Plan 2003' ('2003 Plan').

The Paid up capital of the Company as on March 31, 2018 was Rs. 53,67,68,054/- (Rupees Fifty three crores sixty seven lakhs sixty eight thousand and fifty four only) comprising of 26,83,84,027 equity shares of Rs. 2/- each.

Further, after end of the financial year on March 31, 2018 till the date of this report i.e. August 6, 2018, your Company had allotted 31,710 equity shares of Rs.2/- each to the option-holders under the aforesaid 2003 Plan.

### Employee Stock Option Plan

Your Company has an employee stock option plan viz. 'Max Employee Stock Plan 2003' ('2003 Plan') in place. 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 and Directors of the Company. The 2003 Plan is administered by the Nomination and Remuneration Committee constituted by the Board of Directors of the Company.

Details of options granted up to March 31, 2018 and other disclosures as required under SEBI (Share Based Employee Benefits) Regulations, 2014 are enclosed to this report as **Annexure - 4**.

The statutory auditors of your Company, M/s Deloitte Haskins & Sells LLP, Chartered Accountants have time-to-time certified that the Employee Stock Option Scheme of the Company has been implemented in accordance with the applicable SEBI Regulations and the resolutions passed by the Members in this regard. A certificate to this effect shall also be placed before the members at the ensuing Annual General Meeting.

Further during the year under review, the Nomination and Remuneration Committee of Directors of the Company granted 17,744 phantom stock units to Mr. Mohit Talwar (DIN: 02394694) – Managing Director of the Company and 97,445 phantom stock units to Mr. Rahul Khosla – Executive President of the Company, which vest over a period of 3 years and shall be settled in cash.

### Directors

As on date of this report, the Board of Directors of your Company comprised of 9 (nine) members with 1 (one) Executive Director and 8 (eight) Non-Executive Directors of which 4 (four) are independent. Mr. Analjit Singh (DIN: 00029641), Chairman of the Company is a Non Executive Promoter Director.

Mr. Sanjeev Kishen Mehra (DIN: 02195545), a non-executive director of the Company, resigned from the Board of the Company effective May 19, 2017. Simultaneously, the position held by Ms. Lavanya Ashok (DIN: 03453279) as an Alternate Director to Mr. Sanjeev Kishen Mehra on the Board of the Company stood vacated with effect from that date.

Your Directors place their deep appreciation for the valuable contributions made by Mr. Sanjeev Kishen Mehra and Ms. Lavanya Ashok during their association with the Company.

Mr. Sahil Vachani (DIN: 00761695) has been appointed as an additional director in non-executive capacity with effect from May 25, 2018. Further, Mr. Analjit Singh (DIN: 00029641), Founder and Chairman Emeritus Max Group, has been appointed as an additional director in non-executive capacity and designated as Chairman of the Board of Directors of the Company, with effect from July 23, 2018.

In terms of Section 161 of the Act, Mr. Sahil Vachani and Mr. Analjit Singh hold their respective office up to the date of the next annual general meeting. The Company is in receipt of notices under Section 160 of the Act, proposing their appointment as Directors of the Company at the ensuing Annual General Meeting and accordingly the proposals for their appointment shall be placed before the shareholders of the Company for their approval.

Further, in terms of Section 152 of the Act and the Articles of Association of the Company, Mr. Ashwani Windlass (DIN: 00042686) and Mr. Sanjay Omprakash Nayar (DIN: 00002615) are liable to retire by rotation at the ensuing Annual General Meeting. Mr. Ashwani Windlass and Mr. Sanjay Omprakash Nayar being eligible have offered themselves for re-appointment at the ensuing Annual General Meeting. Brief profiles of these directors are annexed to the Notice convening the Annual General Meeting.

The Board met five times during the financial year 2017-18:

S.No.	Date of the Meeting	Board Strength	No. of Directors Present
1	May 30, 2017	7	4
2	August 9, 2017	7	6
3	November 13, 2017	7	7
4	February 9, 2018	7	4
5	March 21, 2018	7	7

The details regarding 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.

### Statement of Declaration by Independent Directors

In terms of Section 149(6) of the Act and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following Non-Executive Directors are categorized as Independent Directors of the Company: Mrs. Naina Lal Kidwai (DIN: 00017806), Mr. Rajesh Khanna (DIN: 00032562), Mr. Aman Mehta (DIN: 00009364) and Mr. Dinesh Kumar Mittal (DIN: 00040000).

The Company has received declaration of independence from all the above mentioned Independent Directors as per Section 149(7) of the Act, confirming that they continue to meet the criteria of independence.

### 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 2017-18, viz. on May 30, 2017, August 9, 2017, November 13, 2017, February 9, 2018 and March 21, 2018. The Committee, as on March 31, 2018, comprised of Mr. D.K. Mittal (Chairman), Mr. Aman Mehta, Mr. Rajesh Khanna, Mrs. Naina Lal Kidwai and Mr. Mohit Talwar. All the recommendations by the Audit Committee were accepted by the Board.

#### 2. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee met twice during the financial year 2017-18, viz. on August 9, 2017 and March 21, 2018. The Committee, as on March 31, 2018, comprised of Mr. Rajesh Khanna (Chairman), Mr. Aman Mehta, Mr. Ashwani Windlass and Mrs. Naina Lal Kidwai.

#### 3. Investment & Finance Committee:

The Committee met five times during the financial year 2017-18, viz. on May 30, 2017, August 9, 2017, November 13, 2017, February 9, 2018 and March 21, 2018. The Committee, as on March 31, 2018, comprised of Mr. Ashwani Windlass (Chairman), Mr. D.K. Mittal, Mr. Rajesh Khanna and Mr. Mohit Talwar.

#### 4. Corporate Social Responsibility Committee:

The Committee met once during the financial year 2017-18, viz. on March 21, 2018. The Committee, as on March 31, 2018, comprised of Mr. Aman Mehta, Mr. Ashwani Windlass, Mr. D.K. Mittal and Mr. Rajesh Khanna.

#### 5. Stakeholders' Relationship Committee:

The Committee met six times during the financial year 2017-18, viz. on May 11, 2017, May 30, 2017, August 9, 2017, November 13, 2017, February 9, 2018 and March 21, 2018. The Committee, as on March 31, 2018, comprised of Mr. Ashwani Windlass (Chairman), Mr. D.K. Mittal and Mr. Mohit Talwar.

#### 6. Risk & Compliance Review Committee:

The Committee met once during the financial year 2017-18, viz. on March 21, 2018. The Committee, as on March 31, 2018, comprised of Mr. Aman Mehta, Mr. Ashwani Windlass, Mr. D.K. Mittal and Mr. Rajesh Khanna.

#### 7. Independent Directors:

The Board of Directors included 4 Independent Directors as on March 31, 2018 viz. Mr. Aman Mehta, Mr. Dinesh Kumar Mittal, Mrs. Naina Lal Kidwai and Mr. Rajesh Khanna. The Independent Directors had a separate meeting on August 9, 2017 during the financial year 2017-18. The meeting was 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 flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **Performance Evaluation of the Board**

As per the requirements of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, formal Annual Evaluation process has been carried out for evaluating the performance of the Board, the Committees of the Board and the Individual Directors including Chairperson.

The performance evaluation was carried out by obtaining feedback from all Directors through a confidential online survey mechanism through Diligent Boards, a secured 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 commitment to good governance by ensuring a constant improvement of processes and procedures and contributed their best in overall growth of the organization.

#### **Key Managerial Personnel**

As on the date of this Report, Mr. Mohit Talwar - Managing Director, Mrs. Sujatha Ratnam - Chief Financial Officer and Mr. Sandeep Pathak - Company Secretary are the Key Managerial Personnel ("KMP") of the Company, pursuant to the provisions of the Companies Act, 2013.

## Human Resources

We are 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 our employees is competitive with the market and rewards high performers across levels. The remuneration to Directors, Key Managerial Personnel and Senior Management are a balance between fixed, incentive pay and 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 the Rule 5(1) and Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are attached to this report as **Annexure - 5A** and **Annexure - 5B**.

As on March 31, 2018, there were 13 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. Copy of the same is available on the website of the Company at [www.maxfinancialservices.com/shareholder-information](http://www.maxfinancialservices.com/shareholder-information).

## Corporate Social Responsibility ("CSR")

The Board of Directors of your Company has constituted a Corporate Social Responsibility Committee and adopted a CSR policy, as approved by the CSR Committee, copy of which is available on the website of the Company at [www.maxfinancialservices.com/shareholder-information](http://www.maxfinancialservices.com/shareholder-information). The CSR Policy comprises 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., net worth of Rs. 500 crores or more or turnover of Rs. 1,000 crores or more or net profits of Rs. 5 crore or more in any financial year are required to spend at least 2% of the average net profits of the Company for immediately preceding 3 financial years.

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

As Max Life Insurance Company Limited ("Max Life") from whom the Company has been receiving dividend, from time to time, discharged its CSR responsibilities for the financial year 2017-18, the dividend income received by the Company will be excluded for the purposes of computation of its 'net profits'. After excluding the dividend income received from Max Life, the Company does not have net profits computed as per the CSR rules. Therefore, it is not mandatorily required for the Company to spend on Corporate Social Responsibility for the financial year 2017-18. However, the Company has voluntarily given certain donations.

## Business Responsibility Report

In terms of Clause 34(2)(f) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a Business Responsibility Report, on various initiatives taken by the Company, is enclosed to this report as **Annexure - 6**.

## Policy for Prevention of Sexual Harassment

Your Company has requisite policy for Prevention of Sexual Harassment, which is available on the website of the Company at [www.maxfinancialservices.com/shareholder-information](http://www.maxfinancialservices.com/shareholder-information). The comprehensive policy ensures gender equality and the right to work with dignity. Your company has complied with provisions relating to the constitution of 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 nos.12 and 11 respectively, to the standalone financial statements of the Company for the FY 2017-18.

## Management Discussion & Analysis

In terms of Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a review of the performance of the Company, including those of your Company's subsidiary, 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As required by the said Clause, a separate Report on Corporate Governance forms part of the Annual Report of the Company.

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 Obligations and Disclosure Requirements) Regulations, 2015 and a certificate from the Managing Director and Chief Financial Officer on compliance of Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms part of the Corporate Governance Report.

Copies of various policies adopted by the Company are available on the website of the Company at [www.maxfinancialservices.com/shareholder-information](http://www.maxfinancialservices.com/shareholder-information).

## Statutory Auditors and Auditors' Report

Pursuant to Sections 139 & 142 of the Act, M/s Deloitte Haskins and Sells, LLP, Chartered Accountants (Firm Registration No. 117366W/W-100018), were appointed as the Statutory Auditors of the Company at 27<sup>th</sup> Annual General Meeting ("AGM") held on September 23, 2015 for a period of five years i.e. till the conclusion of the 32<sup>nd</sup> AGM of the Company to be held in the year 2020. Pursuant to an amendment in Section 139 of the Companies Act, 2013 effective May 7, 2018, there is no requirement of annual ratification of such appointment and hence the same is not being put up for shareholders' approval in the ensuing AGM.

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 2017-18 as annexed in this Annual Report.

## 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 the FY 2017-18. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial

Auditor for the FY 2017-18 is annexed to this report as **Annexure - 7**.

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

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

## Internal Auditors

The Company follows a robust Internal Audit process and audits are conducted on a regular basis, throughout the year, as per agreed audit plan. During the year under review, M/s MGC and KNAV, Global Risk Advisory LLP were 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 assurance for 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 adequacy of internal financial controls over financial reporting has been 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 and Compliance Review Committee to identify the risks impacting the business, formulate strategies/ policies aimed at risk mitigation as part of risk management. Further, a core team comprising 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.

On the recommendation of the Committee, 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 the 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 in detail in the Management Discussion and Analysis section of said subsidiary, 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 Company's Code of Conduct.

The said Policy, covering all employees, Directors and other persons having association with the Company, is hosted on the Company's website at [www.maxfinancialservices.com/shareholder-information](http://www.maxfinancialservices.com/shareholder-information). 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.

### **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 one transaction with Max Life Insurance Company Limited for allowing usage of trademarks without any consideration and an approval was obtained from shareholders for the Company for the said transaction.

There is no material contract or arrangement in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Form AOC-2 furnishing particulars

of contracts or arrangements entered into by the Company with related parties referred in Section 188(1) of the Companies Act, 2013, is annexed to this report as **Annexure - 8**.

The details of all the Related Party Transactions form part of Note no. 30 to the standalone financial statements attached to this Annual Report.

The Policy on 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 [www.maxfinancialservices.com/shareholder-information](http://www.maxfinancialservices.com/shareholder-information).

### **Particulars of Conservation Of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo**

The information on 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 conservation of energy: Regular efforts are made to conserve the energy through various means such as use of low energy consuming lightings, 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 source 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	Rs. 605.58 Lacs

## Extracts of Annual Return

Pursuant to Section 134(3)(a) and Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of the Annual Return as at March 31, 2018 forms part of this report as **Annexure - 1**.

## Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, 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 company's operations in future.

## Unclaimed Shares

Regulation 39(4) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 inter alia requires every listed company to comply with 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 Rs. 10/- each to Rs. 2/- each in the year 2007. Certain share certificates were returned undelivered and were lying unclaimed. The Company had sent 3 reminders to concerned shareholders, and subsequently such shares (2203 folios comprising 475310 equity shares) were transferred to the Unclaimed Suspense Account during the year under review. A separate Demat account has been opened by the Company for this purpose.

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.	Aggregate number of shareholders and the outstanding shares originally lying in the Unclaimed Suspense Account <b>(at the time of transfer &amp; dematerialization)</b>	2,203	4,75,310
2.	Number of shareholders who approached listed entity for transfer of shares from the Unclaimed Suspense Account during the year	14*	5,150



S. No.	Particulars	No. of Shareholders	No. of Equity Shares
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account, during the year	12	4,250
4.	Aggregate number of shareholders and the outstanding shares in the Suspense Account <b>(as at end of the financial year i.e. March 31, 2018)</b>	2,191	4,71,060

\* In remaining two cases, 900 shares were transferred from the Unclaimed Suspense Account in physical form in April, 2018.

Till date of this report, the Company has approved overall 20 such claims from shareholders, comprising

7280 shares, for transfer back of their shareholding from the Unclaimed Suspense Account in demat / physical form.

### Cautionary Statement

Statements in this Report, particularly those which relate to Management Discussion and Analysis describing the Company'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.

### Acknowledgements

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 co-operation 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**  
 (Formerly Max India Limited)

New Delhi  
 August 6, 2018

**Naina Lal Kidwai**  
 Independent Director  
 DIN: 00017806

**Mohit Talwar**  
 Managing Director  
 DIN: 02394694

## Annexure 1 to the Directors' Report

**FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN****Financial year ended on 31.03.2018****Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014****I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L24223PB1988PLC008031
2.	Registration Date	24-02-1988
3.	Name of the Company	Max Financial Services Limited (Formerly Max India Limited)
4.	Category / Sub-category	Public Company Limited by Shares; Indian Non-Government Company
5.	Address of the Registered office & contact details	419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144 533 Phone : 01881-462000 Fax : 01881-273607 E-mail : investorhelpline@maxindia.com
6.	Whether listed company	Listed Company
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Mas Services Limited T-34, 2 <sup>nd</sup> Floor, Okhla Industrial Area Phase – II, New Delhi – 110020 Phone : 011- 26387281/82/83 Fax : 011 – 26387384 E-mail : info@masserv.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

The Company is engaged in the business of investments and providing consultancy services to group companies. However, since it is primarily engaged only in one business segment viz, "Business Investment" and most of the operations are in India, there are no separate reportable segments as per applicable accounting standards prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

The Business Activities of the Company namely Management Consultancy (NIC Code: 70200) and Investing in Subsidiaries (NIC Code: 64200), respectively constituted approx 9.3% and 90.7% of total turnover of the Company.

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

As on March 31, 2018, the Company had only 1 subsidiary as detailed hereunder, and there was no holding / associate company :

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	%of shares held	Applicable Section
1.	Max Life Insurance Company Limited 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144 533	U74899PB2000PLC045626	Subsidiary	70.75%	2 (87) of the Companies Act, 2013

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

<b>Category-wise Share Holding</b>									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	420,833	0	420,833	0.16	420,833	0	420,833	0.16	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	80,881,905	0	80,881,905	30.26	80,881,905	0	80,881,905	30.14	-0.12
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Total shareholding of Promoter (A)</b>	<b>81,302,738</b>	<b>0</b>	<b>81,302,738</b>	<b>30.42</b>	<b>81,302,738</b>	<b>0</b>	<b>81,302,738</b>	<b>30.29</b>	<b>-0.13</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	54979410	5565	54984975	20.57	74734385	400	74734785	27.85	7.28
b) Banks / FI	448528	14450	462978	0.17	403352	13250	416602	0.16	-0.01
c) Alternate Investment Funds	0	0	0	0.00	1129369	0	1129369	0.42	0.42
d) Central Govt	0	0	0	0	0	0	0	0	0.00
e) State Govt(s)	0	0	0	0	0	0	0	0	0.00
f) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
g) Insurance Companies	0	45750	45750	0.02	0	45750	45750	0.02	0.00
h) FIIs	13953722	55	13953777	5.22	11633206	0	11633206	4.33	-0.89
i) Foreign Portfolio Investors	56683352	0	56683352	21.21	67511500	0	67511500	25.15	3.94
j) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
k) Others (specify) FDI	25528470	0	25528470	9.55	0	0	0	0	-9.55
<b>Sub-total (B)(1):-</b>	<b>151593482</b>	<b>65820</b>	<b>151659302</b>	<b>56.74</b>	<b>155411812</b>	<b>59400</b>	<b>155471212</b>	<b>57.93</b>	<b>1.19</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	6579789	67480	6647269	2.49	4871876	60125	4932001	1.84	-0.65
ii) Overseas	0	0	0	0	0	0	0	0	0.00
b) Individuals	0	0	0	0	0	0	0	0	0.00
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	21412263	2016980	23429243	8.77	21534733	1449665	22984398	8.56	-0.21
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	2085626	0	2085626	0.78	625000	0	625000	0.23	-0.55
c) Others (specify)									
Non Resident Indians	1269024	33670	1302694	0.49	1559808	17755	1577563	0.59	0.10
Overseas Corporate Bodies	518	0	518	0	518	0	518	0.00	0.00
Foreign Nationals	0	0	0	0	0	0	0	0	0.00
Clearing Members	585079	0	585079	0.22	409201	0	409201	0.15	-0.07
Trusts	5292	0	5292	0.00	500823	0	500823	0.19	0.19
Foreign Bodies - D R	0	0	0	0	0	0	0	0	0.00
Directors	252288	0	252288	0.09	109513	0	109513	0.04	-0.05
Unclaimed Suspense Account	0	0	0	0	471060	0	471060	0.17	0.17
<b>Sub-total (B)(2):-</b>	<b>32189879</b>	<b>2118130</b>	<b>34308009</b>	<b>12.84</b>	<b>30082532</b>	<b>1527545</b>	<b>31610077</b>	<b>11.78</b>	<b>-1.06</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>183783361</b>	<b>2183950</b>	<b>185967311</b>	<b>69.58</b>	<b>185494344</b>	<b>1586945</b>	<b>187081289</b>	<b>69.71</b>	<b>0.13</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	<b>265086099</b>	<b>2183950</b>	<b>267270049</b>	<b>100.00</b>	<b>266797082</b>	<b>1586945</b>	<b>268384027</b>	<b>100.00</b>	<b>0.00</b>

**B) Shareholding of Promoter-**

S. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2017]			Shareholding at the end of the year [As on 31-March-2018]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Analjit Singh	10000	0.00	0.00	10000	0.00	0.00	0.00
2.	Mrs. Neelu Analjit Singh	100000	0.04	0.00	100000	0.04	0.00	0.00
3.	Ms. Piya Singh	110333	0.04	0.00	110333	0.04	0.00	0.00
4.	Mr. Veer Singh	100500	0.04	0.00	100500	0.04	0.00	0.00
5.	Ms. Tara Singh Vachani	100000	0.04	0.00	100000	0.04	0.00	0.00
6.	Liquid Investment & Trading Co. P. Ltd	23818876	8.91	65.34	23818876	8.87	97.72	-0.04
7.	# Mohair Investment & Trading Co. P. Ltd.	8086560	3.02	0.00	13690570	5.10	83.95	2.08
8.	# Boom Investments P. Ltd.	5604010	2.10	52.76	0.00	0.00	0.00	0.00
9.	Max Ventures Investment Holdings P. Ltd	43372459	16.23	55.88	43372459	16.16	71.87	-0.07

# Boom Investments Private Limited got merged with Mohair Investment and Trading Company Private Limited, pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Delhi, with effect from December 2, 2016. However, actual transfer of shares in the demat account of Mohair Investment and Trading Company Private Limited was reflected post March 31, 2017. Hence the shareholding of Boom Investment Private Limited mentioned at the beginning of the year i.e. March 31, 2017, later stood transferred to Mohair Investment and Trading Company Private Limited.

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

S. No.	Particulars	Shareholding at the beginning of the year [As on 31-March-2017]		Cumulative Shareholding during the year [As on 31-March-2018]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Mr. Analjit Singh</b>				
	At the beginning of the year	10,000	0.00	10,000	0.00
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			10000	0.00
2.	<b>Mrs. Neelu Analjit Singh</b>				
	At the beginning of the year	100000	0.04	100000	0.04
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			100000	0.04
3.	<b>Ms. Piya Singh</b>				
	At the beginning of the year	110333	0.04	110333	0.04
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			110333	0.04
4.	<b>Mr. Veer Singh</b>				
	At the beginning of the year	100500	0.04	100500	0.04
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			100500	0.04
5.	<b>Ms. Tara Singh Vachani</b>				
	At the beginning of the year	100000	0.04	100000	0.04
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			100000	0.04

S. No.	Particulars	Shareholding at the beginning of the year [As on 31-March-2017]		Cumulative Shareholding during the year [As on 31-March-2018]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	<b>Liquid Investment &amp; Trading Co. P. Ltd.</b>				
	At the beginning of the year	23818876	8.91	23818876	8.91
	Increase / Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			23818876	8.87
7.	<b>Mohair Investment &amp; Trading Co. P. Ltd.</b>				
	At the beginning of the year	8086560	3.02	8086560	3.02
	Increase / Decrease in Shareholding during the year # 02.12.2016	5604010	2.10	13690570	5.12
	At the end of the year			13690570	5.10
8.	<b>Boom Investments P. Ltd.</b>				
	At the beginning of the year	5604010	2.10	5604010	2.10
	Increase / Decrease in Shareholding during the year # 02.12.2016	(5604010)	2.10	0	0.00
	At the end of the year			0	0.00
9.	<b>Max Ventures Investment Holdings P. Ltd.</b>				
	At the beginning of the year	43372459	16.23	43372459	16.23
	Increase / Decrease in Shareholding during the year	0	0	0	0
	At the end of the year			43372459	16.16

# Boom Investments Private Limited got merged with Mohair Investment and Trading Company Private Limited, pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble High Court of Delhi, with effect from December 2, 2016. However, actual transfer of shares in the demat account of Mohair Investment and Trading Company Private Limited was reflected post March 31, 2017. Hence the shareholding of Boom Investment Private Limited mentioned at the beginning of the year i.e. March 31, 2017, later stood transferred to Mohair Investment and Trading Company Private Limited.

**D) Shareholding Pattern of top ten Shareholders:  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31-March-2017]		Cumulative Shareholding during the Year [As on 31-March-2018]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	<b>Moneyline Portfolio Investments Limited</b>				
	At the beginning of the year	26570048	9.94	26570048	9.94
	Increase / Decrease in Shareholding during the year 18.08.2017	(8500000)	3.17	18070048	6.77
	At the end of the year			18070048	6.73
2.	<b>Xenok Limited</b>				
	At the beginning of the year	24079700	9.00	24079700	9.00
	Increase / Decrease in Shareholding during the year 21.04.2017	(13000000)	4.86	11079700	4.14
	08.09.2017	(11079700)	4.13	0	0
	At the end of the year			0	0.00
3.	<b>Reliance Capital Trustee Co. Ltd A/C Reliance Equity Opportunities Fund</b>				
	At the beginning of the year	5223731	1.95	5223731	1.95

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31-March-2017]		Cumulative Shareholding during the Year [As on 31-March-2018]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Increase / Decrease in Shareholding during the year				
	07.04.2017	(223500)	0.08	5000231	1.87
	27.10.2017	100000	0.04	5100231	1.91
	12.01.2018	100000	0.04	5200231	1.95
	19.01.2018	100000	0.03	5300231	1.98
	02.02.2018	100000	0.03	5400231	2.01
	At the end of the year			5400231	2.01
4.	<b>Motilal Oswal Most Focused Multicap 35 Fund</b>				
	At the beginning of the year	4939407	1.85	4939407	1.85
	Increase / Decrease in Shareholding during the year				
	28.04.2017	305401	0.11	5244808	1.96
	19.05.2017	(77519)	0.03	5167289	1.93
	26.05.2017	(40189)	0.01	5127100	1.92
	09.06.2017	283081	0.10	5410181	2.02
	25.08.2017	168647	0.06	5578808	2.08
	01.09.2017	222394	0.08	5801222	2.16
	08.09.2017	151080	0.06	5952302	2.22
	15.09.2017	403240	0.15	6355542	2.37
	22.09.2017	390744	0.14	6746286	2.51
	30.09.2017	393000	0.15	7139286	2.66
	13.10.2017	125000	0.05	7264286	2.71
	15.12.2017	300763	0.11	7565049	2.82
	At the end of the year			7565049	2.82
5.	<b>ICICI Prudential Value Discovery Fund</b>				
	At the beginning of the year	4517866	1.69	4517866	1.69
	Increase / Decrease in Shareholding during the year	-	-	-	0
	At the end of the year			4517866	1.68
6.	<b>Kotak Select Focus Fund</b>				
	At the beginning of the year	3117954	1.17	3117954	1.17
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			3117954	1.16
7.	<b>Government Pension Fund Global</b>				
	At the beginning of the year	2693071	1.01	2693071	1.01
	Increase / Decrease in Shareholding during the year				
	22.09.2017	208262	0.07	2901333	
	At the end of the year			2901333	1.08
8.	<b>HDFC Trustee Company Limited – A/C HDFC MID – Cap Opportunities Fund</b>				
	At the beginning of the year	2400000	0.90	2400000	0.90
	Increase / Decrease in Shareholding during the year				
	13.10.2017	425000	0.16	2825000	1.06
	08.12.2017	872000	0.32	3697000	1.38
	15.12.2017	984300	0.37	4681300	1.75
	22.12.2017	470000	0.18	5151300	1.93
	29.12.2017	479000	0.18	5630300	2.11
	05.01.2018	200000	0.07	5830300	2.18
	12.01.2018	200000	0.07	6030300	2.25
	At the end of the year			6030300	2.25
9.	<b>SBI Magnum Balanced Fund</b>				
	At the beginning of the year	2300000	0.86	2300000	0.86

S. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31-March-2017]		Cumulative Shareholding during the Year [As on 31-March-2018]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	Increase / Decrease in Shareholding during the year				
	09.06.2017	(1713457)	0.64	586543	0.22
	16.06.2017	(586543)	0.22	0	0.00
	At the end of the year			0	0.00
10.	<b>GS Mace Holdings Limited</b>				
	At the beginning of the year	2196381	0.82	2196381	0.82
	Increase / Decrease in Shareholding during the year				
	28.07.2017	(950000)	0.35	1246381	0.47
	04.08.2017	(500000)	0.19	746381	0.28
	15.09.2017	(746381)	0.28	0	0.00
	At the end of the year			0	0.00
11.	<b>National Westminster Bank PLC as Trustee of the Jupiter India Fund</b>				
	At the beginning of the year	1551870	0.58	1551870	0.58
	Increase / Decrease in Shareholding during the year				
	28.04.2017	679237	0.25	2231107	0.83
	30.06.2017	135208	0.05	2366315	0.88
	22.12.2017	166180	0.06	2532495	0.94
	29.12.2017	177459	0.07	2709954	1.01
	09.02.2018	24330	0.01	2734284	1.02
	At the end of the year			2734284	1.02
12.	<b>Aditya Birla Sun Life Trustee Private Limited A/C Aditya Birla Sun Life Frontline Equity Fund</b>				
	At the beginning of the year	1383915	0.52	1383915	0.52
	Increase / Decrease in Shareholding during the year				
	14.04.2017	(118000)	0.04	1265915	0.48
	21.04.2017	(116000)	0.04	1149915	0.44
	28.04.2017	714231	0.27	1864146	0.71
	02.06.2017	705000	0.26	2569146	0.97
	07.07.2017	126000	0.05	2695146	1.02
	25.08.2017	(133000)	0.05	2562146	0.97
	08.09.2017	(150000)	0.06	2412146	0.91
	19.09.2017	1510000	0.56	3922146	1.47
	30.09.2017	(1882)	0.00	3920264	1.47
	02.02.2018	58000	0.02	3978264	1.49
	23.03.2018	142000	0.04	4120264	1.53
	At the end of the year			4120264	1.53
13.	<b>*Baron Emerging Markets Fund</b>				
	At the beginning of the year	999067	0.37	999067	0.37
	Increase / Decrease in Shareholding during the year				
	21.04.2017	704347	0.26	1703414	0.63
	28.04.2017	671586	0.25	2375000	0.88
	19.05.2017	325000	0.12	2700000	1.00
	16.06.2017	115000	0.04	2815000	1.04
	21.07.2017	125000	0.05	2940000	1.09
	08.09.2017	78339	0.03	3018339	1.12
	15.09.2017	150000	0.06	3168339	1.18
	22.09.2017	520475	0.19	3688814	1.37
	30.09.2017	829525	0.31	4518339	1.68
	30.03.2018	400000	0.15	4918339	1.83
	At the end of the year			4918339	1.83

\* became shareholder w.e.f. April 14, 2017

**E) Shareholding of Directors and Key Managerial Personnel:**

S. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [As on 31-March-2017]		Cumulative Shareholding during the year [As on 31-March-2018]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>Mr. Mohit Talwar, Managing Director</b>				
	At the beginning of the year	35,438	0.01	35,438	0.01
	Increase / Decrease in Shareholding during the year				
	*10.04.2017	31,210	0.01	66,648	0.02
	*18.08.2017	2,21,500	0.08	2,88,148	0.11
	**29.08.2017 to 31.08.2017	(2,61,085)	0.10	27,063	0.01
	At the end of the year			27,063	0.01
2	<b>Mr. Ashwani Windlass, NED</b>				
	At the beginning of the year	1,62,850	0.06	1,62,850	0.06
	Increase / Decrease in Shareholding during the year				
	**07.04.2017	(50,700)	0.02	1,12,150	0.04
	**16.08.2017	(8,700)	0.00	1,03,450	0.04
	**15.09.2017	(35,000)	0.01	68,450	0.03
	**18.09.2017 – 20.09.2017	(27,500)	0.01	40,950	0.01
	**21.09.2017	(7,500)	0.00	33,450	0.01
	**26.09.2017	(5,000)	0.00	28,450	0.01
	At the end of the year			28,450	0.01
3	<b>Mr. Rajesh Khanna, ID</b>				
	At the beginning of the year	25,000	0.01	25,000	0.01
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			25,000	0.01
4	<b>Mr. Aman Mehta, ID</b>				
	At the beginning of the year	29,000	0.01	29,000	0.01
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			29,000	0.01
5	<b>Mrs. Sujatha Ratnam, CFO</b>				
	At the beginning of the year	35,000	0.01	35,000	0.01
	Increase / Decrease in Shareholding during the year				
	**15.09.2017	(34,900)	0.01	100	0.00
	At the end of the year			100	0.00

\* Allotment of equity shares under ESOP

\*\*Sale of shares in open market

**V. INDEBTEDNESS:**

Indebtedness of the Company, including interest outstanding/accrued but not due for payment: NIL



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (Rs.)
		Mr. Mohit Talwar Managing Director	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,25,18,748	5,25,18,748
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 except stock options	35,54,956	35,54,956
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL
2	Stock Options <sup>^</sup>	8,57,92,501	8,57,92,501
3	Sweat Equity	NIL	NIL
4	Commission		
	- as % of profit	NIL	NIL
	- others, specify...		
5	Others:		
	- Company Contribution to PF	17,04,960	17,04,960
	- Medical Reimbursements	15,000	15,000
	- Medical Insurance Premium	56,070	56,070
	- Personal Accident Insurance Premium	405	405
	Total	14,36,42,640	14,36,42,640
	Ceiling as per the Act	NA	

<sup>^</sup> Perquisite value of stock options exercised during the year

## B. Remuneration to other directors:

S. No.	Particulars of Remuneration	Mrs. Naina Lal Kidwai (ID)	Mr. Rajesh Khanna (ID)	Mr. Aman Mehta (ID)	Mr. D.K. Mittal (ID)	Mr. Ashwani Windlass (NED)	Mr. Sanjay Omprakash Nayar (NED)	Mr. Sanjeev Kishen Mehra * (NED)	Ms. Lavanya Ashok* (NED)	Total Amount
1	<b>Independent Directors (ID):</b>									
	Fee for attending board and committee meetings	13,00,000	20,00,000	7,00,000	16,00,000	NIL	NIL	NIL	NIL	56,00,000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	13,00,000	20,00,000	7,00,000	16,00,000	NIL	NIL	NIL	NIL	56,00,000
2	<b>Other Non-Executive Directors (NED):</b>									
	Fee for attending board and committee meetings	NIL	NIL	NIL	NIL	20,00,000	NIL	NIL	NIL	20,00,000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	20,00,000	NIL	NIL	NIL	20,00,000
	Total Remuneration = (1) + (2)	13,00,000	20,00,000	7,00,000	16,00,000	20,00,000	NIL	NIL	NIL	76,00,000

\*ceased to be Director of the Company effective May 19, 2017.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

SI No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs.)
		CEO	Mrs. Sujatha Ratnam (CFO)	Mr. Sandeep Pathak (CS)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1,80,71,250	48,80,713	2,29,51,963
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 except stock options	-	2,95,551	-	2,95,551
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5	Others:				
	- Company Contribution to PF	-	7,78,913	2,58,382	10,37,295
	- Medical Reimbursements	-	15,000	15,000	30,000
	- Medical Insurance Premium	-	56,070	56,070	1,12,140
	- Personal Accident Insurance Premium	-	405	405	810
	<b>Total</b>	-	<b>1,92,17,189</b>	<b>52,10,570</b>	<b>2,44,27,759</b>

**VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES: NIL**

## Annexure-2 to the Directors' Report

## 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 Rs. Lakhs)

Sl. No.	Name of Subsidiary Company	Date since 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, 2018	INR	191,881.29	77,023.93	5,496,283.88	5,227,378.66	5,223,654.85	1,638,076.51	61,517.42	8,754.55	52,762.87	12,280.40	70.75%

## Part "B" - Associate Companies and Joint Ventures

Not Applicable, as there are no Associates / Joint Ventures

## Annexure- 3 to the Directors' Report

# Dividend Distribution Policy

### BACKGROUND:

Max Financial Services Limited ("the Company") has been paying dividends in past, based on the dividend distributed by its subsidiary Max Life Insurance Company Limited and after taking into account liquidity requirements of the Company.

While the aforesaid is the stated dividend distribution policy of the Company, it is proposed to formulate a Dividend Distribution Policy in line with Regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations").

### OBJECTIVE:

The objective of the Dividend Distribution Policy ("the policy") is to broadly specify the external and internal factors including financial parameters that shall be considered while declaring dividend. The policy is broadly in line with the provisions of the Companies Act, 2013 and SEBI Regulations ("applicable laws") read with the relevant clauses of the Articles of Association of the Company, to the extent applicable.

The policy establishes the principles to ascertain amounts that can be distributed to equity shareholders as dividend by the Company as well as enable the Company strike balance between pay-out and retained earnings, in order to address future needs of the Company.

The Company currently has no other class of shares. Therefore, dividend declared if any will be distributed amongst all equity shareholders, based on their shareholding on the record date. The Company stands committed to deliver sustainable value to all its stakeholders.

### PARAMETERS FOR DECLARATION OF DIVIDEND:

Dividends will generally be recommended by the Board once a year, after the announcement of the full year results and before the Annual General Meeting ("AGM") of the shareholders. The Board may also declare interim dividends as may be permitted as per the applicable laws.

The Board of Directors of the Company would consider the following financial parameters and factors before declaring or recommending dividend to shareholders:

#### Internal Factors / Financial Parameters:

- Operating cash flow of the Company
- Profits earned during the year
- Profits available for distribution
- Earnings Per Share (EPS)
- Dividend, if any, declared by Subsidiary
- Working capital requirements
- Capital expenditure requirement
- Business expansion and growth
- Likelihood of crystalization of contingent liabilities, if any

- Additional investment in subsidiary
- Creation of contingency fund
- Acquisition of brands and business
- Cost of Borrowing
- Past dividend payout ratio / trends

#### External Factors:

- Economic environment
- Statutory provisions and guidelines
- Dividend pay-out ratios of companies in the same industry

### CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND:

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year(s) or out of the free reserves available for distribution of Dividend, after having due regard to the parameters laid down in this Policy.

The Company shall not recommend dividend, if it is of the opinion that it is financially not prudent to do so. The shareholders of the Company may not expect Dividend under the following circumstances:

- In case the Company is undertaking significant expansion which would require higher allocation of resources
- If the Company requires significant amount of working capital to fund its future growth
- In case the Company proposes to utilise surplus cash for buy-back of securities
- Whenever the Company undertakes any acquisitions or joint ventures requiring significant allocation of capital or in case the company expands its stake in its subsidiary
- In the event of inadequacy of profits or whenever the Company has incurred losses

The profits being retained in the business shall be continued to be deployed in the Company and thus contributing to the growth to the business and operations of the Company.

### MODIFICATIONS IN THE POLICY:

The Board of Directors is authorized to change/amend this policy from time to time at its sole discretion and/or in pursuance of any amendments made in the applicable laws.

### DISCLOSURE:

The policy will be available on the Company's website and will also be disclosed in the Company's annual report.

**Annexure - 4 to the Directors' Report****Details of Max Employees Stock Plan – 2003, pursuant to SEBI Regulations and Companies Act, 2013 for the year ended 31st March, 2018**

- A. Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time:

*Details provided in Note no. 27.1 of Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2018.*

- B. Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time:

*Rs. 4.57 per share.*

- C. Summary of status of ESOS granted:

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

S. No.	Particulars	
1	Date of shareholders' approval	September 30, 2003
2	Total number of options approved under ESOS	1,33,14,787
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	In August 2017, NRC approved the acceleration of the vesting of the unvested options granted on December 12, 2014, to vest as per revised graded vesting schedule detailed hereunder:
		Mr. Mohit Talwar (Managing Director)      Mr. Rahul Khosla (Executive President)
	Total number of options	4,43,000      13,30,000
	Immediate vesting on August 9, 2017	2,21,500      6,65,000
	Vesting on December 1, 2018	1,10,750      3,32,500
	Vesting on December 1, 2019	1,10,750      3,32,500

- ii. Method used to account for ESOS:

*The Company has adopted intrinsic value method of Valuation.*

- iii. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed. :

*Profits would have been lower by Rs.585.9 lakhs and Basic EPS Rs.0.22 per share & Diluted EPS Rs. 0.22 per share, if the Company would have recognized the compensation cost based on fair value.*

## iv. Option movement during the year:

Number of options outstanding at the beginning of the period	22,46,745
Number of options granted during the year	Nil
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	11,13,978
Number of options exercised during the year	11,13,978
Number of shares arising as a result of exercise of options	11,13,978
Money realized by exercise of options (INR), if scheme is implemented directly by the company	Rs. 27,63,33,756/-
Loan repaid by the Trust during the year from exercise price received	Not Applicable. The ESOP Plan is not administered by any Trust.
Number of options outstanding at the end of the year	11,32,767

## v. 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:

*Weighted average exercise price for options exercised during FY17-18 was Rs.248.11 Further, the weighted average fair value of the outstanding options as on 31<sup>st</sup> March 2018 was Rs. 219.48. For details, please refer to Note no.27.1 of Standalone Financial Statements.*

vi. Employee wise details of options granted - *No ESOPs were granted by the Company during the financial year 2017-18.*

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

## vii. 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 2017-18.*

weighted-average values of share price (at 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

**Annexure 5A to the Directors' Report**  
**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, 2018**

- A. The table containing the names and other particulars of employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, is appended below:

**Key Managerial Remuneration (including Whole-time Directors' Remuneration)**

Sl. No.	Name	Designation	Remuneration for FY17 (INR Cr.)	Remuneration for FY18 (INR Cr.)	% Increase in Remuneration in FY18 vs. FY17
1	Mr. Mohit Talwar <sup>1</sup>	Managing Director	6.76	14.36	112.42%
2	Ms. Sujatha Ratnam	Chief Financial Officer	1.76	1.92	8.9%
3	Mr. Sandeep Pathak	Company Secretary	0.47	0.52	NA <sup>2</sup>

<sup>1</sup> Mr. Mohit Talwar's remuneration includes the perquisite value of Rs. 8.58 crores, being the value of ESOPs exercised during the year under review against the ESOPs granted earlier (corresponding value in FY17 was Rs.1.43 crores)

<sup>2</sup> Mr. Sandeep Pathak was appointed as the Company Secretary of the Company with effect from July 5, 2016. The remuneration for FY 2017 is for part of the year and hence it is not comparable with remuneration for FY 2018.

- B. The Median Remuneration of Employees excluding Whole-time Directors ("MRE") was Rs.39,04,383/- in FY18 as against Rs.35,67,162/- in FY17. The increase in MRE in FY18 as compared to FY17 is around 9.45%.

Further, the Ratio of Remuneration of Mr Mohit Talwar (the only executive director as on March 31, 2018) to the MRE for FY18 is around 36.8:1

*As the Non-executive Directors of the Company have been receiving remuneration only in the form of Sitting Fees for attending the meetings of Board of directors or committees thereof, their remuneration details have not been considered while disclosing particulars under A and B above.*

- C. The number of permanent employees on the rolls of the Company as on March 31, 2018 was 13, i.e. same as on March 31, 2017.
- D. The average increase in remuneration (excluding WTD remuneration and the impact of ESOPs / Phantom Stock Options exercised) in FY18 over FY17 was around 14.2%. This was based on the industry benchmarks and approval of the Nomination and Remuneration Committee.
- E. The increase in fixed remuneration for WTD and KMPs was 9.31% over previous year.

Managerial personnel's variable components are linked to assessment of individual performance with differentiation for high performers, potential, criticality of the role for the Company and relative market competitiveness. All long term variable components are linked to value creation for shareholders. The Company's Remuneration policy ensures that it attracts, motivates, and retains key talent by enabling differentiated rewards for high performers who live by the values of the Company. The remuneration policy reflects the Company's objectives for good corporate governance as well as sustained long term value creation for all stakeholders.

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

During FY18, there was no such employee who 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.

## Annexure 5B to the Directors' Report

### 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, 2018**

DETAILS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION, AND INCLUDES ALL EMPLOYEES WHO WERE IN RECEIPT OF REMUNERATION OF (A) RS. 102,00,000/- PER ANNUM OR MORE, OR (B) RS. 8,50,000/- PER MONTH OR MORE, IF EMPLOYED FOR PART OF THE YEAR

Sr. No.	Name	Age (Yrs.)	Designation	Nature of duties	Remuneration (In Rs.)	Qualification	Date of Commencement of employment	Experience (Yrs.)	Last Employment Held Organisation	Position held
<b>A. Employed throughout the year</b>										
1	Khosla, Rahul	59	Executive President	General Management	574,289,394	BA (Hons), CA	18.08.2011	34	Visa	Group Head of Products
2	Pai, Ramachandra Vishnu	51	Manager - Administration	Administration	2,005,583	B.Com	18.09.1995	30	Johnson & Johnson	Warehousing Supervisor
3	Pandey, Archana	58	Senior Director - Corporate Affairs	Corporate Affairs	29,035,786	MA in Psychology, PGD in Advertising & PR, PGD in Marketing & Sales Mgmt.	08.06.2012	35	Abbott Healthcare Pvt Ltd.	Head - Government Affairs
4	Pathak, Sandeep	38	Company Secretary	Company Secretary	5,210,570	B.Com (Hons), FCS, FCMA, ACA, LL.B.	05.07.2016	18	Sembcorp Green Infra Limited	General Manager - Company Secretary
5	Ramsundar, K K	60	Admn. Assistant, Office of Founder & Chairman Emeritus	Administration	4,919,378	B.Com (P), PGDBA, PGDMM	21.06.1981	42	Ranbaxy Labs Limited	Steno Typist
6	Ratnam, Sujatha	54	Chief Financial Officer	Corporate Treasury	19,217,189	B. Com (Hons), ACA	12.07.2004	29	Jubilant Organosys Ltd.	General Manager - Finance
7	Rao, Anuradha	59	Executive Assistant, Office of Founder & Chairman Emeritus	Executive Assistant	5,719,834	BA (Hons)	03.06.1987	39	Northern Engineering Industries (India) Limited	Assistant cum Secretary
8	Talwar, Mohit	58	Managing Director	General Management	143,642,640	Post Graduate (Arts), Post Graduate (Hospitality Management)	01.11.2007	39	Standard Chartered Bank	Director & Head Wholesale Bank, East India
9	Thakur, Ananth Singh	44	Deputy General Manager - External Affairs	External Affairs	2,637,413	MBA	06.06.2011	23	Aviva Life Insurance	State Head (BSA)
10	Trehan, Vandana	43	Executive Assistant to Executive President	Executive Assistant	2,889,389	PGDBM	16.08.2011	18	TSYS International	Executive Assistant
<b>B. Employed for part of the year</b>										
	NIL									

**Notes:**

- Remuneration includes salary, allowances, value of rent free accommodation, bonus, value of ESOPs exercised, medical expenses, 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.
- None of the above employees is a relative of any director of the Company.
- All appointments are / were contractual in accordance with the terms and conditions as per Company Rules / Policies.
- Mr. Mohit Talwar holds 48,773 equity shares constituting 0.017% of the equity share capital of the Company, as of the date of this report.
- None of the above employees held 2% or more equity shares of the Company, by himself / herself or alongwith his / her spouse and dependent children .

For Max Financial Services Limited

New Delhi  
August 6, 2018

**Naina Lal Kidwai**  
Independent Director  
DIN: 00017806

**Mohit Talwar**  
Managing Director  
DIN: 02394694



## Annexure – 6 to the Directors' Report

### Business Responsibility Report

Section A	General information about the Company	
1	Corporate Identification Number	L24223PB1988PLC008031
2	Name of the Company	Max Financial Services Limited (formerly Max India Limited)
3	Registered address	Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr Punjab 144533
4	Website	www.maxfinancialservices.com
5	Email address	investorhelpline@maxindia.com
6	Financial year reported	1 April 2017 – 31 March 2018
7	Sector(s) that the Company is engaged in	Investments and Consultancy services to group companies
8	Three key products/services manufactured/ provided by the Company	Investments in subsidiaries (NIC Code – 64200) Management Consultancy (NIC Code – 70200 )
9	Total number of locations where business activity is undertaken by the Company	Two locations: Registered office at Nawanshahr (Punjab) and Corporate office at New Delhi
10	Markets served by the Company	India
<b>Section B</b>	<b>Financial details of the Company</b>	
1	Paid-up capital	Rs. 53.68 crore
2	Total turnover	Rs. 228.74 crore (revenue from operations)
3	Total profit after tax	Rs. 123.04 crore
4	Total spending on CSR as percentage of profit after tax	N.A. (Refer Directors' Report)
5	List of the activities in which expenditure in 4 above has been incurred	N.A.
<b>Section C</b>	<b>Other details</b>	
1	Does the Company have any Subsidiary Company/ Companies?	Yes
2	Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	The Company's subsidiary Max Life Insurance Company Limited engages in BR initiatives for the group. For detailed information, please refer to Business Responsibility Review section of this Annual Report.
3	Do any other entity/entities (e.g., suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities [Less than 30%, 30-60%, More than 60%]	No  NA
<b>Section D</b>	<b>BR information</b>	
1a	Details of Director(s) responsible for BR	Mr. Mohit Talwar (DIN: 02394694) Managing Director
1b	Details of the BR head	Name: Mrs. Sujatha Ratnam Designation: CFO Telephone number: (011) 42598000 Email ID: sratnam@maxindia.com
2	Principle-wise BR policy/policies	Included in this report
3	Governance related to BR	Included in this report
<b>Section E</b>	<b>Principle-wise performance</b>	
1	Principle-wise performance	Included in this report

## Preface

As mandated by Securities and Exchange Board of India (SEBI), India's top 500 listed entities based on market capitalisation on the BSE and NSE, are required to submit a 'Business Responsibility Report' (BRR) along with their Annual Report. Max Financial Services Limited (MFSL) presents its second BRR in line with the requirements of SEBI. This BRR provides information on key initiatives undertaken by the Company and / or its subsidiary.

MFSL is the holding company of Max Life Insurance Company Limited (an unlisted material subsidiary), which continued to work with Max India Foundation to implement its CSR programme which has a focus on healthcare, sanitation, safe drinking water, environment protection, financial literacy & insurance awareness and village adoption. It is committed to attaining the highest standards of service in protecting and enhancing the financial future of its customers by adhering to a set of values that is shared across the Group – Sevabhav (spirit of service), Excellence and Credibility.

### **Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

MFSL continues to adopt high standards of corporate governance, adhering to all applicable guidelines with transparent disclosures about the Company's performance. As the holding company of life insurance business, MFSL considers ethics, transparency and accountability to be its top-most priority.

MFSL has a Code of Conduct for the Company's Directors and Senior Management. A declaration of the Directors and Senior Management's affirmation to this Code of Conduct is communicated to all stakeholders by the Managing Director in the Annual Report.

MFSL has established a Whistle Blower Policy, which lays down the process to report any unethical behaviour or violation of the Code of Conduct. Employees can report to the Management any instances of unethical behaviour, or suspected fraud or violation of the Code of Conduct. Adequate measures are in place to ensure safeguards against victimization of employees who report any unethical behaviour. There is also a provision for direct access to the Chairman of the Audit Committee in exceptional cases. All whistle blower complaints are investigated and action is initiated, wherever required.

No complaints linked to the Code of Conduct adherence were received in the reporting year.

### **Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

MFSL endeavors to contribute to sustainability and conservation of resources in all possible manners. All Board level meetings have been paperless for more than 5 years, with Directors and other participants accessing relevant material electronically.

### **Principle 3: Businesses should promote the well-being of all employees**

As of 31<sup>st</sup> March 2018, MFSL had a total of 13 employees, which included 5 women employees. There were no temporary or contractual employees in the reporting year. As a holding company with limited areas of operations, the Company's staffing is adequate and commensurate with the scale of its business. The Company believes its employees are its greatest strength and invests in the growth and development of all its employees and engages with them on a regular basis. Employees are also given opportunities to move across other Group companies to get wider exposure.

MFSL has policies and procedures in place to prevent any kind of discrimination. It has a 'Policy on Prevention of Sexual Harassment at Workplace' in place to ensure the safety and security of its female employees. The Company did not receive any complaint relating to child labor, forced labor, involuntary labor or sexual harassment in 2017-18 and none were pending as of 31 March 2018.

### **Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised**

MFSL is an equal opportunity employer. Remuneration practices are based on merit, without regard to the person's ethnic background or gender, and are periodically updated based on market benchmarks. The Company ensures there is no discrimination of any type against socially disadvantaged sections in the work place.

MFSL regularly undertakes initiatives to engage with its internal and external stakeholders. The Company has robust mechanisms in place which ensure full, fair, accurate, timely and understandable disclosures to all our shareholders and investors.

### **Principle 5: Businesses should respect and promote human rights**

MFSL is 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.

All policies of the Company comply with conventionally understood provisions of human rights. There is no discrimination whatsoever in the Company on the basis of cast, creed, race, gender, religion or physical handicap. The Company did not receive any complaint relating to violation of human rights in 2017-18.

**Principle 6: Businesses should respect, protect, and make efforts to restore the environment**

MFSL is committed to conducting its business in a manner that protects the natural environment. Given that MFSL is a holding company with no manufacturing operations and small number of employees, the Company does not have any significant direct environmental impacts. However, regular efforts are made to conserve the energy through various means.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

MFSL is a holding company with no direct business

operations however its subsidiary Max Life actively engages in policy advocacy to balance the interests of various stakeholders.

**Principle 8: Businesses should support inclusive growth and equitable development**

For detailed information on steps taken towards inclusive growth and equitable development through Max India Foundation, a CSR arm of the Max Group, please refer to the Business Responsibility Review section of this Annual Report.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

MFSL, being a holding company, is having investments in its subsidiary and primarily engaged in growing and nurturing the business investments and providing management consultancy services to group companies. Accordingly, it does not have any direct customers or consumers under the scope of this BRR.

## Annexure – 7 to the Directors' Report

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

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, formerly known as Max India 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, 2018 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, 2018 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 55A;
- (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;
- 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, 2009;
- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not 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 to the extent of securities issued;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. Not Applicable

- (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 a non-systemically important Core Investment Company and hence does not require registration as a NBFC.

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

- a) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- b) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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 at 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 are 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 the Company has acquired 14,170,817 Equity Shares of Rs 10/- each in Max Life Insurance company Limited and the said event deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**Chandrasekaran Associates**  
Company Secretaries

**Rupesh Agarwal**  
Managing Partner

Date: 06.08.2018  
Place: Delhi

Membership No.:16302  
Certificate of Practice No.:5673

Note: 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**

The Members,

### **Max Financial Services Limited**

Bhai Mohan Singh Nagar,  
Rail Majra, Tehsil Balachaur,  
Distt. Nawanshahr, Punjab-144533

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. Where ever 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.

**Chandrasekaran Associates**  
Company Secretaries

**Rupesh Agarwal**  
Managing Partner

Date: 06.08.2018  
Place: Delhi

Membership No.:16302  
Certificate of Practice No.:5673

**Annexure – 8 to the Directors' Report****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 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 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 company, 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 general meeting as required under first proviso to section 188: September 27, 2016
2. Details of material contracts or arrangement or transactions at arm's length basis: **N.A.**
  - a) *Name(s) of the related party and nature of 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:*

**For Max Financial Services Limited**

New Delhi  
August 6, 2018

**Naina Lal Kidwai**  
Independent Director  
DIN: 00017806

**Mohit Talwar**  
Managing Director  
DIN: 02394694

# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF Max Financial Services Limited  
(Formerly known as MAX INDIA LIMITED)**

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **Max Financial Services Limited (Formerly known as MAX INDIA LIMITED)** ("the Company"), which comprise the Balance Sheet as at 31 March, 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

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.

## Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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.

## Opinion

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 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 31 March, 2018, and its profit and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable 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, and the Cash Flow Statement 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 Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 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 over financial reporting 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 over financial reporting.
  - g) 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 23 of the 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 32 of the 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 33 of the standalone financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("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. 98564)

Place: New Delhi

Date: 25 May, 2018



## **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 Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Max Financial Services Limited (Formerly known as MAX INDIA LIMITED)** (“the Company”) as of 31 March, 2018 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 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.” 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 over financial reporting 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. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

#### **Meaning of Internal Financial Controls Over Financial Reporting**

A company’s internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, 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".

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Satpal Singh Arora**

Partner

(Membership No. 98564)

Place: New Delhi

Date: 25 May, 2018

**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)**

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed 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 fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of the building is held in the erstwhile name of the Company (i.e 'MAX INDIA LIMITED') as at the balance sheet date. We are informed that the Company is in the process of getting the name changed to Max Financial Services Limited.

The Company does not have any immovable properties of freehold or leasehold land.

- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability

Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- (iv) In our opinion and according to the information and explanations given to us, 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) According to the information and explanations given to us, the Company has not accepted any deposit from public.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods & Services Tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods & Services Tax, Service Tax, cess and other material statutory dues in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax and Customs Duty which have not been deposited as on 31 March, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount involved (Rs. in Lacs)	Amount unpaid (Rs. in Lacs)
Customs Act, 1962	Custom Duty Demand on non-fulfillment of export obligation	Directorate General of Foreign Trade	FY 1994-95	429.40	429.40
Finance Act, 1994 (Service tax)	Service Tax Demand on consultancy services	Commissioner (Central Excise), Chandigarh	FY 1997-98 To FY 2000-01	213.00	201.00
Finance Act, 1994 (Service tax)	Service Tax Demand on Banking and Financial Services	Joint/Additional Commissioner, Service Tax Commissionerate Delhi-II	FY 2011-12 To FY 2015-16	139.58	139.58
Income Tax Act, 1961	Income Tax Demand in disallowance made on various matters	High Court, Punjab	AY 2003-04	159.04	159.04

We are informed that the provisions of Employees State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company do not give rise to any liability for Sales Tax, Excise Duty and Value Added Tax.

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) 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.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, 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) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

(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 persons connected with him 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, the Company is of the view supported by legal opinion that the Company is a 'Core Investment Company' ('CIC') and does not meet the criteria for Systemically Important Core Investment Company ('CIC-SI') as laid down in the CIC Master Circular dated 1 July, 2015 and hence registration under section 45-IA of the Reserve Bank of India Act, 1934 is not required. We report as such.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Satpal Singh Arora**

Partner

(Membership No. 98564)

Place: New Delhi

Date: 25 May, 2018

# Standalone Balance Sheet

as at March 31, 2018

Particulars	Note No.	(Rs. in Lakhs)	
		As at March 31, 2018	As at March 31, 2017
<b>A. Equity and liabilities</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	3	5,367.68	5,345.40
(b) Reserves and surplus	4	192,775.35	177,483.55
		<b>198,143.03</b>	<b>182,828.95</b>
<b>2. Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	5	-	-
(b) Long-term provisions	6	770.47	328.33
		<b>770.47</b>	<b>328.33</b>
<b>3. Current liabilities</b>			
(a) Trade payables	7		
i. total outstanding dues to micro enterprises and small enterprises		-	-
ii. total outstanding dues to creditors other than micro enterprises and small enterprises		1,016.93	1,168.01
(b) Other current liabilities	8	924.72	945.96
(c) Short-term provisions	9	542.67	418.62
		<b>2,484.32</b>	<b>2,532.59</b>
<b>Total</b>		<b>201,397.82</b>	<b>185,689.87</b>
<b>B. Assets</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	10	553.52	619.63
(ii) Intangible assets	10	21.44	33.88
(b) Non-current investments	11	194,633.56	179,343.99
(c) Long term loans and advances	12	836.73	756.45
(d) Other non-current assets	13	9.98	9.38
		<b>196,055.23</b>	<b>180,763.33</b>
<b>2. Current assets</b>			
(a) Current investments	14	4,224.71	2,840.00
(b) Trade receivables	15	668.74	769.06
(c) Cash and cash equivalents	16	288.53	978.44
(d) Short term loans and advances	17	160.61	339.04
		<b>5,342.59</b>	<b>4,926.54</b>
<b>Total</b>		<b>201,397.82</b>	<b>185,689.87</b>

See accompanying notes forming part of the standalone financial statements 1 to 39

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 : New Delhi  
Date : May 25, 2018

For and on behalf of the Board of Directors

**Naina Lal Kidwai**  
(Chairman)  
DIN - 00017806  
Place : New Delhi

**Sujatha Ratnam**  
(Chief Financial Officer)  
Place : New Delhi

Date : May 25, 2018

**Mohit Talwar**  
(Managing Director)  
DIN - 02394694  
Place : Gurugram

**Sandeep Pathak**  
(Company Secretary)  
M.No - FCS-5351  
Place : New Delhi

# Standalone Statement of Profit and Loss

for the year ended March 31, 2018

Particulars	Note No.	(Rs. in Lakhs)	
		For the year ended March 31, 2018	For the year ended March 31, 2017
<b>1. Income</b>			
(a) Revenue from operations (net)	18	22,873.80	25,491.43
(b) Other income	19	68.38	136.30
<b>2. Total revenue</b>		<b>22,942.18</b>	<b>25,627.73</b>
<b>3. Expenses</b>			
(a) Employee benefits expense	20	3,984.22	3,720.07
(b) Depreciation and amortisation expense	21	191.99	195.73
(c) Legal and professional expenses		4,630.92	4,114.75
(d) Other expenses	22	1,830.55	2,197.43
<b>4. Total expenses</b>		<b>10,637.68</b>	<b>10,227.98</b>
<b>5. Profit before tax (2 - 4)</b>		<b>12,304.50</b>	<b>15,399.75</b>
<b>6. Tax expense</b>			
(a) Current tax		-	-
(b) Deferred tax		-	-
		-	-
<b>7. Profit after tax</b>		<b>12,304.50</b>	<b>15,399.75</b>
<b>8. Earnings per equity share</b>	26		
(Face value of Rs. 2 per share)			
(a) Basic (Rs.)		<b>4.59</b>	<b>5.76</b>
(b) Diluted (Rs.)		<b>4.57</b>	<b>5.71</b>
See accompanying notes forming part of the standalone financial statements	1 to 39		

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 : New Delhi  
Date : May 25, 2018

For and on behalf of the Board of Directors

**Naina Lal Kidwai**  
(Chairman)  
DIN - 00017806  
Place : New Delhi

**Sujatha Ratnam**  
(Chief Financial Officer)  
Place : New Delhi

Date : May 25, 2018

**Mohit Talwar**  
(Managing Director)  
DIN - 02394694  
Place : Gurugram

**Sandeep Pathak**  
(Company Secretary)  
M.No - FCS-5351  
Place : New Delhi

# Standalone Cash Flow Statement

For the year ended March 31, 2018

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Cash flow from operating activities</b>		
Profit before tax	12,304.50	15,399.75
<b>Adjustments for:</b>		
Depreciation and amortisation expense	191.99	195.73
Interest income	(38.42)	(96.55)
Dividend income on long term investments	(20,016.07)	(22,064.81)
Net loss / (profit) on sale / disposal of fixed assets	5.60	0.55
Profit on sale of current investments in:		
- mutual funds	(720.96)	(1,288.31)
- equity instruments	-	(2.78)
Fixed assets written off	-	97.09
Liabilities/provisions no longer required written back	(1.19)	(0.68)
Provision for doubtful service tax credit receivable	289.94	443.61
Expense on employee stock option scheme	966.73	812.58
Unrealised foreign exchange (gain) / loss	-	(1.51)
Operating profit/(loss) before working capital changes	<b>(7,017.88)</b>	<b>(6,505.33)</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	100.32	154.04
Short-term loans and advances	(111.51)	(312.06)
Long-term loans and advances	3.84	(5.94)
Dividend received	20,016.07	22,064.81
Interest received	37.82	95.96
	<b>20,046.54</b>	<b>21996.81</b>
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(870.38)	282.43
Other current liabilities	(21.24)	46.57
Short-term provisions	124.05	172.68
Long-term provisions	442.14	(148.92)
	<b>(325.43)</b>	<b>352.76</b>
Net cash from operations	12,703.23	15,844.24
Net income tax (paid)/ refunds	(84.12)	123.66
<b>Net cash from operating activities</b>	<b>(A) 12,619.11</b>	<b>15,967.90</b>
<b>Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(107.35)	(128.02)
Proceeds from sale of fixed assets	31.56	97.70
Purchase of non-current investments	(15,332.82)	(35,906.50)
Proceeds from sale of long term investment	-	3.43
Purchase of current investments in mutual funds	(29,553.00)	(69,763.28)
Proceeds from sale/maturity of current investments	28,889.25	95,208.59
Bank balances not considered as Cash and cash equivalents (net)	3.09	(17.94)
<b>Net cash flow from investing activities</b>	<b>(B) 16,069.27</b>	<b>10,506.02</b>
<b>Cash flow from financing activities</b>		

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Proceeds from ESOPs exercised (Including share premium a/c)	2,763.34	5.72
Dividend paid	-	(4,806.62)
<b>Net cash from/(used in) financing activities</b>	<b>(C) 2,763.34</b>	<b>(4,800.90)</b>
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	(686.82)	660.98
Cash and cash equivalents at the beginning of the year	728.51	67.53
<b>Cash and cash equivalents at the end of the year</b>	<b>41.69</b>	<b>728.51</b>
<b>Components of cash and cash equivalent (Refer note 16)</b>		
Cash on hand	1.29	0.38
Balances with banks in current account	40.40	728.13
<b>Total cash and cash equivalents</b>	<b>41.69</b>	<b>728.51</b>
See accompanying notes forming part of the standalone financial statements	1 to 39	

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 : New Delhi  
Date : May 25, 2018

**For and on behalf of the Board of Directors**

**Naina Lal Kidwai**  
(Chairman)  
DIN - 00017806  
Place : New Delhi

**Sujatha Ratnam**  
(Chief Financial Officer)  
Place : New Delhi

Date : May 25, 2018

**Mohit Talwar**  
(Managing Director)  
DIN - 02394694  
Place : Gurugram

**Sandeep Pathak**  
(Company Secretary)  
M.No - FCS-5351  
Place : New Delhi



## Notes forming part of the standalone financial statements

### 1. Corporate information

Max Financial Services Limited [formerly known as MAX INDIA LIMITED] ("the Company") is a public limited company domiciled in India. The shares of the Company are listed on National Stock Exchange (NSE) and BSE Limited (BSE). The Company is primarily engaged in making business investments in its subsidiary and providing management advisory services to the group companies.

The name of the Company has been changed from MAX INDIA LIMITED to Max Financial Services Limited with effect from February 1, 2016.

### 2. Significant accounting policies

#### 2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

#### 2.3 Cash and cash equivalents (for purposes of Cash Flow Statement)

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), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

#### 2.4 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax 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 the available information.

#### 2.5 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of leasehold improvements which is amortised over the initial duration of the lease.

Intangible assets are amortised over their estimated useful life of 3 years on straight line method. The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

#### 2.6 Revenue recognition

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

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.

## Notes forming part of the standalone financial statements

### Dividend

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

### **2.7 Tangible fixed assets (Property, plant and equipment)**

Fixed assets are carried at cost less accumulated depreciation, amortisation and impairment loss, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use. Exchange difference arising on restatement/settlement of long term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining life of fixed assets. Subsequent expenditure on fixed assets after its purchase / completion is capitalised only if such expenditure results in increase in the future benefits from such asset beyond its previously assessed standard of performance.

### Capital work-in-progress:

The assets which are not ready for their intended use and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

### **2.8 Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

### **2.9 Foreign currency transactions and translations**

#### Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

#### Measurement at the balance sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year end rates. Non-monetary items of the Company are carried at historical cost.

#### Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

### **2.10 Investments**

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fee and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated in accordance with the policy stated for Fixed assets. Impairment of investment property is determined in accordance with the policy stated for impairment of assets.

### **2.11 Employee benefits**

Employee benefits include provident fund, gratuity fund and compensated absences.

#### **a) Post employment benefit plan**

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to such benefits.

## Notes forming part of the standalone financial statements

For defined benefit plan in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

### b) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### c) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

### 2.12 Employee share based payments

The Company has constituted an Employee Stock Option Plan - 2003. Employee Stock Options granted on or after 1 April, 2005 are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India and in accordance with the SEBI (Share Based Employee Benefits) Regulations, 2014. The Scheme provides for grant of options to employees (including directors) of the Company to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

The Company had constituted a Phantom Stock option plan in 2016, to be settled in cash. The Company is required to make provisions for estimated cash requirement for settlement on the basis of Fair Market Value of equity shares of the Company, Max India Limited and Max Ventures and Industries Limited as at end of each financial period/year till the estimated life of phantom stocks. As and when any cash payment is made on account of settlement of phantom stock, the provision is accordingly adjusted.

The Company has constituted another Phantom Stock option plan in 2017, which will be settled in cash. The Company is required to make provisions for estimated cash requirement for settlement on the basis of Fair Market Value of equity shares of the Company as at end of each financial period/year till the estimated life of phantom stocks. As and when any cash payment is made on account of settlement of phantom stock, the provision is accordingly adjusted.

### 2.13 Segment reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss accounts are evaluated regularly by the executive management in deciding how to allocate resources and in assessing performance.

## Notes forming part of the standalone financial statements

### 2.14 Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

### 2.15 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary 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 extraordinary 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 share splits / reverse share splits and bonus shares, as appropriate.

### 2.16 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

The Company offsets deferred tax assets and deferred tax liabilities if it has a legally enforceable right and these relate to taxes on income levied by the same governing taxation laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

## Notes forming part of the standalone financial statements

### 2.17 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

### 2.18 Provisions and contingencies

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### 2.19 Service tax / 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.

### 2.20 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.

## 3. Share capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	(Rs. in Lakhs)	Number of shares	(Rs. in Lakhs)
<b>(a) Authorised</b>				
Equity share capital				
Equity shares of Rs. 2 (previous year: Rs. 2) each with voting rights	300,000,000	6,000.00	300,000,000	6,000.00
<b>(b) Issued, subscribed and fully paid-up</b>				
Equity share capital				
Equity shares of Rs. 2 (previous year: Rs. 2) each with voting rights	268,384,027	5,367.68	267,270,049	5,345.40

## Notes forming part of the standalone financial statements

Refer notes (i) to (v) below

**(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:**

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	(Rs. in Lakhs)	Number of shares	(Rs. in Lakhs)
<b>Equity Shares with voting rights</b>				
At the beginning of the year	267,270,049	5,345.40	266,983,999	5,339.68
Issued during the year relating to Employee Stock Option Scheme (Refer note 27)	1,113,978	22.28	286,050	5.72
<b>Outstanding at the end of the year</b>	<b>268,384,027</b>	<b>5,367.68</b>	<b>267,270,049</b>	<b>5,345.40</b>

(ii) The Company has only one class of equity shares having a par value of Rs. 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.

**(iii) Details of shares held by each shareholder holding more than 5% shares:**

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% held	Number of shares	% held
<b>Equity shares of Rs. 2 each fully paid (with voting rights)</b>				
- ICICI Prudential Value Discovery fund	13,759,730	5.13%	4,517,866	1.69%
- Liquid Investment and Trading Company Private Limited	23,818,876	8.87%	23,818,876	8.91%
- Max Ventures Investment Holdings Private Limited	43,372,459	16.16%	43,372,459	16.23%
- Mohair Investment and Trading Company Private Limited	13,690,570	5.10%	8,086,560	3.03%
- Moneyline Portfolio Investments Limited	18,070,048	6.73%	26,570,048	9.94%
- Reliance Capital Trustee Co Ltd	18,368,381	6.84%	5,223,731	1.95%
- Xenok Limited	-	-	24,079,700	9.01%

**(iv) Shares reserved for issuance**

As at March 31, 2018 - 11,32,767 (previous year: 22,46,745) shares, face value of Rs. 2 each were reserved for issuance towards outstanding employee stock options granted under Employee Stock Option Plan 2003 (ESOP) of the Company. (Refer note 27.1)

**(v) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date**

The Company has issued total 2,863,738 shares (previous year: 2,700,939 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.

## Notes forming part of the standalone financial statements

### 4. Reserves and surplus

		(Rs. in Lakhs)	
Particulars	As at March 31, 2018	As at March 31, 2017	
<b>(a) Securities premium account</b>			
Opening balance	32,265.01	31,709.03	
Add : Premium on shares issued during the year	3,241.59	555.98	
<b>Closing balance</b>	<b>35,506.60</b>	<b>32,265.01</b>	
<b>(b) Employee stock option outstanding</b>			
Opening balance	803.61	927.43	
Add : Compensation expensed during the year	246.24	432.16	
Less : Transferred to securities premium account on exercise	500.53	555.98	
<b>Closing balance</b>	<b>549.32</b>	<b>803.61</b>	
<b>(c) General reserve</b>			
Opening balance	16,418.22	16,418.22	
Add: Transferred from surplus in Statement of Profit and Loss	-	-	
<b>Closing balance</b>	<b>16,418.22</b>	<b>16,418.22</b>	
<b>(d) Surplus in the Statement of Profit and Loss</b>			
Opening balance	127,996.71	112,597.87	
Profit for the year	12,304.50	15,399.75	
Less : Appropriations			
Final dividend of earlier year	-	0.91	
<b>Closing balance</b>	<b>140,301.21</b>	<b>127,996.71</b>	
<b>Total reserves and surplus</b>	<b>192,775.35</b>	<b>177,483.55</b>	

### 5. Deferred tax liabilities (net)

The Company has carried out its tax computation in accordance with Accounting Standard 22 'Accounting for Taxes on Income'. In view of absence of virtual certainty of realisation of unabsorbed tax losses, deferred tax assets have been recognised only to the extent of deferred tax liabilities. The major components of deferred tax assets / liabilities as recognised in the financial statements are as follows:

		(Rs. in Lakhs)	
Particulars	As at March 31, 2018	As at March 31, 2017	
<b>Deferred tax liabilities (DTL)</b>			
Tax impact on difference between carrying amount of fixed assets in the financial statements and the income tax return	(125.11)	(108.87)	
<b>Total (A)</b>	<b>(125.11)</b>	<b>(108.87)</b>	
<b>Deferred tax assets (DTA)</b>			
Carry forward business loss to be adjusted in future years	125.11	108.87	
<b>Total (B)</b>	<b>125.11</b>	<b>108.87</b>	
<b>Deferred tax liabilities (net) (A+B)</b>	<b>-</b>	<b>-</b>	

## Notes forming part of the standalone financial statements

### 6. Long term provisions

(Rs. in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>Provision for employee benefits</b>		
(i) Provision for compensated absences	98.75	30.76
(ii) Provision for gratuity (Refer note 25)	268.72	85.39
(iii) Provision for employee stock appreciation rights	403.00	212.18
<b>Total</b>	<b>770.47</b>	<b>328.33</b>

### 7. Trade payables

(Rs. in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises (Refer note 39)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	1,016.93	1,168.01
	<b>1,016.93</b>	<b>1,168.01</b>

### 8. Other current liabilities

(Rs. in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
(a) Unclaimed / unpaid dividends (Refer note 16)	246.84	249.93
(b) Other payables		
(i) Security deposit received	3.91	7.94
(ii) Statutory remittances (Contribution to PF, GST, Service Tax, withholding taxes etc.)	568.28	585.14
(iii) Other payables	105.69	102.95
	<b>924.72</b>	<b>945.96</b>

### 9. Short term provisions

(Rs. in Lakhs)		
Particulars	As at March 31, 2018	As at March 31, 2017
<b>Provision for employee benefits:</b>		
(i) Provision for compensated absences	41.07	69.44
(ii) Provision for gratuity (Refer to note 25)	77.60	180.94
(iii) Provision for employee stock appreciation rights	424.00	168.24
	<b>542.67</b>	<b>418.62</b>



## Notes forming part of the standalone financial statements

### 10. Fixed Assets

(Rs. in Lakhs)									
Particulars	Gross block				Accumulated depreciation and amortisation				Net block
	As at April 1, 2017	Additions	Deletions/adjustments	As at March 31, 2018	As at April 1, 2017	Depreciation and amortisation expense for the year	Deletions/adjustments	As at March 31, 2018	As at March 31, 2018
<b>A TANGIBLE ASSETS - OWNED</b>									
(a) Building	50.83	-	-	50.83	21.76	0.80	-	22.56	28.27
	<i>50.83</i>	-	-	<i>50.83</i>	<i>20.96</i>	<i>0.80</i>	-	<i>21.76</i>	<i>29.07</i>
(b) Furniture and fixtures	384.14	-	-	384.14	141.44	36.40	-	177.84	206.30
	<i>383.82</i>	<i>0.32</i>	-	<i>384.14</i>	<i>105.02</i>	<i>36.42</i>	-	<i>141.44</i>	<i>242.70</i>
(c) Vehicles	509.98	60.25	112.83	457.40	251.46	55.40	75.73	231.13	226.27
	<i>493.41</i>	<i>22.71</i>	<i>6.14</i>	<i>509.98</i>	<i>197.47</i>	<i>58.99</i>	<i>5.00</i>	<i>251.46</i>	<i>258.52</i>
(d) Office equipment	379.92	17.99	0.10	397.81	303.14	37.32	0.04	340.42	57.39
	<i>377.42</i>	<i>2.50</i>	-	<i>379.92</i>	<i>266.49</i>	<i>36.65</i>	-	<i>303.14</i>	<i>76.78</i>
(e) Leasehold improvements	393.34	-	-	393.34	393.34	-	-	393.34	-
	<i>540.97</i>	-	<i>147.63</i>	<i>393.34</i>	<i>443.89</i>	-	<i>50.55</i>	<i>393.34</i>	-
(f) Computers	52.62	4.83	-	57.45	40.06	6.38	-	46.44	11.01
	<i>47.62</i>	<i>5.40</i>	<i>0.40</i>	<i>52.62</i>	<i>33.69</i>	<i>6.74</i>	<i>0.37</i>	<i>40.06</i>	<i>12.56</i>
<b>Total (A)</b>	<b>1,770.83</b>	<b>83.07</b>	<b>112.93</b>	<b>1,740.97</b>	<b>1,151.20</b>	<b>136.30</b>	<b>75.77</b>	<b>1,211.73</b>	<b>529.24</b>
<i>Previous year (D)</i>	<i>1,894.07</i>	<i>30.93</i>	<i>154.17</i>	<i>1,770.83</i>	<i>1,067.52</i>	<i>139.60</i>	<i>55.92</i>	<i>1,151.20</i>	<i>619.63</i>
<b>B CAPITAL WORK IN PROGRESS</b>									24.28
<b>Total (B)</b>									<b>24.28</b>
<i>Previous year (E)</i>									-
<b>Total (A+B)</b>	<b>1,770.83</b>	<b>83.07</b>	<b>112.93</b>	<b>1,740.97</b>	<b>1,151.20</b>	<b>136.30</b>	<b>75.77</b>	<b>1,211.73</b>	<b>553.52</b>
<i>Previous year (D+E)</i>	<i>1,894.07</i>	<i>30.93</i>	<i>154.17</i>	<i>1,770.83</i>	<i>1,067.52</i>	<i>139.60</i>	<i>55.92</i>	<i>1,151.20</i>	<i>619.63</i>
<b>C INTANGIBLE ASSETS - OWNED</b>									
Computer software	83.30	-	-	83.30	49.42	12.44	-	61.86	21.44
	<i>83.30</i>	-	-	<i>83.30</i>	<i>36.54</i>	<i>12.88</i>	-	<i>49.42</i>	<i>33.88</i>
<b>Total (C)</b>	<b>83.30</b>	-	-	<b>83.30</b>	<b>49.42</b>	<b>12.44</b>	-	<b>61.86</b>	<b>21.44</b>
<i>Previous year (F)</i>	<i>83.30</i>	-	-	<i>83.30</i>	<i>36.54</i>	<i>12.88</i>	-	<i>49.42</i>	<i>33.88</i>

Note: Amounts in italics represent previous year's figures.

## Notes forming part of the standalone financial statements

### 11. Non - current investments

Particulars	As at March 31, 2018		As at March 31, 2017	
	(Nos.)	(Rs. in Lakhs)	(Nos.)	(Rs. in Lakhs)
<b>A. Investments (valued at cost unless stated otherwise)</b>				
Trade investment in equity instruments - unquoted				
Investment in fully paid up equity shares of Rs. 10 each in subsidiary company - Max Life Insurance Company Limited	1,357,531,196	192,065.07	1,343,360,379	176,732.25
<b>Total - Trade investments</b>		<b>192,065.07</b>		<b>176,732.25</b>
<b>B. Other investments</b>				
Investment property (net of accumulated depreciation)				
Cost of building given on operating lease		2,731.66		2,731.66
Less: Accumulated depreciation (Refer note below)		163.17		119.92
<b>Total - Other investment</b>		<b>2,568.49</b>		<b>2,611.74</b>
<b>Total</b>		<b>194,633.56</b>		<b>179,343.99</b>
Aggregate amount of unquoted investments		192,065.07		176,732.25

Note: Depreciation for the year aggregates to Rs. 43.25 lakhs (previous year: Rs. 43.25 lakhs).

During the year, Max Financial Services Limited ('the Company') has acquired 14,170,817 (previous year: 38,300,000) equity shares of Max Life Insurance Company Limited (MLIC), subsidiary of the Company from Axis Bank Limited (previous year : Axis Bank Limited and IDFC Limited) for a consideration of Rs. 15,332.82 lakhs (previous year: Rs. 35,906.50 lakhs), thereby increasing its equity stake in MLIC from 70.01% to 70.75%.

### 12. Long term loans and advances

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Capital advances		
- Unsecured, considered good	20.00	-
(b) Security deposits		
- Unsecured, considered good	110.86	112.15
(c) Loans and advances to employees		
- Unsecured, considered good	70.54	82.93
(d) Prepaid expenses		
- Unsecured, considered good	18.27	28.43
(e) Deposit against cases with (Refer note 23) - Unsecured, considered good		
- Service tax authorities	12.00	12.00
(f) Advances recoverable in cash or kind		
- Considered doubtful	303.00	303.00
	303.00	303.00
Less : Provision for doubtful advances	(303.00)	(303.00)
	-	-
(g) Advance income tax - Unsecured, considered good (net of provisions Rs. 22,829.43 lakhs (previous year: Rs. 22,829.43 lakhs)	605.06	520.94
<b>Total</b>	<b>836.73</b>	<b>756.45</b>

## Notes forming part of the standalone financial statements

### 13. Other non-current assets

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Accruals		
- Interest accrued on deposits	2.40	1.80
(b) Others		
- Balances held as margin money against guarantees*	7.58	7.58
<b>Total</b>	<b>9.98</b>	<b>9.38</b>

\* Includes deposits with remaining maturity of more than 12 months from the balance sheet date.

### 14. Current Investments

Particulars	As at March 31, 2018		As at March 31, 2017	
	(Nos.)	(Rs. in Lakhs)	(Nos.)	(Rs. in Lakhs)
<b>Current investments (at lower of cost and fair value, unless otherwise stated):</b>				
<b>A. Investment in mutual funds (unquoted)</b>				
(a) Aditya Birla Sun Life Cash Plus Fund - Direct Plan Growth- Face value Rs. 100 per unit	532,783.20	1,451.59	-	-
(b) DHFL Pramerica Insta Cash Plus Fund - Direct Plan Growth- Face value Rs. 100 per unit	-	-	265,084.74	560.00
(c) DSP BlackRock Liquidity Fund - Direct Plan Growth- Face value Rs. 1,000 per unit	-	-	1,548.45	36.00
(d) Invesco India Liquid Fund - Direct Plan Growth- Face value Rs. 1,000 per unit	6,285.51	150.00	25,383.40	568.00
(e) JM High Liquidity Fund - Direct Plan Growth- Face value Rs. 10 per unit	-	-	1,276,613.47	568.00
(f) L&T Liquid Fund - Direct Plan Growth- Face value Rs. 1,000 per unit	-	-	25,481.92	568.00
(g) UTI Money Market Fund - Institutional Plan - Direct Plan Growth- Face value Rs. 1,000 per unit	139,919.89	2,623.12	29,616.49	540.00
<b>Total (A)</b>		<b>4,224.71</b>		<b>2,840.00</b>
Aggregate amount of unquoted investments		4,224.71		2,840.00

### 15. Trade receivables (unsecured)

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, considered good	128.87	320.69
(b) Other trade receivables		
- Unsecured, considered good	539.87	448.37
<b>Total</b>	<b>668.74</b>	<b>769.06</b>

## Notes forming part of the standalone financial statements

### 16. Cash and cash equivalents

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
A. Cash and cash equivalents (As per AS 3 cash flow statement)		
(a) Cash on hand	1.29	0.38
(b) Balances with banks - in current accounts	40.40	728.13
<b>Total - Cash and cash equivalents (As per AS 3 cash flow statement) (A)</b>	<b>41.69</b>	<b>728.51</b>
B. Other bank balances		
- In earmarked accounts - unpaid dividend accounts (Refer note 8)	246.84	249.93
<b>Total - Other bank balances (B)</b>	<b>246.84</b>	<b>249.93</b>
<b>Total - Cash and cash equivalents (A+B)</b>	<b>288.53</b>	<b>978.44</b>

### 17. Short term loans and advances

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Loans and advances to related parties (Refer note 30)		
- Unsecured, considered good	6.47	5.65
(b) Loans and advances to employees		
- Unsecured, considered good	12.25	12.80
(c) Prepaid expenses		
- Unsecured, considered good	35.84	37.76
(d) Advances recoverable in cash or kind		
- Unsecured, considered good	5.72	22.63
(e) Balances with statutory/government authorities (unsecured)		
- Input tax credit receivable		
(i) Considered good	100.33	260.20
(ii) Considered doubtful	-	443.61
	100.33	703.81
Less: Provision for doubtful balances	-	(443.61)
	100.33	260.20
<b>Total</b>	<b>160.61</b>	<b>339.04</b>

### 18. Revenue from operations (net)

Particulars	(Rs. in Lakhs)	
	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
(a) Sale of services		
- Income from shared services	2,123.54	2,121.65
(b) Other operating revenues (Refer note below)	20,750.26	23,369.78
<b>Revenue from operations</b>	<b>22,873.80</b>	<b>25,491.43</b>
<b>Notes:</b>		
Other operating revenue comprises:		
(a) Dividend income on long term investments*	20,016.07	22,064.81
(b) Interest income on fixed deposits	13.23	13.88
(c) Profit on sale of current investments in:		
(i) mutual funds	720.96	1,288.31
(ii) equity instruments	-	2.78
<b>Total - other operating revenues</b>	<b>20,750.26</b>	<b>23,369.78</b>

\* The Company has recognised dividend income of Rs. 20,016.07 lakhs (previous year: Rs. 22,064.81 lakhs) of its share of final dividend in the previous year and interim dividend declared during the year by Max Life Insurance Company Limited (Subsidiary Company).

## Notes forming part of the standalone financial statements

### 19. Other Income

Particulars	(Rs. in Lakhs)	
	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
(a) Interest income on:		
(i) income tax refund	21.75	78.72
(ii) loan to employees	3.44	3.95
(b) Other non operating income		
(i) Liabilities / provisions no longer required written back	1.19	0.68
(ii) Net gain on foreign currency transactions and translation	-	10.45
(iii) Rental income	42.00	42.00
(iv) Miscellaneous income	-	0.50
<b>Total</b>	<b>68.38</b>	<b>136.30</b>

### 20. Employee benefits expense

Particulars	(Rs. in Lakhs)	
	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
(a) Salaries and wages	2,800.14	2,730.19
(b) Contribution to provident and other funds (Refer note 25)	173.81	117.17
(c) Expense on employee stock option scheme (Refer note 27)	966.73	812.58
(d) Staff welfare expenses	43.54	60.13
<b>Total</b>	<b>3,984.22</b>	<b>3,720.07</b>

### 21. Depreciation and amortisation expense

Particulars	(Rs. in Lakhs)	
	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
(a) Depreciation of tangible assets (Refer note 10)	136.30	139.60
(b) Amortisation of intangible assets (Refer note 10)	12.44	12.88
(c) Depreciation of investment property (Refer note 11)	43.25	43.25
<b>Total</b>	<b>191.99</b>	<b>195.73</b>

### 22. Other expenses

Particulars	(Rs. in Lakhs)	
	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
(a) Recruitment and training expenses	1.18	10.51
(b) Rent including lease rentals (Refer note 28)	378.22	313.35
(c) Insurance	42.84	26.68
(d) Rates and taxes	3.08	3.14
(e) Repairs and maintenance - others	374.80	298.72
(f) Power and fuel	44.86	48.31
(g) Printing and stationery	20.17	32.53
(h) Travelling and conveyance	321.55	469.28
(i) Communication	42.40	63.85
(j) Director's sitting fees	81.99	83.42
(k) Business promotion	70.23	53.42
(l) Advertisement and publicity	36.02	99.59
(m) Net loss on sale / disposal of fixed assets	5.60	0.55
(n) Allowance on service tax credit receivable*	289.94	443.61
(o) Fixed assets written off	-	97.09
(p) Charity and donation	79.61	106.00
(q) Net loss on foreign currency transactions and translations	4.78	-
(r) Miscellaneous expenses	33.28	47.38
<b>Total</b>	<b>1,830.55</b>	<b>2,197.43</b>

## Notes forming part of the standalone financial statements

\* Allowance on service tax credit receivable

		(Rs. in Lakhs)	
Particulars		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
a.	Doubtful service tax credit receivable written off	733.55	-
b.	Allowance for service tax credit receivable written back	(443.61)	-
		289.94	-
c.	Allowance for service tax credit receivable	-	443.61
		<b>289.94</b>	<b>443.61</b>

### 23. Commitments and contingent liabilities

		(Rs. in Lakhs)	
Particulars		As at March 31, 2018	As at March 31, 2017
<b>A. Commitments</b>			
(i)	Estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances)	42.39	-
(ii)	The Company has entered into tripartite agreement between Axis Bank Limited, Mitsui Sumitomo Insurance Company Limited and the Company, whereby the Company is required to buy back the stake held by Axis Bank Limited in Max Life Insurance Company Limited, upon exercise of put option by Axis Bank Limited in 5 equal tranches at a price linked to fair market value.		
<b>B. Contingent liabilities</b>			
	Claims against the Company not acknowledged as debts (Refer note a)		
(i)	Disputed demands raised by custom authorities	429.40	418.26
(ii)	Disputed demand raised by service tax authorities (Refer note b)	352.58	352.58
(iii)	Disputed demand raised by income tax authorities (Refer note c)	159.04	159.04
(iv)	Penalty levied under section 271(1)(c) of the Income Tax Act, 1961 (Refer note c)	-	33.42
(v)	Litigation in an erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005) (Refer note e)		
(vi)	Litigation against the Company relating to Company Law matters (Refer note d)		

#### Notes :

- Claims against the Company not acknowledged as debts represent the cases pending with judicial forums / authorities. Based on management estimation and opinions from legal advisors, management believes that its position is likely to be upheld in appellate process. No tax has been accrued in the financials statements for tax / legal case demands. The management believes that the ultimate outcome of the proceedings will not have material adverse effect on the Company's financial position and result of operations.
- 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 Rs. 12.00 lakhs (previous year: Rs. 12.00 lakhs).
- Income tax cases represent the cases pending with income tax authorities / appellate authorities. Based on management estimation, future cash outflow in respect of these cases are determinable only on receipt of

## Notes forming part of the standalone financial statements

judgments / decisions pending with various courts / authorities. The Company has not made any provision for the demands in income tax cases as the Company believes that they have a good case based on existing judicial pronouncements.

- d. During the year 2006, the Ministry of Corporate Affairs had carried out an inspection, wherein certain technical offences were alleged by the Inspection Officer based on which prosecution proceedings were initiated against the Company, its erstwhile Whole-time Directors and the Company Secretary at Chief Judicial Magistrate, Chandigarh. The Company filed writ petition against the prosecution proceedings with the Hon'ble High Court of Punjab and Haryana. The High Court stayed the proceedings and listed the case for arguments.
- e. Litigation in an erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005)

S. No.	Assessment Year	Brief Description	Pending Before
1	1998-99	The capital gains of Rs. 47,493.09 lakhs realised by MTVL from the sale of shares of Hutchison Max Telecom Limited ("HMTL") [1st Stake Sale] were denied exemption under section 10(23G) of the Income-tax Act, 1961 ("the Act") by the Assessing Officer vide order dated March 28, 2001 and the sale transaction was held to be chargeable to tax in the financial year relevant to Assessment Year 1998-99 (MTVL had claimed that it pertained to AY 1999-2000). This resulted in a demand of Rs. 9,503.93 lakhs. On appeal by MTVL, the CIT (Appeals) vide order dated March 18, 2002 [while concluding that the sale transaction pertained to financial year relevant to Assessment Year 1998-99], quashed the order of the Assessing Officer denying exemption under section 10(23G), thereby cancelling the demand. The Tax Department has filed an appeal with the Income-tax Appellate Tribunal (ITAT) against this order which is pending as on date.	ITAT
2	1999-2000	Subsequently, in the next Assessment Year i.e. 1999-00, the above-mentioned transaction was once again sought to be taxed under a different head of income (i.e. business income) on a protective basis by the Assessing Officer vide order dated March 28, 2002 as MTVL had claimed that the transaction pertained to Assessment Year 1999-00 and not Assessment Year 1998-99. This, along with a few other additions, resulted in creation of a further demand of Rs. 24,993.19 lakhs which included the demand of Rs. 24,368.00 lakhs on protective basis. On appeal by MTVL, the CIT (Appeals) decided in favour of MTVL vide order dated December 18, 2002 and the demand was cancelled. The Tax Department has filed appeal against this order with the ITAT, which is pending as on date.	ITAT
3	1998-99	MTVL also filed an appeal before ITAT for Assessment Year 1998-99 contending that the aforesaid sale transaction pertained to financial year relevant to Assessment Year 1999-2000. This was disposed off by ITAT vide order dated March 23, 2007 by applying a circular of Tax Department applicable only to capital gains and holding, as a result, that the transaction of sale of shares pertained to financial year relevant to Assessment Year 1998-99. However, the Tax Authorities filed a petition before the ITAT requesting a review of the said order of the ITAT on the ground that all the matters pertaining to the aforesaid sale transaction should have been clubbed and heard together. The said petition of the Department was accepted by the ITAT vide order dated March 27, 2009 by recalling its earlier order. Aggrieved, the Company filed a writ petition to the Hon'ble High Court of Punjab and Haryana (HC) challenging the above action of ITAT on the ground that the same was beyond jurisdiction. The HC vide order dated May 04, 2009 admitted the writ petition and stayed the operations of the said order of ITAT. The ITAT, thereafter, adjourned sine-die all the matters pending operation of the stay imposed by the HC. The Department, subsequently, moved a Special Leave Petition (SLP) to Hon'ble Supreme Court against the stay granted by Hon'ble HC. The SLP was dismissed by the Hon'ble Supreme Court vide order dated May 12, 2010 with a direction to the HC to expeditiously dispose the writ petition filed by MTVL, which is pending as of date.	High Court

## Notes forming part of the standalone financial statements

S. No.	Assessment Year	Brief Description	Pending Before
4	2006-07	<p>The capital gains of Rs. 41,153.88 lakhs realised from the sale of remaining shares of HMTL [2nd Stake Sale] were taxed by holding the gains from sale transaction to be in the nature of business income and not capital gains and as a consequence exemption under Section 10(23G) of the Act was denied by the Assessing Officer vide order dated December 31, 2009 and a demand of Rs. 15,585.17 lakhs was raised. MTVL filed an appeal against the said order. The CIT(Appeals), vide order dated March 22, 2011, had quashed the assessment framed by the Assessing Officer, holding that the assessment was nullity in law and in view of the fact that the order was framed in the name of MTVL, an entity which had ceased to exist w.e.f. December 1, 2005. As a consequence, the demand stood cancelled.</p> <p>The Department had filed an appeal to ITAT against the said order of CIT(Appeals). The ITAT vide its order dated March 8, 2013 has upheld the order of CIT(Appeals). The Tax Department has filed appeal against this order with the Hon'ble HC, which is pending as on date.</p>	High Court
5	2006-07	<p>Consequent to quashing of the first proceedings in the name of MTVL, the Department initiated proceedings against Max India Limited as Successor of MTVL u/s 147 of the Act vide notice dated April 26, 2011. These proceedings had been completed on March 26, 2013 by holding the gains from sale transaction to be in the nature of business income and not capital gains and consequently denying exemption under Section 10(23G) of the Act and a demand of Rs. 19,816.25 lakhs had been raised. The company had filed an appeal against the same on April 25, 2013 and obtained stay of demand on May 27, 2013. The CIT(Appeals), vide order dated November 18, 2013, held on merits that the gain arising from sale of shares of HMTL be treated as long term capital gains and allowed the exemption u/s 10(23G) of the Act in respect of long term capital gain arising on sale of shares of HMTL be allowed to MTVL. The CIT(A), however, upheld reassessment proceedings by the Assessing Officer under section 147 of the Act as valid. As a consequence, the demand stood cancelled. Pursuant to this, the Tax Department has filed appeal against this order and MTVL has also filed cross objections before the ITAT against the action of the CIT(A) upholding the validity of re-assessment proceedings. Both appeals are pending as on date.</p>	ITAT

### 24. Expenditure in Foreign Currency (on accrual basis)

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Legal and professional expenses	558.25	550.12
Travelling and conveyance	47.33	65.17
<b>Total</b>	<b>605.58</b>	<b>615.29</b>

### 25. Retirement benefit plans

#### (i) Defined contribution plans

The Company makes provident fund contribution to a defined contribution retirement benefit plan for eligible employees. Under the scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions as specified under the law are paid to the provident fund trust set up by the Company. The Company is liable for annual contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 ("Scheme") and recognises as an expense in the year it is determined.

As of 31 March, 2018, the fair value of the assets of the fund and the accumulated members' corpus is Rs. 1,772.54 lakhs (previous year: Rs. 1,540.89 lakhs) and Rs. 1,748.07 lakhs (previous year: Rs. 1,521.10 lakhs)



## Notes forming part of the standalone financial statements

respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.55% (previous year: 8.65%). The actuarial assumptions include discount rate of 7.18% (Previous year: 6.67%) and an average expected future period of 27.11 years (previous year: 27.11 years).

The Company recognised Rs. 93.82 lakhs (previous year: Rs. 84.05 lakhs) for provident fund contribution in the Statement of Profit and Loss. The contributions payable to the plan by the Company is at the rates specified in rules to the Scheme.

### (ii) Defined benefit plans

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 following tables set out the funded status of the defined benefit scheme and amounts recognised in the Company financial statements as at March 31, 2018:

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Components of employer expense</b>		
Current service cost	40.48	35.32
Interest cost	19.20	18.70
Expected return on plan assets	(2.40)	(2.24)
Actuarial losses/(gains)	22.71	(8.77)
Adjustment in fair value of plan assets	-	(9.89)
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>79.99</b>	<b>33.12</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	-	2.56
Actual contributions	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	(377.73)	(295.34)
Fair value of plan assets	31.41	29.01
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(346.32)</b>	<b>(266.33)</b>
<b>Net liability has been classified under:</b>		
Long-term provisions	268.72	85.39
Short-term provisions	77.60	180.94
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	295.34	252.68
Current service cost	40.48	35.32
Interest cost	19.20	18.70
Actuarial loss/(gains)	22.71	(8.80)
Benefits paid	-	(2.56)
<b>Present value of DBO at the end of the year</b>	<b>377.73</b>	<b>295.34</b>

## Notes forming part of the standalone financial statements

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Change in fair value of assets during the year</b>		
Plan assets at beginning of the year	29.01	16.92
Adjustment in fair value of plan assets	-	9.89
Expected return on plan assets	2.40	2.24
Actuarial gain / (loss) on plan assets	-	(0.04)
Benefits paid	-	-
Plan assets at the end of the year	<b>31.41</b>	<b>29.01</b>
Actual return on plan assets	<b>2.40</b>	<b>2.20</b>

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Principal actuarial assumptions for gratuity and compensated absences:</b>		
Discount rate	7.20%	6.50%
Expected return on plan assets	8.25%	8.25%
Salary escalation	10.00%	10.00%
Retirement age	58-65 years	58 years
Mortality tables	IALM (2006 - 08)	IALM (2006 - 08)
Attrition (%) - All ages	5% p.a.	5% p.a.
Estimate of amount of contribution in the immediate next year (Rs. in lakhs)	48.51	60.16

**Notes:**

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- The planned assets of the Company are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. Information on categories of plan assets is not available with the Company.
- Experience on actuarial gain/(loss) for benefit obligations and plan assets:

Particulars	(Rs. in Lakhs)				
	Gratuity				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Present value of DBO	377.73	295.34	252.68	430.63	828.63
Fair value of plan assets	31.41	29.01	16.92	41.10	360.97
Funded status [Surplus / (Deficit)]	(346.32)	(266.33)	(235.76)	(389.53)	(467.66)
Experience gain / (loss) adjustments on plan liabilities	(30.31)	12.54	(14.69)	(74.40)	16.03
Experience gain / (loss) adjustments on plan assets	-	(0.04)	(0.54)	(1.76)	(1.70)

## Notes forming part of the standalone financial statements

### 26. Calculation of Earnings per share (EPS) - Basic and Diluted

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
<b>Basic EPS</b>		
Profit attributable to shareholders (Rs. in lakhs)	12,304.50	15,399.75
Weighted average number of equity shares outstanding during the year (Nos)	267,948,970	267,137,946
Face value per equity share (Rs.)	2.00	2.00
<b>Basic Earnings Per Share (Rs.)</b>	<b>4.59</b>	<b>5.76</b>
<b>Diluted EPS</b>		
Equivalent weighted average number of employee stock options outstanding (Nos)	1,567,824	2,378,848
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos)	269,516,794	269,516,794
<b>Diluted Earnings Per Share (Rs.)</b>	<b>4.57</b>	<b>5.71</b>

### 27 Employee Stock Option Plan

#### 27.1 Employee Stock Option Plan – 2003 (“the 2003 Plan”):

The Company had instituted the 2003 Plan, which was approved by the Board of Directors in August 25, 2003 and by the shareholders in 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	March 31, 2018		March 31, 2017	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Option outstanding at the beginning of the year	2,246,745	246.05	2,503,560	221.02
Granted during the year	-	-	29,235	2.00
Forfeited during the year	-	-	-	-
Exercised during the year	(1,113,978)	248.11	(286,050)	2.00
Outstanding at the end of the year	1,132,767	244.03	2,246,745	246.05

For the period, the weighted average share price at the exercise date was Rs. 601.93 (previous year: Rs. 531.30)

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2018 is 1.14 years (March 31, 2017: 1.63 years). The range of exercise prices for options outstanding at the end of the year was 2.00 to 311.34 (March 31, 2017: 2.00 to 311.34).

Stock compensation expense under the Fair Value method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions.

## Notes forming part of the standalone financial statements

Particulars	March 31, 2018	March 31, 2017
Date of option granted	-	1-Apr-16
Stock Price Now (in Rupees)	-	344.05
Exercise Price (X) (in Rupees)	-	2.00
Expected Volatility (Standard Dev - Annual)	-	36.82%
Life of the options granted (Vesting and exercise period) in years	-	3.00-6.00
Expected Dividend	-	0.51%
Average Risk- Free Interest Rate	-	7.49%-7.91%
Weighted average fair value of options granted	-	332.46 - 337.24

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.

### 27.2 Employees Phantom Stock Plans (PSP Plans)

The Company had instituted PSP Plans, which were approved by the Board of Directors. The PSP Plans provide for issue of units to eligible employees of the Company. Under the Plans, eligible employees receive cash equivalent to fair market value of units upon completion of vesting conditions, as administered by the Nomination and Remuneration Committee including rendering of services across vesting period. Vesting period ranges from 1 to 4 years.

Accordingly Rs. 720.49 lakhs (previous year: Rs. 380.42 lakhs) has been accrued as an expense in the Statement of Profit and Loss account as applicable. The details of the units granted during the year are as under:

Particulars	March 31, 2018		March 31, 2017	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Option outstanding at the beginning of the year	143,052	6.00	-	-
Granted during the Year	115,189	5.38	143,052	6.00
Forfeited during the year	-	-	-	-
Exercised during the year	(35,763)	6.00	-	-
Outstanding at the end of the year	222,478	5.68	143,052	6.00

For the period, the weighted average share price at the exercise date was Rs. 765.90 (previous year: Rs. Nil)

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2018 is 1.00 years (March 31, 2017: 1.59 years).

Stock compensation expense under the fair value method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions.

Particulars	March 31, 2018	March 31, 2018	March 31, 2017
Date of option granted	1-Apr-17	1-Apr-17	8-Aug-16
Stock price now (in rupees)	565.55	734.62	551.60
Exercise price (X) (in rupees)	2.00	6.00	6.00
Expected volatility (standard dev - annual)	36.82%	36.82%	49.00%
Life of the options granted (vesting and exercise period) in years	3.00-5.00	3.00-5.00	3.00-5.65
Expected dividend	0.31%	0.24%	0.32%
Average risk- free interest rate	6.68%-6.88%	6.68%-6.88%	7.05%-7.32%
Weighted average fair value of options granted	555.44 - 558.68	721.65 - 724.48	537.84 - 541.52

## Notes forming part of the standalone financial statements

The Company measures the cost of ESOP using intrinsic value method. Had the company used the fair value model to determine compensation, its profit after tax and EPS as reported would have changed to amount indicated below:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>Net Profit as reported (Rs. in lakhs)</b>	12,304.50	15,399.75
Add: Employee stock compensation under intrinsic value method (Rs. in lakhs)	966.73	812.58
Less: Employee stock compensation under fair value method (Rs. in lakhs)	(1,552.63)	(1,471.05)
<b>Performa profit (Rs. in lakhs)</b>	11,718.60	14,741.28
<b>Earnings Per Share (Rupees)</b>		
<b>Basic</b>		
- As reported	4.59	5.76
- Performa	4.37	5.52
<b>Diluted</b>		
- As reported	4.57	5.71
- Performa	4.35	5.47

### 28. Leases

The Company has entered into operating lease arrangements for certain facilities and office premises. Rent expense of Rs. 378.22 lakhs (previous year Rs. 313.35 lakhs) in respect of obligation under cancellable operating leases has been charged to the Statement of Profit and Loss.

### 29. Segment Reporting

Being a holding company, the Company is having business investments and is primarily engaged in growing and nurturing the business investments and providing management advisory services to group companies. Accordingly, the Company views these activities as one business segment, therefore there are no separate reportable segments as per Accounting Standard 17 prescribed under Section 133 of the Companies Act, 2013.

### 30. Related parties disclosures as per Accounting Standard - 18

#### Names of related parties where control exists irrespective of whether transactions have occurred or not

Subsidiary company	-	Max Life Insurance Company Limited (MLIC)
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#### Names of other related parties with whom transactions have taken place during the year

Key Management Personnel (KMP)	-	Mr. Mohit Talwar (Managing Director)
Enterprises owned or significantly influenced by key management personnel or their relatives	-	Max India Foundation
Employee benefit funds	-	Max Financial Services Limited Employees' Provident Fund Trust

## Notes forming part of the standalone financial statements

### 30.1 Transactions with related parties during the year:

Particulars	(Rs. in Lakhs)					Total
	Subsidiary Max Life Insurance Company Limited	Key Management Personnel Mr. Mohit Talwar	Enterprises owned or significantly influenced by key management personnel or their relatives Max India Foundation	Employee Benefit Fund Max Financial Services Limited Employees' Provident Fund Trust		
Reimbursement of expenses (Received from)	19.95	-	-	-	-	19.95
	(19.88)	-	-	-	-	(19.88)
Income from shared services	979.23	-	-	-	-	979.23
	(892.90)	-	-	-	-	(892.90)
Reimbursement of expenses (Paid to)	4.79	-	-	-	-	4.79
	(0.54)	-	-	-	-	(0.54)
Services received - Insurance related	9.89	-	-	-	-	9.89
	(8.30)	-	-	-	-	(8.30)
Managerial remuneration	-	1,436.52	-	-	-	1,436.52
	-	(676.23)	-	-	-	(676.23)
Donation paid	-	-	77.00	-	-	77.00
	-	-	(55.00)	-	-	(55.00)
Company's contribution to Provident Fund Trust	-	-	-	91.86	-	91.86
	-	-	-	(84.05)	-	(84.05)
Dividend income	20,016.07	-	-	-	-	20,016.07
	(22,064.81)	-	-	-	-	(22,064.81)
Investments made	15,332.82	-	-	-	-	15,332.82
	(35,906.50)	-	-	-	-	(35,906.50)
<b>30.2 Balance outstanding as at the year end:</b>						
Loans and advances given	6.47	-	-	-	-	6.47
	(5.65)	-	-	-	-	(5.65)
Trade receivables	381.22	-	-	-	-	381.22
	(235.73)	-	-	-	-	(235.73)
Investment in equity share capital	192,065.07	-	-	-	-	192,065.07
	(176,732.25)	-	-	-	-	(176,732.25)

Figures in brackets represents previous year numbers

Note: The remuneration to the key managerial personnel does not include the provisions made for gratuity and compensated absences benefits, as they are determined on an actuarial basis for the Company as a whole.

## Notes forming part of the standalone financial statements

### 31. Disclosure of section 186 (4) of the Companies Act 2013

#### Particulars of Investments made:

					(Rs. in Lakhs)
Name of the Investee	As at March 31, 2017	Investment made during the year	Investment redeemed / extinguished	As at March 31, 2018	Purpose
<b>Investment in equity shares of</b>					
Max Life Insurance Company Limited	176,732.25	15,332.82	-	192,065.07	Strategic investment
	(140,825.75)	(35,906.50)	(-)	(176,732.25)	

Figures in brackets represents previous year numbers

- 32.** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 33.** There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 34.** The Company is primarily engaged in the business of making business investment in its subsidiaries. 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 Company is of the view supported by legal opinion that the Company is a 'Core Investment Company' ('CIC') and does not meet the criteria for Systemically Important Core Investment Company ('CIC-SI') as laid down in the CIC Master Circular dated July 1, 2015. Hence, registration under Section 45-IA of the Reserve Bank of India Act, 1934 is not required.
- 35.** In terms of Companies (Indian Accounting Standards) Rules 2015, as amended, the Non Banking Finance Companies (NBFCs), including Core Investment Companies (CIC), having a net worth of Rs. 500 crores or more are required to prepare Ind-AS based financial statements for accounting periods beginning on or after April 1, 2018 with comparatives for the periods ending March 31, 2018 or thereafter. Hence, the current financials have been drawn in accordance with Indian GAAP as Ind-AS provisions are not applicable to the Company for the current accounting year, the Company being a Core Investment Company (non-systemically important CIC) under the Non Banking Finance Company (NBFC) rules as defined under the RBI Act, 1934.
- 36.** At the year end, unhedged foreign currency exposures are as follows:

Particulars	As at March 31, 2018			As at March 31, 2017		
	Foreign Currency	Exchange Rate	Indian Rupee	Foreign Currency	Exchange Rate	Indian Rupee
	(in lakhs)	(Rupee)	(in lakhs)	(in lakhs)	(Rupee)	(in lakhs)
Trade payables (USD)	-	-	-	0.01	64.84	0.88
Trade payables (GBP)	1.52	92.28	140.27	1.41	80.88	114.04

### 37. Payment to auditor (excluding GST/Service tax) (included in legal and professional)

			(Rs. in Lakhs)
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
<b>To statutory auditor:</b>			
For audit	18.00	18.00	
For other services	3.00	5.00	
Reimbursement of expenses	1.09	1.47	
<b>Total</b>	<b>22.09</b>	<b>24.47</b>	

## Notes forming part of the standalone financial statements

### 38. Disclosures as per the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(i) the principal amount remaining unpaid to any supplier	-	-
(ii) interest due thereon	-	-
(iii) interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day.	-	-
(iv) interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) interest accrued and remaining unpaid	-	-
(vi) further interest remaining due and payable even in the succeeding years 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.

39. The previous year's figures have been regrouped / reclassified, wherever necessary to correspond with the current year's classification / disclosure.

#### For and on behalf of the Board of Directors

##### Naina Lal Kidwai

(Chairman)  
DIN - 00017806  
Place : New Delhi

##### Mohit Talwar

(Managing Director)  
DIN - 02394694  
Place : Gurugram

##### Sujatha Ratnam

(Chief Financial Officer)  
Place : New Delhi

##### Sandeep Pathak

(Company Secretary)  
M.No - FCS-5351  
Place : New Delhi

Date : May 25, 2018



# INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF Max Financial Services Limited (formerly known as 'MAX INDIA LIMITED')**

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Max Financial Services Limited (formerly known as 'MAX INDIA LIMITED')** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31 March, 2018, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. 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; the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account

the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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 sub-paragraph (a) of the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by 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 consolidated state of affairs of the Group, as at 31 March, 2018, and their consolidated profit and their consolidated cash flows for the year ended on that date.

## Other Matter

The auditors of Max Life Insurance Company Limited ('MLIC'), subsidiary company have reported that 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 31 March, 2018 is the responsibility of the MLIC's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at 31 March, 2018 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") and the Institute of Actuaries of India in concurrence with the IRDAI. MLIC's auditors have relied upon Appointed Actuary's certificate in this regard for forming their opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in Financial Statements of MLIC.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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 Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March, 2018 taken on record

by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company, none of the directors of the Group companies is disqualified as on 31 March, 2018 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company, subsidiary company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's/ subsidiary company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 29 to the consolidated financial statements.
  - ii. The liability for insurance contracts, is determined by the MLIC's Appointed Actuary as per Note 36 to the consolidated financial statements, and is covered by the Appointed Actuary's certificate, referred to in Other Matter paragraph above, on which we have placed reliance; and the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 41 to the 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 Holding Company and its subsidiary company incorporated in India - Refer Note 42 to the consolidated financial statements.

For **Deloitte Haskins & Sells LLP**

Chartered Accountants

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

**Satpal Singh Arora**

Partner

(Membership No. 98564)

Place: New Delhi

Date: 25 May, 2018

## **"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 Over Financial Reporting 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 31 March, 2018, we have audited the internal financial controls over financial reporting of **Max Financial Services Limited (formerly known as 'MAX INDIA LIMITED')** (hereinafter referred to as "the Holding Company" / "Parent") and its subsidiary company, which includes internal financial controls over financial reporting of the Company's and its subsidiary as of that date.

The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued but liability exists as at 31 March, 2018 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 us, as mentioned in "Other Matter" para of our audit report on the financial statements of the Company as at and for the year ended 31 March, 2018. Accordingly, we have not audited the internal financial controls over financial reporting 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 Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 over financial reporting of the Holding Company, its subsidiary company, 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. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 other auditors of the subsidiary company, which is company 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 over financial reporting of the Holding Company, its subsidiary company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 the reports of the branch auditors and other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March, 2018, based on the internal control over financial reporting 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.

#### **Other Matters**

The auditors of Max Life Insurance Company Limited ('MLIC'), subsidiary company have reported that 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 31 March, 2018 is required to be certified by the MLIC's Appointed Actuary (the "Appointed Actuary") as per the Insurance Regulatory and Development Authority of India (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations") and has been relied upon by them, as mentioned in "Other Matter" para of our audit report on the Consolidated Financial Statements of the Company as at and for the year ended 31 March, 2018. Accordingly, MLIC's auditors have not audited the internal financial controls over financial reporting in respect of the valuation and accuracy of the aforesaid actuarial valuation.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 1 subsidiary company, which is company incorporated in India, is based solely on the corresponding reports of the auditors of such company 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. 98564)

Place: New Delhi

Date: 25 May, 2018

# Consolidated Balance Sheet

as at March 31, 2018

Particulars	Note No.	(Rs. in Lakhs)	
		As at March 31, 2018	As at March 31, 2017
<b>A. Equity and liabilities</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	3	5,367.68	5,345.40
(b) Reserves and surplus	4	255,760.23	228,120.09
		<b>261,127.91</b>	<b>233,465.49</b>
<b>2. Minority interest</b>		<b>77,132.22</b>	<b>74,897.13</b>
<b>3. Non-current liabilities</b>			
(a) Deferred tax liabilities (net)	5	-	-
(b) Other long-term liabilities	6	9,869.05	5,778.55
(c) Long-term provisions	7	4,573.22	3,607.09
(d) Long-term policyholders' funds	8	4,361,320.73	3,680,947.73
(e) Funds for future appropriations - participating policies		186,554.42	155,648.24
		<b>4,562,317.42</b>	<b>3,845,981.61</b>
<b>4. Current liabilities</b>			
(a) Trade payables	9		
i. total outstanding dues of micro enterprises and small enterprises		33.90	-
ii. total outstanding dues of creditors other than micro enterprises and small enterprises		84,171.53	86,481.06
(b) Other current liabilities	10	71,965.95	60,959.62
(c) Short-term provisions	11	5,879.46	16,629.56
(d) Short-term policyholders' funds	12	465,572.51	355,518.67
		<b>627,623.35</b>	<b>519,588.91</b>
<b>Total</b>		<b>5,528,200.91</b>	<b>4,673,933.14</b>
<b>B. Assets</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	13	5,451.78	6,203.23
(ii) Intangible assets	13	8,915.36	10,349.00
(iii) Capital work-in-progress		2,026.13	327.61
(b) Goodwill on consolidation		65,908.05	52,525.44
(c) Non-current investments	14	4,618,964.61	3,942,461.43
(d) Long-term loans and advances	15	32,598.31	22,804.36
(e) Other non-current assets	16	3,933.90	2,419.16
		<b>4,737,798.14</b>	<b>4,037,090.23</b>
<b>2. Current assets</b>			
(a) Current investments	17	573,329.03	468,295.91
(b) Trade receivables	18	66,168.78	53,083.85
(c) Cash and cash equivalents	19	44,338.70	35,623.34
(d) Short-term loans and advances	20	20,522.79	16,469.31
(e) Other current assets	21	86,043.47	63,370.50
		<b>790,402.77</b>	<b>636,842.91</b>
<b>Total</b>		<b>5,528,200.91</b>	<b>4,673,933.14</b>

See accompanying notes forming part of the consolidated financial statements

1 to 44

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 : New Delhi  
Date : May 25, 2018

For and on behalf of the Board of Directors

**Naina Lal Kidwai**  
(Chairman)  
DIN - 00017806  
Place : New Delhi

**Sujatha Ratnam**  
(Chief Financial Officer)  
Place : New Delhi

Date : May 25, 2018

**Mohit Talwar**  
(Managing Director)  
DIN - 02394694  
Place : Gurugram

**Sandeep Pathak**  
(Company Secretary)  
M.No - FCS-5351  
Place : New Delhi

# Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

Particulars	Note No	(Rs. in Lakhs)	
		For the year ended March 31, 2018	For the year ended March 31, 2017
<b>1. Income</b>			
(a) Revenue from operations (net)	22	1,657,735.32	1,522,788.76
(b) Other income	23	2,877.25	2,081.32
<b>2. Total revenue</b>		<b>1,660,612.57</b>	<b>1,524,870.08</b>
<b>3. Expenses</b>			
(a) Change in policy reserves	24	821,333.02	796,951.41
(b) Claims and other benefits payout		494,664.57	377,681.13
(c) Employee benefits expense	25	77,628.32	91,812.66
(d) Finance costs	26	1,102.75	893.26
(e) Depreciation and amortisation expense	27	6,277.40	6,252.83
(f) Legal and professional expenses		7,007.89	6,463.06
(g) Other expenses	28	198,793.06	174,659.34
<b>4. Total expenses</b>		<b>1,606,807.01</b>	<b>1,454,713.69</b>
<b>5. Profit before tax (2 - 4)</b>		53,805.56	70,156.39
<b>6. Tax expense</b>			
(a) Current tax		8,754.54	10,829.00
(b) Deferred tax		-	-
		<b>8,754.54</b>	<b>10,829.00</b>
<b>7. Profit after tax (5 - 6)</b>		<b>45,051.02</b>	<b>59,327.39</b>
<b>8. Share of profit attributable to Minority interest</b>		<b>(15,433.86)</b>	<b>(19,791.11)</b>
<b>9. Profit for the year arrtributable to the shareholders of the Company (7+8)</b>		<b>29,617.16</b>	<b>39,536.28</b>
<b>10. Earnings per equity share</b>	31		
(Face value of Rs. 2 per share)			
(a) Basic (Rs.)		<b>11.05</b>	<b>14.80</b>
(b) Diluted (Rs.)		<b>10.99</b>	<b>14.67</b>
See accompanying notes forming part of the consolidated financial statements	1 to 44		

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 : New Delhi  
Date : May 25, 2018

For and on behalf of the Board of Directors

**Naina Lal Kidwai**  
(Chairman)  
DIN - 00017806  
Place : New Delhi

**Sujatha Ratnam**  
(Chief Financial Officer)  
Place : New Delhi

Date : May 25, 2018

**Mohit Talwar**  
(Managing Director)  
DIN - 02394694  
Place : Gurugram

**Sandeep Pathak**  
(Company Secretary)  
M.No - FCS-5351  
Place : New Delhi

# Consolidated Cash flow statement

for the year ended March 31, 2018

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Cash flow from operating activities</b>		
Profit before tax	53,805.56	70,156.39
Adjustments for:		
Depreciation and amortisation expense	6,277.40	6,252.83
Interest income	(268,452.99)	(222,235.64)
Amortisation of discount/(premium)	(60.83)	-
Dividend income on long term investments	(15,086.86)	(14,401.82)
Net loss / (profit) on sale/disposal of fixed assets	(28.48)	(55.58)
Profit on sale of current investments in:		
- mutual funds	(135,070.61)	(114,226.26)
- equity instruments	-	(2.78)
Unrealised (gain) / loss on long term investments	-	(103,750.11)
Fixed assets written off	-	97.09
Doubtful advances written off	-	49.20
Provision for doubtful debts and service tax credit receivable	351.82	443.61
Liabilities/provisions no longer required written back	(1.19)	(0.68)
Expense on employee stock option scheme	(3,914.62)	8,994.31
Net unrealised exchange loss	-	(1.51)
Change in policy reserves	821,333.02	796,951.49
Operating profit before working capital changes	<b>459,152.22</b>	<b>428,270.54</b>
<b>Changes in working capital:</b>		
Adjustments for (increase)/decrease in operating assets:		
Trade receivables	(13,618.08)	(553.96)
Short-term loans and advances	(10,617.86)	4,533.24
Long-term loans and advances	(966.96)	(4,873.03)
Other current assets	(3,532.29)	(3,405.22)
Other non-current assets	-	(749.46)
Interest Received	266,716.00	225,941.62
Dividend Received	-	0.28
	<b>237,980.81</b>	<b>220,893.47</b>
Adjustments for increase/(decrease) in operating liabilities:		
Short-term trade payables	(14,742.70)	18,449.13
Other current liabilities	7,478.45	(781.34)
Other long-term liabilities	2,602.27	(567.23)
Short-term provisions	11,876.05	(121.77)
Long-term provisions	(391.18)	(2,869.69)
	<b>6,822.89</b>	<b>14,109.10</b>
<b>Net cash generated from operations</b>	<b>703,955.92</b>	<b>663,273.11</b>
<b>Net income tax paid</b>	<b>(8,838.66)</b>	<b>(10,705.34)</b>
<b>Net cash flow from operating activities</b>	<b>(A) 695,117.26</b>	<b>652,567.27</b>
<b>Cash flow from investing activities</b>		
Capital expenditure on fixed assets including capital advances	(4,918.84)	(8,106.88)
Proceeds from sale of fixed assets	111.12	227.90
Purchase of non-current investments	(15,332.82)	(35,906.50)

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Proceeds from sale of non-current investment	-	3.43
Proceeds from loans against policies	(8,994.04)	(5,692.33)
Purchase of current investments	(52,152,374.35)	(40,136,218.83)
Proceeds from sale/maturity of current investments	51,506,738.25	39,556,721.18
Bank balances not considered as Cash and cash equivalents (net)	3.09	(17.94)
<b>Net cash used in investing activities</b>	<b>(B)</b>	<b>(674,767.59)</b>
<b>Cash flow from financing activities</b>		
Proceeds from ESOPs exercised (including share premium a/c)	2,763.34	5.72
Dividend paid on equity shares	-	(4,806.62)
Dividend paid to minority shareholders	(8,574.25)	(10,171.52)
Tax on equity dividend paid	(5,820.31)	(6,562.50)
<b>Net cash used in financing activities</b>	<b>(C)</b>	<b>(21,534.92)</b>
Net Increase/(decrease) in cash and cash equivalents (A + B + C)	8,718.45	2,042.88
Cash and cash equivalents at the beginning of the year	35,373.41	33,330.53
<b>Cash and cash equivalents at the end of the year</b>	<b>44,091.86</b>	<b>35,373.41</b>

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Components of cash and cash equivalent</b>		
Cash on hand	366.57	550.91
Cheques on hand	5,681.72	6,353.02
Balance with banks in current account	37,475.97	28,153.00
Stamps on hand	567.60	316.48
<b>Total cash and cash equivalents</b>	<b>44,091.86</b>	<b>35,373.41</b>
See accompanying notes forming part of the consolidated financial statements	1 to 44	

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 : New Delhi  
Date : May 25, 2018

For and on behalf of the Board of Directors

**Naina Lal Kidwai**  
(Chairman)  
DIN - 00017806  
Place : New Delhi

**Sujatha Ratnam**  
(Chief Financial Officer)  
Place : New Delhi

Date : May 25, 2018

**Mohit Talwar**  
(Managing Director)  
DIN - 02394694  
Place : Gurugram

**Sandeep Pathak**  
(Company Secretary)  
M.No - FCS-5351  
Place : New Delhi



## Notes forming part of the consolidated financial statements

### 1. Corporate Information

Max Financial Services Limited [formerly known as MAX INDIA LIMITED] ("the Company") is a public limited company domiciled in India. The shares of the Company are listed on National Stock Exchange (NSE) and BSE Limited (BSE). The Company is primarily engaged in making business investments in its subsidiary and providing management advisory services to the group companies.

The name of the Company has been changed from MAX INDIA LIMITED to Max Financial Services Limited with effect from February 1, 2016.

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 license has been renewed regularly and is in force as at March 31, 2018. 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.

### 2. Summary of significant accounting policies

#### 2.1 Basis of preparation

The Consolidated Financial Statements (CFS) comprises the financial statements of Max Financial Services Limited ("the Company") and its Subsidiary Company (together the "Group"). The CFS of the Group have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act").

The financial statements of Max Life Insurance Company Limited, a subsidiary of the Company, which are included in these CFS, 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 subsidiary has prepared the financial statements in compliance with the accounting standards notified under section 133 of the Companies Act 2013 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 with 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.

The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

#### 2.2 Principles of Consolidation

The consolidated financial statements relate to Max Financial Services Limited ('formerly Max India Limited') (the 'Company') and its subsidiary company. The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the subsidiary company used in the consolidation are drawn upto the same reporting date as that of the Company i.e., 31 March, 2018.
- (ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.
- (iii) The intra-group balances, intra-group transactions and unrealised profits or losses have been eliminated to the extent of the Group's share in the entity.

## Notes forming part of the consolidated financial statements

(iv) The excess of cost to the Group of its investments in the subsidiary company over its share of equity of the subsidiary company, at the dates on which the investments in the subsidiary company were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiary company as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

(v) Minority Interest in the net assets of the consolidated subsidiary consists of the

amount of equity attributable to the minority shareholders at the date on which investments in the subsidiary company were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / (loss) for the year of the subsidiary company attributable to minority interest is identified and adjusted against the profit after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

(vi) Goodwill arising on consolidation is not amortised but tested for impairment.

(vii) Subsidiary company have been considered in the preparation of the consolidated financial statements.

Name of the Subsidiary	Country of Incorporation	Proportion of ownership as at March 31, 2018	Proportion of ownership as at March 31, 2017
Max Life Insurance Company Limited	India	70.75%	70.01%

### 2.3 Use of estimates

The preparation of the consolidated financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported balances of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

### 2.4 Cash and cash equivalents (for purposes of Cash Flow Statement)

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), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### 2.5 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items

and tax 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 the available information.

### 2.6 Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

Depreciation on tangible fixed assets of the Company and its subsidiary company has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of assets has been assessed as under based on technical advice, taking into account the nature of asset, the estimated usage of asset, the estimated usage of asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc:

(i) Vehicles - 5 to 8 years

(ii) Handheld devices (included in office equipment) - 1 year

## Notes forming part of the consolidated financial statements

- (iii) IT equipment including server and network - 4 years
- (iv) Leasehold improvements are amortised over the duration of the lease.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

- (i) Software (excluding policy administration system and satellite systems) - 3 to 4 years
- (ii) Policy administration and satellite systems - 6 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

In the subsidiary company, Assets individually costing upto rupees five thousands 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 subsidiary are fully depreciated over twelve months when it is available for use in the manner intended by management.

### 2.7 Revenue recognition

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.

#### a) Income from services

Revenues from shared services contracts are recognised over the period of the contract as and when services are rendered.

#### b) Interest income

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

#### c) Dividend

Dividend income is recognised when the Company's right to receive dividend is established by the reporting date.

#### a) 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.

#### b) 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.

#### c) Income earned on investments

##### 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 maturity period on its intrinsic yield. 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, mutual fund units, additional tier-I 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.

##### Linked Business

Interest income from investments is recognised on an accrual basis. Amortisation of premium/accretion of discount on debt securities with a residual maturity upto 182 days and money

For **Life Insurance Business (Subsidiary Company)**

## Notes forming part of the consolidated financial statements

market instruments is recognised uniformly over the remaining maturity period. Dividend income is recognised on the ex-dividend date.

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.

### d) Income earned on loans

Interest income on loans is recognised on an accrual basis. Fees and charges also include policy reinstatement fees and loan processing fees which are recognised on receipt basis.

### e) 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.

## 2.8 Tangible fixed assets (Property, plant and equipment)

Fixed assets are carried at costs less accumulated depreciation, amortisation and impairment loss, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets upto the date the asset is ready for its intended use. Exchange difference arising on restatement/settlement of long term foreign currency borrowings relating to acquisition of depreciable fixed assets are adjusted to the cost of the respective assets and depreciated over the remaining life of fixed assets. Subsequent expenditure on fixed assets after its purchase/completion is capitalised only if such expenditure results in increase in the future benefits from such asset beyond its previously assessed standard of performance.

Fixed assets acquired and put to use for project purpose are capitalised and depreciation thereon is included in the project cost till the project is ready for its intended use.

Capital work-in-progress:

The assets which are not ready for their intended use and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

## 2.9 Intangible fixed assets

Intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The cost of an intangible asset comprises its purchase price, including any import duties and other taxes (other than those subsequently recoverable from the taxing authorities), and any directly attributable expenditure on making the asset ready for its intended use and net of any trade discounts and rebates. Subsequent expenditure on an intangible asset after its purchase / completion is recognised as an expense when incurred unless it is probable that such expenditure will enable the asset to generate future economic benefits in excess of its originally assessed standards of performance and such expenditure can be measured and attributed to the asset reliably, in which case such expenditure is added to the cost of the asset.

## 2.10 Foreign currency transactions and translations

### Initial recognition

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

### Measurement at the Balance Sheet date

Foreign currency monetary items (other than derivative contracts) of the Company, outstanding at the balance sheet date are restated at the year end rates. Non-monetary items of the Company are carried at historical cost.

### Treatment of exchange differences

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

## 2.11 Investments

Long-term investments (excluding investment properties), are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments

## Notes forming part of the consolidated financial statements

are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

Investment properties are carried individually at cost less accumulated depreciation and impairment, if any. Investment properties are capitalised and depreciated (where applicable) in accordance with the policy stated for Fixed assets. Impairment of investment property is determined in accordance with the policy stated for impairment of Assets.

### For **Life Insurance Business (Subsidiary Company)**

Investments are made in accordance with the provision of the Insurance Act, 1938 and the Insurance Regulatory & Development Authority (Investment) Regulations, 2000 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.

### 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.

### 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 Statement of Profit and Loss, over the remaining period to maturity on the basis of their intrinsic yield.

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 (NSE) and in case the same is not available, then on the Bombay Stock

Exchange Ltd (BSE). Unlisted equity shares (including awaiting listing) are stated at historical cost subject to diminution, if any, determined separately for each individual investment. 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.

Infrastructure Investment Trusts are valued at Market Value or latest NAV published by trust, in case the market value is not available for last 30 days.

Money market instruments like Commercial Papers, Certificate of Deposit, Treasury Bills (T-Bills) and Collateralised Borrowing and Lending Obligation (CBLO) 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 on an annual basis. The change in the carrying amount of the investment property shall be taken to Revaluation Reserve. The depreciation charge shall be ignored for the valuation of Investment Property.

Rights are valued at fair value, being last quoted closing price on National Stock Exchange (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'.

### 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

## Notes forming part of the consolidated financial statements

values generated by bond valuer based on matrix released by the CRISIL on daily basis.

Listed shares are valued at fair value, being the last quoted closing price on National Stock Exchange (NSE) and in case the same is not available, then on the BSE Ltd (BSE). Unlisted equity shares (including awaiting listing) are stated at historical cost subject to diminution, if any, determined separately for each individual investment. 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 National Stock Exchange (NSE) and in case the same is not available, then on the BSE Ltd(BSE).

Securities with call options 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.

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 National Stock Exchange (NSE) and in case the same is not available, then on Bombay Stock Exchange (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'.

### 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.

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 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 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 obtained from quoted market prices. 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

## Notes forming part of the consolidated financial statements

not represent the fair value of these transactions.

### Transfer of Investments

Investments in debt securities are transferred from shareholders to policyholders at the lower of the market price and net amortised cost. Investments other than debt securities are transferred from shareholders to 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 policyholders' funds.

### 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.

## 2.12 Employee benefits

Employee benefits include provident fund, gratuity fund, compensated absences and long-term incentive plan.

### a) Post employment benefit plan

Contributions to defined contribution retirement benefit schemes are recognised as an expense when employees have rendered services entitling them to such benefits.

For defined benefit plan in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in

the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

### b) Short-term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

The cost of short-term compensated absences is accounted as under :

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) in case of non-accumulating compensated absences, when the absences occur.

### c) Long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised as a liability at the present value of the defined benefit obligation as at the balance sheet date less the fair value of the plan assets out of which the obligations are expected to be settled.

### d) Long term incentive

The liability towards Long Term Incentive Plan 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 recognised in the revenue account.

## 2.13 Employee share based payments

The Company has formulated Employee Stock Option Schemes (ESOS) in accordance with the

## Notes forming part of the consolidated financial statements

SEBI (Share Based Employee Benefits) Regulations, 2014. The Schemes provide for grant of options to employees of the Company and its subsidiaries to acquire equity shares of the Company that vest in a graded manner and that are to be exercised within a specified period. In accordance with the SEBI Guidelines; the excess, if any, of the closing market price on the day prior to the grant of the options under ESOS over the exercise price is amortised on a straight-line basis over the vesting period.

The Company had constituted a Phantom Stock option plan in 2016, to be settled in cash. The Company is required to make provisions for estimated cash requirement for settlement on the basis of Fair Market Value of equity shares of the Company, Max India Limited and Max Ventures and Industries Limited as at end of each financial period/year till the estimated life of phantom stocks. As and when any cash payment is made on account of settlement of phantom stock, the provision is accordingly adjusted.

The Company has constituted another Phantom Stock option plan in 2017, which will be settled in cash. The Company is required to make provisions for estimated cash requirement for settlement on the basis of Fair Market Value of equity shares of the Company as at end of each financial period/year till the estimated life of phantom stocks. As and when any cash payment is made on account of settlement of phantom stock, the provision is accordingly adjusted.

### For **Life Insurance Business (Subsidiary Company)**

The options are accounted for on an 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, 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 the Statement of Profit and Loss. Options that lapse are reversed by a credit to Statement of Profit and Loss equal to the amortised portion of the value of the lapsed options.

In a cash settled employee share based payment plan, the Subsidiary company recognises expense

for the services received, as employees render services over the vesting period.

### 2.14 Segment reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Group. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Inter-segment revenue is accounted on the basis of transactions which are primarily determined based on market / fair value factors.

Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on reasonable basis have been included under 'unallocated revenue / expenses / assets / liabilities'.

### 2.15 Leases

Where the Group as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially



## Notes forming part of the consolidated financial statements

vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

### 2.16 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) for the year by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) for the year 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 share splits / reverse share splits and bonus shares, as appropriate.

### 2.17 Taxes on income

Current tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the applicable tax rates and the provisions of Income Tax Act, 1961 and other applicable tax laws.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

In the event of unabsorbed depreciation and

carry forward of losses, deferred tax assets are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available to realise such assets. In other situations, deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realise these assets.

The Group offsets deferred tax assets and deferred tax liabilities, and advance income tax and provision for tax, if it has a legally enforceable right and these relate to taxes in income levies by the same governing taxation laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the entity will pay normal income tax. Accordingly, MAT is recognised as an asset in the Consolidated Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the entity.

### 2.18 Impairment of assets

The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists.

If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount. The impairment loss is recognised as an expense in the Consolidated Statement of Profit and Loss, unless the asset is carried at revalued amount, in which case any impairment loss of the revalued asset is treated as a revaluation decrease to the extent a revaluation reserve is available for that asset.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Consolidated Statement of Profit and Loss, to the extent the amount was previously charged to the Consolidated Statement of Profit and Loss. In case of revalued assets such reversal is not recognised.

## Notes forming part of the consolidated financial statements

### 2.19 Provisions and contingencies

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

### 2.20 Service tax / Goods and services tax input credit

GST input 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.

### 2.21 Operating cycle

Based on the nature of products / activities of the Group 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.

### 2.22 Other Life Insurance business specific accounting policies

#### a) 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. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

#### b) 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.

#### c) 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. Repudiated claims disputed before judicial authorities are provided for based on management judgement 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.

#### d) Liability for Policies

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

## Notes forming part of the consolidated financial statements

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 cashflow 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 non-linked 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:

- i) 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.
- ii) 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.

- iii) 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).

### e) **Contribution to Policyholders' Account (Technical Account)**

Contribution to Policyholders' Account (Technical Account), if any, is made as decided by the Board of Directors of the Subsidiary.

### f) **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

### g) **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.

Unit-Linked:- The FFA in the linked segment represents an amount that is estimated by the Appointed Actuary in respect of lapsed unit linked policies and is set aside in the Balance Sheet. This amount is required to be held within the policyholder fund till the time policyholder are eligible for revival of their policies and this amount is not made available for distribution to Shareholders until the expiry of the maximum revival period. After expiry of the revival period, the Company may appropriate FFA amount as a surplus on the Appointed Actuary's recommendation.

## Notes forming part of the consolidated financial statements

### 3. Share Capital

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	(Rs. in Lakhs)	Number of shares	(Rs. in Lakhs)
<b>(a) Authorised</b>				
Equity share capital				
Equity shares of Rs. 2 (previous year: Rs. 2) each with voting rights	300,000,000	6,000.00	300,000,000	6,000.00
<b>(b) Issued, subscribed and fully paid-up</b>				
Equity share capital				
Equity shares of Rs. 2 (previous year: Rs. 2) each with voting rights	268,384,027	5,367.68	267,270,049	5,345.40

Refer notes (i) to (v) below

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	As at March 31, 2018		As at March 31, 2017	
	Number of shares	(Rs. in Lakhs)	Number of shares	(Rs. in Lakhs)
<b>Equity shares of with voting rights</b>				
At the beginning of the year	267,270,049	5,345.40	266,983,999	5,339.68
Issued during the year relating to Employee Stock Option Scheme (Refer note 32)	1,113,978	22.28	286,050	5.72
<b>Outstanding at the end of the year</b>	<b>268,384,027</b>	<b>5,367.68</b>	<b>267,270,049</b>	<b>5,345.40</b>

(ii) The Company has only one class of equity shares having a par value of Rs. 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.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	Number of shares	% held	Number of shares	% held
<b>Equity shares of Rs. 2/- each fully paid (with voting rights)</b>				
- ICICI Prudential Value Discovery fund	13,759,730	5.13%	4,517,866	1.69%
- Liquid Investment and Trading Company Private Limited	23,818,876	8.87%	23,818,876	8.91%
- Max Ventures Investment Holdings Private Limited	43,372,459	16.16%	43,372,459	16.23%
- Mohair Investment and Trading Company Private Limited	13,690,570	5.10%	8,086,560	3.03%
- Moneyline Portfolio Investments Limited	18,070,048	6.73%	26,570,048	9.94%
- Reliance Capital Trustee Co Ltd	18,368,381	6.84%	5,223,731	1.95%
- Xenok Limited	-	-	24,079,700	9.01%

## Notes forming part of the consolidated financial statements

### (iv) Shares reserved for issuance

As at March 31, 2018 1,132,767 (previous year: 2,246,745) shares of Rs. 2 each were reserved for issuance towards outstanding employee stock options granted under Employee Stock Option Plan 2003 (ESOP) of the Company. (Refer note 32)

### (v) Aggregate number of share issued for consideration other than cash during the period of five years immediately preceding the reporting date

The Company has issued total 2,863,738 shares (previous year: 2,700,939 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 employees services.

## 4. Reserves and Surplus

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>(a) Capital redemption reserve</b>		
Opening balance	2,587.84	2,587.84
Add: Addition during the year	-	-
<b>Closing balance</b>	<b>2,587.84</b>	<b>2,587.84</b>
<b>(b) Securities premium account</b>		
Opening balance	32,265.01	31,709.03
Add : Premium on shares issued during the year	3,241.59	555.98
<b>Closing balance</b>	<b>35,506.60</b>	<b>32,265.01</b>
<b>(c) Employee stock option outstanding</b>		
Opening balance	803.61	927.43
Add : Compensation expensed during the year	246.24	432.16
Less : Transferred to securities premium account on exercise	500.53	555.98
<b>Closing balance</b>	<b>549.32</b>	<b>803.61</b>
<b>(d) Hedging Reserve</b>		
Opening balance	(568.50)	69.77
Add: Additions during the year	(1,292.33)	(638.27)
<b>Closing balance</b>	<b>(1,860.83)</b>	<b>(568.50)</b>
<b>(e) General reserve</b>		
Opening balance	15,358.07	15,358.07
Add: Additions during the year	-	-
<b>Closing balance</b>	<b>15,358.07</b>	<b>15,358.07</b>
<b>(f) Surplus in consolidated statement of profit and loss</b>		
Opening balance	177,674.06	140,579.93
Add: Profit for the year	29,617.16	39,536.28
Add: Adjustment for change in minority and cost of control	402.81	(444.86)
Final dividend of earlier year	-	(0.91)
Corporate dividend tax	(4,074.80)	(1,996.38)
<b>Total appropriations</b>	<b>(4,074.80)</b>	<b>(1,997.29)</b>
<b>Closing balance</b>	<b>203,619.23</b>	<b>177,674.06</b>
<b>Total reserves and surplus</b>	<b>255,760.23</b>	<b>228,120.09</b>

## Notes forming part of the consolidated financial statements

### 5. Deferred tax liabilities (net)

The Group has carried out its tax computation in accordance with Accounting Standard 22 'Accounting for Taxes on Income'. In view of absence of virtual certainty of realisation of unabsorbed tax losses, deferred tax assets have been recognised only to the extent of deferred tax liabilities. The major components of deferred tax assets / liabilities as recognised in the consolidated financial statements are as follows:

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Deferred tax liabilities (DTL)</b>		
Tax impact on difference between carrying amount of fixed assets in the financial statements and the income tax return	(125.11)	(108.87)
<b>Total (A)</b>	<b>(125.11)</b>	<b>(108.87)</b>
<b>Deferred tax assets (DTA)</b>		
Carry forward business loss to be adjusted in future years	125.11	108.87
<b>Total (B)</b>	<b>125.11</b>	<b>108.87</b>
<b>Deferred tax liabilities (net) (A+B)</b>	<b>-</b>	<b>-</b>

### 6. Other long-term liabilities

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Trade payables	8,684.44	4,954.66
(b) Others		
- Lease equalisation reserve	1,184.61	823.89
<b>Total</b>	<b>9,869.05</b>	<b>5,778.55</b>

### 7. Long-term provisions

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Provision for employee benefits</b>		
(i) Provision for compensated absences	2,537.08	2,049.38
(ii) Provision for gratuity (Refer note 30)	1,391.84	717.55
(iii) Provision for employee stock appreciation rights	644.30	840.16
<b>Total</b>	<b>4,573.22</b>	<b>3,607.09</b>

### 8. Long-term policyholders' funds

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Opening balance	3,680,947.73	2,947,821.00
Add : Change in valuation of liability against life policies in force (net)	680,373.00	733,126.73
<b>Closing balance</b>	<b>4,361,320.73</b>	<b>3,680,947.73</b>

## Notes forming part of the consolidated financial statements

### 9. Trade payables

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Other than acceptances		
i. total outstanding dues of micro enterprises and small enterprises (Refer note 40)	33.90	-
ii. total outstanding dues of creditors other than micro enterprises and small enterprises	84,171.53	86,481.06
<b>Total</b>	<b>84,205.43</b>	<b>86,481.06</b>

### 10. Other current liabilities

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Unclaimed / unpaid dividend (Refer note 19)	246.84	249.93
(b) Others:		
(i) Advance from customers and policyholders	21,989.43	31,316.50
(ii) Claims outstanding (includes claims pending investigation)	8,782.39	4,713.34
(iii) Unclaimed amount - policyholders	3,816.65	4,988.31
(iv) Payable to policyholder	18,220.22	11,962.10
(v) Security deposit received	3.91	7.94
(vi) Statutory remittances (Contributions to PF, Service Tax, Withholding Taxes etc.)	13,085.00	4,613.53
(vii) Payable on purchase of fixed assets	3,094.25	2,184.06
(viii) Derivative Liabilities	2,617.70	806.85
(ix) Lease equalisation reserve	3.87	14.11
(x) Other payables	105.69	102.95
<b>Total</b>	<b>71,965.95</b>	<b>60,959.62</b>

### 11. Short term provisions

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) <b>Provision for employee benefits:</b>		
(i) Provision for compensated absences	397.83	356.03
(ii) Provision for gratuity (Refer note 30)	77.60	180.94
(iii) Provision for employee stock appreciation rights	5,307.72	15,927.77
(b) <b>Provision - Others:</b>		
(i) Provision for income tax (net of advance tax)	96.31	164.82
<b>Total</b>	<b>5,879.46</b>	<b>16,629.56</b>

## Notes forming part of the consolidated financial statements

### 12. Short-term policyholders' funds

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Opening balance	355,518.67	301,713.93
Add : Change in valuation of liability against life policies in force (net)	1,605.50	(31,557.88)
Add : Policyholder bonus provided	108,448.35	85,362.62
<b>Closing balance</b>	<b>465,572.51</b>	<b>355,518.67</b>

### 13. Fixed Assets

Particulars	(Rs. in Lakhs)									
	Gross block				Accumulated depreciation and amortisation				Net block	
	As at April 1, 2017	Additions	Deletions/ adjust- ments	As at March 31, 2018	As at April 1, 2017	Depreci- ation and amorti- sation expense for the year	Deletions/ adjust- ments	As at March 31, 2018	As at March 31, 2018	
<b>A TANGIBLE ASSETS - OWNED</b>										
(a) Building	50.83	-	-	50.83	21.76	0.80	-	22.56	28.27	
	<i>50.83</i>	-	-	<i>50.83</i>	<i>20.96</i>	<i>0.80</i>	-	<i>21.76</i>	<i>29.07</i>	
(b) Furniture and fixtures	4,151.54	50.08	170.32	4,031.30	3,231.15	218.70	145.68	3,304.17	727.13	
	<i>4,076.52</i>	<i>199.23</i>	<i>124.21</i>	<i>4,151.54</i>	<i>3,023.63</i>	<i>313.29</i>	<i>105.77</i>	<i>3,231.15</i>	<i>920.39</i>	
(c) Vehicles	886.36	60.25	150.33	796.28	484.48	116.87	109.55	491.80	304.48	
	<i>935.71</i>	<i>53.98</i>	<i>103.33</i>	<i>886.36</i>	<i>412.53</i>	<i>136.59</i>	<i>64.64</i>	<i>484.48</i>	<i>401.88</i>	
(d) Office equipment	5,974.99	192.58	386.20	5,781.37	4,884.84	361.47	371.96	4,874.35	907.02	
	<i>5,663.78</i>	<i>577.84</i>	<i>266.63</i>	<i>5,974.99</i>	<i>4,723.76</i>	<i>414.85</i>	<i>253.77</i>	<i>4,884.84</i>	<i>1,090.15</i>	
(e) Leasehold improvements	12,260.12	272.48	428.65	12,103.95	10,504.12	359.50	428.51	10,435.11	1,668.84	
	<i>11,840.14</i>	<i>755.01</i>	<i>335.03</i>	<i>12,260.12</i>	<i>9,957.60</i>	<i>782.70</i>	<i>236.18</i>	<i>10,504.12</i>	<i>1,756.00</i>	
(f) Computers	13,565.26	1,028.69	1,386.24	13,207.71	11,559.52	1,215.52	1,383.37	11,391.67	1,816.04	
	<i>12,230.60</i>	<i>1,752.08</i>	<i>417.42</i>	<i>13,565.26</i>	<i>10,552.39</i>	<i>1,421.08</i>	<i>413.95</i>	<i>11,559.52</i>	<i>2,005.74</i>	
<b>Total (A)</b>	<b>36,889.10</b>	<b>1,604.08</b>	<b>2,521.74</b>	<b>35,971.44</b>	<b>30,685.87</b>	<b>2,272.86</b>	<b>2,439.07</b>	<b>30,519.66</b>	<b>5,451.78</b>	
<b>Previous year (C)</b>	<i>34,797.58</i>	<i>3,338.14</i>	<i>1,246.62</i>	<i>36,889.10</i>	<i>28,690.87</i>	<i>3,069.31</i>	<i>1,074.31</i>	<i>30,685.87</i>	<i>6,203.23</i>	
<b>B INTANGIBLE ASSETS - OWNED</b>										
(a) COMPUTER SOFTWARE	31,496.66	2,527.65	-	34,024.31	21,147.66	3,961.29	-	25,108.95	8,915.36	
	<i>25,817.67</i>	<i>5,678.99</i>	-	<i>31,496.66</i>	<i>18,007.39</i>	<i>3,140.27</i>	-	<i>21,147.66</i>	<i>10,349.00</i>	
<b>Total (B)</b>	<b>31,496.66</b>	<b>2,527.65</b>	<b>-</b>	<b>34,024.31</b>	<b>21,147.66</b>	<b>3,961.29</b>	<b>-</b>	<b>25,108.95</b>	<b>8,915.36</b>	
<b>Previous year (D)</b>	<i>25,817.67</i>	<i>5,678.99</i>	-	<i>31,496.66</i>	<i>18,007.39</i>	<i>3,140.27</i>	-	<i>21,147.66</i>	<i>10,349.00</i>	

Note: Amounts in italics represent previous year figures.

### 14. Non-current investments

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>A. Non-trade investments (valued at cost unless stated otherwise)</b>		
<b>Life Insurance Business:</b>		
(i) Investment in equity instruments (quoted)	935,187.19	932,482.58
(ii) Investment in preference shares (unquoted)	110.53	137.39
(iii) Investment in bonds (quoted)	375,631.86	175,332.30
(iv) Investment in government and trust securities (quoted)	2,354,220.21	1,892,415.34
(v) Investment in term deposits (unquoted)	1,850.00	3,848.00
(vi) Investment in infrastructure & social sector (quoted)	769,883.11	697,054.67
(vii) Investment in other approved securities (quoted)	177,234.43	236,300.62
<b>Total non-trade investments</b>	<b>4,614,117.33</b>	<b>3,937,570.90</b>



**Notes forming part of the consolidated financial statements**

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>B. Other investments</b>		
Investment property (net of accumulated depreciation)		
Cost of building given on operating lease	5,010.45	5,010.45
Less: accumulated depreciation (Refer note below)	163.17	119.92
<b>Total - Other investment</b>	<b>4,847.28</b>	<b>4,890.53</b>
<b>Total</b>	<b>4,618,964.61</b>	<b>3,942,461.43</b>
Aggregate amount of quoted investments (Market value: Rs. 47,03,556.80 Lakhs) (previous year Rs. 40,68,291.35 Lakhs)	4,612,156.80	3,933,585.51
Aggregate amount of unquoted investments	1,960.53	3,985.39
Depreciation for the year aggregated to Rs. 43.25 Lakhs (Previous year: Rs. 43.25 Lakhs)		

**15. Long term loans and advances**

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Capital Advances		
Unsecured, considered good	20.00	1.16
(b) Security Deposits		
Unsecured, considered good	2,969.24	3,068.24
(c) Loan to policyholders		
Secured, considered good	22,018.07	13,274.03
(d) Loans and advances to employees		
Unsecured, considered good	70.54	82.93
(e) Prepaid expenses		
Unsecured, considered good	185.85	1,635.32
(f) Balances with statutory/government authorities (unsecured, considered good)		
(i) Deposit against cases with service tax authorities	12.00	12.00
(ii) Others	5,245.48	2,722.78
	5,257.48	2,734.78
(g) Advances recoverable in cash or in kind		
Considered doubtful	303.00	303.00
	303.00	303.00
Less: Provision for doubtful advances	(303.00)	(303.00)
	-	-
(h) Advance income tax - Unsecured, considered good (net of provisions Rs. 22,829.43 Lakhs (previous year Rs. 22,829.43 Lakhs))	2,077.13	2,007.90
<b>Total</b>	<b>32,598.31</b>	<b>22,804.36</b>

**16. Other non-current assets**

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Accruals		
(i) Interest accrued on deposits	2.40	1.80
(ii) Interest accrued on investments	1,699.63	2,409.78
	<b>1,702.03</b>	<b>2,411.58</b>
(b) Others		
(i) Balances held as margin money against guarantee*	2,231.87	7.58
	<b>2,231.87</b>	<b>7.58</b>
<b>Total</b>	<b>3,933.90</b>	<b>2,419.16</b>

\* Includes deposits with remaining maturity of more than 12 months from the balance sheet date.

## Notes forming part of the consolidated financial statements

### 17. Current Investments

Particulars	As at March 31, 2018		As at March 31, 2017	
	(Nos.)	(Rs. in Lakhs)	(Nos.)	(Rs. in Lakhs)
<b>A. Current portion of long-term investments (valued at cost)</b>				
<b>Life Insurance Business:</b>				
(i) Investment in infrastructure and social sector (quoted)		79,734.44		37,485.97
(ii) Investment in government and trust securities (quoted)		36,136.63		38,399.44
(iii) Investment in bonds (quoted)		22,591.10		14,380.87
(iv) Investment in term deposits (unquoted)		39,844.55		1,295.62
(v) Investment in other approved securities (quoted)		29,272.85		22,377.08
(vi) Investment in unit in mutual funds (unquoted)		207,631.30		265,841.07
(vii) Investment in certificate of deposit (quoted)		16,581.83		9,970.22
(viii) Investment in commercial paper (quoted)		47,562.80		-
(ix) Reverse Repo		59,353.96		52,106.24
(x) Other investments		30,394.86		23,599.40
<b>Total (A)</b>		<b>569,104.32</b>		<b>465,455.91</b>
<b>B. Other current investments (At lower of cost and fair value, unless otherwise stated)</b>				
<b>(a) Investment in mutual funds (unquoted)</b>				
(i) Aditya Birla Sun Life Cash Plus Fund - Direct Plan Growth- Face value Rs. 100 per unit	532,783.20	1,451.59	-	-
(ii) DHFL Pramerica Insta Cash Plus Fund - Direct Plan Growth- Face value Rs. 100 per unit	-	-	265,084.74	560.00
(iii) DSP BlackRock Liquidity Fund - Direct Plan Growth- Face value Rs. 1,000 per unit	-	-	1,548.45	36.00
(iv) Invesco India Liquid Fund - Direct Plan Growth- Face value Rs. 1,000 per unit	6,285.51	150.00	25,383.40	568.00
(v) JM High Liquidity Fund - Direct Plan Growth- Face value Rs. 10 per unit	-	-	1,276,613.47	568.00
(vi) L&T Liquid Fund - Direct Plan Growth- Face value Rs. 1,000 per unit	-	-	25,481.92	568.00
(vii) UTI Money Market Fund - Institutional Plan - Direct Plan Growth - Face value Rs. 1000/- per unit	139,919.89	2,623.12	29,616.49	540.00
<b>Total (B)</b>		<b>4,224.71</b>		<b>2,840.00</b>
<b>Total (A+B)</b>		<b>573,329.03</b>		<b>468,295.91</b>
Aggregate amount of quoted investments (Market value: Rs. 232,279.05 Lakhs) (previous year Rs. 123,334.07 Lakhs)		231,879.65		122,613.58
Aggregate amount of unquoted investments		341,449.38		345,682.33

## Notes forming part of the consolidated financial statements

### 18. Trade receivables (unsecured)

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Considered good	128.87	320.69
	<b>128.87</b>	<b>320.69</b>
(b) Other trade receivables		
- Considered good	66,039.91	52,763.16
- Considered doubtful	332.08	272.07
	66,371.99	53,035.23
Less: Provision for doubtful receivables	(332.08)	(272.07)
	<b>66,039.91</b>	<b>52,763.16</b>
<b>Total</b>	<b>66,168.78</b>	<b>53,083.85</b>

### 19. Cash and cash equivalents

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>A. Cash and cash equivalents (As per AS 3 cash flow statement)</b>		
(a) Cash on hand	366.57	550.91
(b) Cheques/drafts on hand	5,681.72	6,353.02
(c) Balances with banks in current accounts	37,475.97	28,153.00
(d) Stamps on hand	567.60	316.48
<b>Total - Cash and cash equivalents (As per AS 3 cash flow statement)</b>	<b>44,091.86</b>	<b>35,373.41</b>
<b>B. Other bank balances</b>		
- In earmarked accounts - unpaid dividend accounts (Refer note 10)	246.84	249.93
<b>Total - Other bank balances</b>	<b>246.84</b>	<b>249.93</b>
<b>Total</b>	<b>44,338.70</b>	<b>35,623.34</b>

### 20. Short-term loans and advances

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Security deposits		
- Unsecured, considered good	882.05	639.16
(b) Advances recoverable in cash or in kind - unsecured		
(i) Considered good	13,083.73	10,077.44
(ii) Considered doubtful	656.80	587.43
	13,740.53	10,664.87
Less: Provision for doubtful advances	(656.80)	(587.43)
	13,083.73	10,077.44
(c) Loan to policyholders		
- Secured, considered good	307.69	57.69
(d) Balances with statutory/government authorities (unsecured)		
- Input tax credit receivable		
(i) Considered good	3,446.45	3,648.37
(ii) Considered doubtful	-	443.61
	3,446.45	4,091.98
Less: Provision for doubtful balances	-	(443.61)
	3,446.45	3,648.37
(e) Prepaid expenses		
- Unsecured, considered good	2,790.62	2,033.85
(f) Loans and advances to employees		
- Unsecured, considered good	12.25	12.80
<b>Total</b>	<b>20,522.79</b>	<b>16,469.31</b>

## Notes forming part of the consolidated financial statements

### 21. Other current assets

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>(a) Accruals</b>		
- Interest accrued on investments	75,915.60	58,382.19
<b>(b) Others</b>	10,127.87	4,988.31
<b>Total</b>	<b>86,043.47</b>	<b>63,370.50</b>

### 22. Revenue from operations (net)

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Sale of services		
(i) Life insurance premium (net)	1,237,944.91	1,068,015.65
(ii) Income from shared services	1,144.31	1,228.75
(b) Other operating revenues (Refer note below)	418,646.10	453,544.36
<b>Revenue from operations</b>	<b>1,657,735.32</b>	<b>1,522,788.76</b>
<b>Note:</b>		
<b>Other Operating revenue comprise:</b>		
(i) Dividend income on long term investments	15,086.86	14,401.82
(ii) Interest income on		
(a) Government securities	210,008.01	178,764.40
(b) Bonds	56,153.74	40,460.69
(c) Fixed deposits	715.51	579.55
(d) Others	1,550.54	1,358.75
(iii) Amortisation of discount/(premium)	60.83	-
(iv) Unrealised gain on long term investments	-	103,750.11
(v) Profit on sale of current investments in:		
(a) mutual funds	135,070.61	114,226.26
(b) equity instruments	-	2.78
<b>Total other operating revenues</b>	<b>418,646.10</b>	<b>453,544.36</b>

### 23. Other Income

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>(a) Interest income on:</b>		
(i) income tax refund	21.75	78.72
(ii) loans to employees	3.44	3.95
(iii) policy loan	1,729.51	989.58
<b>(b) Other non operating income:</b>		
(i) Liabilities/provisions no longer required written back	1.19	5.15
(ii) Policy reinstatement charges	766.69	810.96
(iii) Net profit on sale/disposal of fixed assets	34.08	56.13
(iv) Net gain on foreign currency transactions and translation	-	10.45
(v) Scrap sales	12.28	48.49
(vi) Rental income	42.00	42.00
(vii) Miscellaneous income	266.31	35.89
<b>Total</b>	<b>2,877.25</b>	<b>2,081.32</b>

## Notes forming part of the consolidated financial statements

### 24. Change in policy reserves

		(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
(a) Change in policy reserves	790,426.84	786,931.47	
(b) Transfer to/from Fund for future appropriations-participating policies	30,906.18	10,019.94	
<b>Total</b>	<b>821,333.02</b>	<b>796,951.41</b>	

### 25. Employee benefits expense

		(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
(a) Salaries, wages and bonus	76,089.69	78,503.21	
(b) Contribution to provident and other funds (Refer note 30)	3,283.83	2,860.36	
(c) Expense on employee stock option scheme (Refer note 32)	(3,914.62)	8,994.31	
(d) Staff welfare expenses	2,169.42	1,454.78	
<b>Total</b>	<b>77,628.32</b>	<b>91,812.66</b>	

### 26. Finance costs

		(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
Bank charges	1,102.75	893.26	
<b>Total</b>	<b>1,102.75</b>	<b>893.26</b>	

### 27. Depreciation and amortisation expense

		(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
(a) Depreciation of tangible assets (Refer note 13)	2,272.86	3,069.31	
(b) Amortisation of intangible assets (Refer note 13)	3,961.29	3,140.27	
(c) Depreciation of investment property (Refer note 14)	43.25	43.25	
<b>Total</b>	<b>6,277.40</b>	<b>6,252.83</b>	

### 28. Other expenses

		(Rs. in Lakhs)	
Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	
(a) Agents' commission for insurance business	89,287.52	93,642.73	
(b) Policy issuance cost	9,680.30	17,675.23	
(c) Power and fuel	2,689.47	2,587.35	
(d) Unrealised loss on long term investment	20,599.10	-	
(e) Recruitment and training expenses	12,769.30	8,573.31	
(f) Rent including lease rentals (Refer note 33)	7,272.81	6,865.07	
(g) Insurance	664.41	524.23	
(h) Rates and taxes	13,475.51	11,134.56	
(i) Repairs and maintenance:			
- Building	0.13	0.86	
- Others	7,399.30	6,385.02	
(j) Printing and stationery	642.57	1,074.95	
(k) Travelling and conveyance	5,851.18	5,062.39	

## Notes forming part of the consolidated financial statements

		(Rs. in Lakhs)	
Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
(l)	Communication	4,339.54	4,044.52
(m)	Directors' sitting fee	81.99	83.42
(n)	Freight and forwarding expenses	235.95	607.52
(o)	Branding, advertisement and publicity	21,150.28	13,652.60
(p)	Allowances on advances and service tax credit receivable*	481.20	492.81
(q)	Net loss on sale/disposal of fixed assets	5.60	0.55
(r)	Fixed assets written off	-	97.09
(r)	Charity and donation	79.61	106.00
(s)	Net loss on foreign currency transactions and translation	14.33	4.36
(t)	Expenditure on corporate social responsibility (Refer note (i) below)	1,173.87	1,003.97
(u)	Miscellaneous expenses	899.09	1,040.80
<b>Total</b>		<b>198,793.06</b>	<b>174,659.34</b>

**Note:**

- (i) As per Section 135 of the Companies Act, 2013, the subsidiary company has provided for and spent Rs. 1,173.87 Lakhs (March 31, 2017: Rs. 1,003.97 Lakhs) on various CSR initiatives, during the year, which are as given below:

CSR Project/Activity	Sector in which project is covered	Amount spent	
		2017-18	2016-17
(a) Village adoption	Rural Development	347.70	361.63
(b) Surgeries and treatments	Health	254.95	214.08
(c) NGO work on healthcare platform	Health	248.93	207.17
(d) Immunization/Health camp/Blood donation camp	Health	58.78	88.32
(e) Health centre	Health	50.49	54.50
(f) Artificial limb and polio calipers	Health	35.63	18.00
(g) Health awareness	Health	55.98	36.35
(h) Training in health programs	Health	14.00	16.36
(i) Mobile health clinic	Health	4.54	-
(j) Financial literacy CSR	Rural Development	100.00	-
(k) Donations	Others	2.87	7.56
<b>Total</b>		<b>1,173.87</b>	<b>1,003.97</b>

\* Allowances on advances and service tax credit receivable

		(Rs. in Lakhs)	
Particulars		For the year ended March 31, 2018	For the year ended March 31, 2017
a.	Doubtful advances and service tax credit receivable written off	795.43	49.20
b.	Allowance for service tax credit receivable written back	(443.61)	-
		351.82	49.20
c.	Allowance for doubtful advances and service tax credit receivable	129.38	443.61
<b>Total</b>		<b>481.20</b>	<b>492.81</b>

## Notes forming part of the consolidated financial statements

### 29 Commitments and contingent liabilities

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>(a) Commitment</b>		
(i) Estimated amount of contracts remaining to be executed on tangible assets and not provided for (net of advances)	595.34	620.13
(ii) The Company has entered into tripartite agreement between Axis Bank Limited, Mitsui Sumitomo Insurance Company Limited and the Company, whereby the Company is required to buy back the stake held by Axis Bank Limited in Max Life Insurance Company Limited, upon exercise of put option by Axis Bank Limited in 5 equal tranches at a price linked to fair market value		
<b>(b) Contingent liabilities</b>		
(i) Claims against the Company not acknowledged as debts (Refer note a)		
- Demand from custom authorities	429.40	418.26
- Demand raised by service tax authorities (Refer note b and c)	26,554.07	44,085.52
- Legal claims	1,236.17	1,104.25
- Partly paid-up investment	779.67	-
- Potential liability in respect of repudiated policyholders claims	1,872.76	1,034.30
- Litigation against the Group on Company Law matters (Refer note d)		
- Demand raised by income tax authorities (Refer note e and g)	159.04	159.04
- Penalty levied under section 271(1)(c) of the Income Tax Act, 1961 (Refer note e)	-	33.42
- Litigation in an erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the group with effect from December 1, 2005) (Refer note f)		

#### Notes:

- Claims against the Group not acknowledged as debts represent the cases pending with judicial forums/ authorities. Based on management estimation and opinions from legal advisors, management believes that its position will likely to be upheld in appellate process. The Group has not made any provisions for the demand since the management believes that the ultimate outcome of the proceedings will not have material adverse effect on the Group's financial position and result of operations.
- Service tax demands against show cause cum demand notices received by Max Life Insurance Company Limited (MLIC) from the Central Excise & Service Tax, Office of Commissioner and Directorate General Central Excise Intelligence (DGCEI), vide show cause notice dated March 30, 2013, April 22, 2013, April 16, 2014, October 14, 2014 and December 19, 2014. Further, Commissioner vide its order dated March 24, 2015, against one of such SCNs, confirmed demand of service tax. MLIC has filed a writ before High court and stay was granted by the honourable court on April 29, 2015 towards service tax demand of Rs 10,005.79 Lacs and penalty thereon. Given that MLIC is strong on merit and available precedence, it does not expect future liability. Also appeal has been filed before CESTAT on remaining matters. Further, Commissioner confirmed service tax demand for Rs 6,202.95 lacs vide its order dated Sept 01, 2015 against SCN dated April 16, 2014. Company has filed appeal to CESTAT.
- The Group has not made any provision for the demands in Excise, Service Tax, Sales Tax, Customs, Entry Tax and legal claims as the Group believes that they have a favourable case based on existing judicial pronouncements. The advance paid against the above is Rs. 12.00 Lacs (previous year: Rs. 12.00 Lacs).
- On an inspection carried out by the Ministry of Corporate Affairs in the year 2006, certain technical offences were alleged by the Inspection Officer based on which prosecution proceedings were initiated against the Company, its erstwhile Whole-time Directors and the Company Secretary at Chief Judicial Magistrate, Chandigarh. The

## Notes forming part of the consolidated financial statements

group filed writ petitions against the prosecution proceedings with the Hon'ble High Court of Punjab & Haryana. The High Court stayed the proceedings and listed the case for arguments. The amount of liability/fine or penalty on account of the above is currently unascertainable. Based on the legal opinion obtained by the group management believes that the group have a good case and no provision is required to be made in the financials statements.

- e. Income tax cases represent the cases pending with Income Tax authorities/Appellate authorities. Based on management estimation, future cash outflow in respect of these cases are determinable only on receipt of judgments / decisions pending with various courts/authorities. The Company has not made any provision for the demands in income tax cases as the group believes that they have a good case based on existing judicial pronouncements.
- f. Litigation in an erstwhile subsidiary of the Company, Max Telecom Ventures Limited ("MTVL") (since merged with the Company with effect from December 1, 2005)

S. No.	Assessment Year	Brief Description	Pending Before
1	1998-99	The capital gains realised by MTVL from the sale of shares of Hutchison Max Telecom Limited ("HMTL") [1st Stake Sale] were denied exemption under section 10(23G) of the Income-tax Act, 1961 ("the Act") by the Assessing Officer vide order dated March 28, 2001 and the sale transaction was held to be chargeable to tax in the financial year relevant to Assessment Year 1998-99 (MTVL had claimed that it pertained to AY 1999-2000). This resulted in a demand of Rs. 9,503.93 lakhs. On appeal by MTVL, the CIT (Appeals) vide order dated March 18, 2002 [while concluding that the sale transaction pertained to financial year relevant to Assessment Year 1998-99], quashed the order of the Assessing Officer denying exemption under section 10(23G), thereby cancelling the demand. The Tax Department has filed an appeal with the Income-tax Appellate Tribunal (ITAT) against this order which is pending as on date.	ITAT
2	1999-2000	Subsequently, in the next Assessment Year i.e. 1999-00, the above-mentioned transaction was once again sought to be taxed both as capital gains and under a different head of income (i.e. business income) on a protective basis by the Assessing Officer vide order dated March 28, 2002 as MTVL had claimed that the transaction pertained to Assessment Year 1999-00 and not Assessment Year 1998-99. This, along with a few other additions, resulted in creation of a further demand of Rs. 24,993.19 lakhs which included the demand of Rs. 24,368.00 lakhs on protective basis. On appeal by MTVL, the CIT (Appeals) decided in favour of MTVL vide order dated December 18, 2002 and the demand was cancelled. The Tax Department has filed appeal against this order with the ITAT, which is pending as on date.	ITAT



**Notes forming part of the consolidated financial statements**

<b>S. No.</b>	<b>Assessment Year</b>	<b>Brief Description</b>	<b>Pending Before</b>
3	1998-99	MTVL also filed an appeal before ITAT for Assessment Year 1998-99 contending that the aforesaid sale transaction pertained to financial year relevant to Assessment Year 1999-2000. This was disposed off by ITAT vide order dated March 23, 2007 by applying a circular of Tax Department applicable only to capital gains and holding, as a result, that the transaction of sale of shares pertained to financial year relevant to Assessment Year 1998-99. However, the Tax Authorities filed a petition before the ITAT requesting a review of the said order of the ITAT on the ground that all the matters pertaining to the aforesaid sale transaction should have been clubbed and heard together. The said petition of the Department was accepted by the ITAT vide order dated March 27, 2009 by recalling its earlier order. Aggrieved, the Company filed a writ petition to the Hon'ble High Court of Punjab and Haryana (HC) challenging the above action of ITAT on the ground that the same was beyond jurisdiction. The HC vide order dated May 04, 2009 admitted the writ petition and stayed the operations of the said order of ITAT. The ITAT, thereafter, adjourned sine-die all the matters pending operation of the stay imposed by the HC. The Department, subsequently, moved a Special Leave Petition (SLP) to Hon'ble Supreme Court against the stay granted by Hon'ble HC. The SLP was dismissed by the Hon'ble Supreme Court vide order dated May 12, 2010 with a direction to the HC to expeditiously dispose the writ petition filed by MTVL, which is pending as of date.	High Court
4	2006-07	The capital gains realised from the sale of remaining shares of HMTL [2nd Stake Sale] were taxed by holding the gains from sale transaction to be in the nature of business income and not capital gains and as a consequence exemption under Section 10(23G) of the Act was denied by the Assessing Officer vide order dated December 31, 2009 and a demand of Rs. 15,585.17 Lacs was raised. MTVL filed an appeal against the said order. The CIT(Appeals), vide order dated March 22, 2011, had quashed the assessment framed by the Assessing Officer, holding that the assessment was nullity in law and in view of the fact that the order was framed in the name of MTVL, an entity which had ceased to exist w.e.f. December 1, 2005. As a consequence, the demand stood cancelled.	High Court
		The Department had filed an appeal to ITAT against the said order of CIT(Appeals). The ITAT vide its order dated March 8, 2013 has upheld the order of CIT(Appeals). The Tax Department has filed appeal against this order with the Hon'ble HC, which is pending as on date.	
5	2006-07	Consequent to quashing of the first proceedings in the name of MTVL, the Department initiated proceedings against Max India Limited as Successor of MTVL u/s 147 of the Act vide notice dated April 26, 2011. These proceedings had been completed on March 26, 2013 by holding the gains from sale transaction to be in the nature of business income and not capital gains and consequently denying exemption under Section 10(23G) of the Act and a demand of Rs. 19,816.25 Lacs had been raised. The company had filed an appeal against the same on April 25, 2013 and obtained stay of demand on May 27, 2013. The CIT(Appeals), vide order dated November 18, 2013, held on merits that the gain arising from sale of shares of HMTL be treated as long term capital gains and allowed the exemption u/s 10(23G) of the Act in respect of long term capital gain arising on sale of shares of HMTL be allowed to MTVL. The CIT(A), however, upheld reassessment proceedings by the Assessing Officer under section 147 of the Act as valid. As a consequence, the demand stood cancelled. Pursuant to this, the Tax Department has filed appeal against this order and MTVL has also filed cross objections before the ITAT against the action of the CIT(A) upholding the validity of re-assessment proceedings. Both appeals are pending as on date.	ITAT

## Notes forming part of the consolidated financial statements

### g. Max Life Insurance Company Limited ("MLIC")

S. No.	Assessment Year	Brief Description	Pending Before
1	2002-2003	The Assessing Officer has reduced the returned loss of Rs. 6,684.09 Lacs to Rs. 6,482.08 Lacs by making disallowance of Rs. 202.01 Lacs u/s 92CA(3) of the Income-tax Act, 1961 relating to Transfer Pricing.	High Court
2	2003-04	The returned losses have been reduced from Rs. 7,408.37 lakhs to Rs. 7,331.92 lakhs by the Assessing Officer by making disallowance of Rs. 76 lakhs u/s 92CA(3) of the Income-tax Act, 1961 relating to Transfer Pricing.	Appeal to be filed before High Court
3	2004-05	The returned losses have been reduced from Rs. 7,563.42 lakhs to Rs. 7,285.17 lakhs by the Assessing Officer by making disallowance of Rs. 278 lakhs u/s 92CA(3) of the Income-tax Act, 1961 relating to Transfer Pricing.	Appeal to be filed before High Court
4	2005-06	The returned loss has been reduced from Rs. 9,427.20 lakhs to Rs. 8,999.80 lakhs by making disallowance of Rs. 121.70 lakhs u/s 92CA(3) of the Income Tax Act, 1961 relating to Transfer Pricing and Rs. 105.70 lakhs due to disallowance of loss on sale of investment. CIT (Appeals) has passed favourable orders for all the above mentioned assessment years i.e 2002-03 to 2005-06. The department has appealed on the applicability of TP provisions. The ITAT has referred the case to AO to recompute the Arms Length price.	Appeal to be filed before High Court
5	2006-07	The returned loss has been reduced from Rs. 5,805.44 lakhs to Rs. 5414.09 lakhs by making disallowance of Rs. 11.83 lakhs u/s 92CA(3) of the Income Tax Act, 1961 relating to Transfer Pricing, Rs. 90.48 lakhs due to disallowance of loss on sale of investment, Rs. 255.75 lakhs on provision for FBT and Rs. 33.28 lakhs on provision for bad & doubtful debts.	ITAT
6	2007-08	The returned loss has been reduced from Rs. 5,671.22 lakhs to Rs. 5023.02 lakhs by making disallowance of Rs. 270.19 lakhs on account of loss on sale of investment, Rs. 311.43 lakhs on provision for FBT and Rs. 58.08 lakhs on provision for bad & doubtful debts & Rs. 8.50 lakhs on donation paid. CIT(A) has decided in favour of company except on disallowance of FBT provision & income on sale of investment. The company has filled the appeal with ITAT also we have filed cross objections with ITAT against the appeal filed by DCIT to ITAT.	ITAT
7	2008-09	The returned loss for AY 2008-09 has been reduced from Rs. 14,684.45 lakhs to Rs. 13,471.61 lakhs by making disallowance of Rs. 635.02 lakhs on account of loss on sale of investment, Rs. 468.91 lakhs on provision for FBT and Rs. 100.03 lakhs on provision for bad & doubtful debts & Rs. 8.88 lakhs on donation paid. CIT(A) has decided in favour of company except on disallowance of FBT provision & income on sale of investment. The company has filled the appeal with ITAT also we have filed cross objections with ITAT against the appeal filed by DCIT to ITAT.	ITAT
8	2009-10	The returned loss has been reduced from Rs. 32,270.85 lakhs to Rs. 30,449.38 lakhs by making disallowance of Rs. 653.53 lakhs on account of loss on sale of investment, Rs. 794.30 lakhs for provision for FBT, Rs. 132.13 lakhs for provision for bad & doubtful debts & Rs.241.51 lakhs for donation paid. CIT(A) has decided in favour of company except on disallowance of FBT provision & income on sale of investment. The company has filled the appeal with ITAT also we have filed cross objections with ITAT against the appeal filed by DCIT to ITAT.	ITAT

## Notes forming part of the consolidated financial statements

S. No.	Assessment Year	Brief Description	Pending Before
8	2010-11	Assessing Officer has increased the returned income from Rs. 4,005.06 Lacs to Rs. 5,684.41 Lacs by adding back Rs. 710.43 Lacs on account of profit on sale of investment & making disallowance of Rs. 21.60 Lacs for provision for Bad debts, Rs.250 Lacs for donation paid, Rs. 695.65 Lacs for Short deduction and payment of TDS and Rs. 1.67 Lacs for Penalties/Fine paid & Share issue expenses. CIT(A) has passed order whereby allowed Income on Sale of Investments, Provision for bad Debts in PH account, short deduction of TDS. CIT(A) has raised certain other additional issues on which Max Life has approached ITAT. ITAT has passed the Order in favour of the Company	Favourable ITAT order
9	2011-12	Assessing Officer has increased the returned income from Rs. 27,141.14 Lacs to Rs. 28,586.14 Lacs by adding back Rs. 751.62 Lacs on account of profit on sale of investment & making disallowance of Rs. 314.71 Lacs for provision for Bad debts, Rs.250.01 Lacs for donation paid and Rs. 128.66 Lacs for Short deduction and payment of TDS.	CIT (Appeals)
10	2012-13	Assessing Officer has increased the returned income from Rs. 49,182.04 Lacs to Rs. 51,931.77 Lacs by adding back Rs. 1505.52 Lacs on account of profit on sale of investment & making disallowance of Rs. 194.21 Lacs for provision for Bad debts, Rs.1050.00 Lacs for donation paid .	CIT (Appeals)
11	2013-14	Assessing Officer has increased the returned income from Rs. 44,927.02 Lacs to Rs. 47,249.28 Lacs by adding back Rs. 1,845.42 Lacs on account of profit on sale of investment, disallowance of Rs. 276.84 Lacs for provision for Bad debts & Rs.200.00 Lacs for donation paid .	CIT (Appeals)
12	2014-15	Assessing Officer has increased the returned income from Rs. 47,419.55 Lacs to Rs. 95,367.68 Lacs by making certain disallowances- Rs. 31,074 lacs for Incremental FFA, Rs 38,973 lacs for allocation of Bonus, treatment of Shareholders income as Non Life Insurance for Rs 22,177 lacs, disallowance of Rs. 57 Lacs for provision for Bad debts & Rs 300 lacs for donation	ITAT
13	2015-16	Assessing Officer has increased the returned income from Rs. 44,732 Lacs to Rs. 10,243 Lacs by making certain disallowances - Rs. 92,295 lacs for Incremental FFA and Bonus, treatment of Shareholders income as Non Life Insurance for Rs 23,814 lacs, disallowance of Rs. 241 Lacs for reversal of provision for Bad debts.	CIT (Appeals)

The Company is hopeful that above appeals will be disposed off in its favour.

### 30 Retirement benefit plans

#### (i) Defined contribution plans

The Group makes provident fund and employees state insurance scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Group is required to contribute a specified percentage of the payroll costs to fund the benefits. The contribution as specified under the law are paid to the provident fund trust set up by the Group. The Group is liable for annual PF contributions and any deficiency in interest cost compared to interest computed based on the rate of interest declared by the Central Government under the Employees' Provident Fund Scheme, 1952 and recognises, if any, as an expense in the year it is determined.

As of 31 March, 2018, the fair value of the assets of the fund and the accumulated members' corpus is Rs. 25,222.06 lacs (previous year: Rs. 22,333.65 lacs) and Rs. 24,972.51 lacs (previous year: Rs. 22,076.76 lacs) respectively. In accordance with an actuarial valuation, there is no deficiency in the interest cost as the present value of the expected future earnings on the fund is greater than the expected amount to be credited to the individual members based on the expected guaranteed rate of interest of 8.55% (previous year: 8.65%). The actuarial assumptions include discount rate of 7.18% (Previous year: 6.67%) and an average expected future period of 27.11 years (previous year: 27.11 years).

## Notes forming part of the consolidated financial statements

The Group recognised Rs. 2,080.08 lacs (previous year: Rs. 1,949.79 lacs) for provident fund and Rs. 533.89 lacs (previous year: Rs. 153.06 lacs) for employee state insurance scheme contribution in the Statement of Profit and Loss. The contribution payable to these plans by the Group are at rates specified in the rules to the scheme.

### (ii) Defined benefit plans

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.

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 following tables set out the funded status of the defined benefit scheme and amounts recognised in the Company financial statements as at March 31, 2018:

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
<b>Components of employer expense</b>		
Current service cost	561.96	525.40
Interest cost	253.37	227.40
Expected return on plan assets	(213.67)	(153.92)
Actuarial losses/(gains)	(30.52)	75.59
Adjustment in fair value of plan assets	-	(9.89)
<b>Total expense recognised in the Statement of Profit and Loss</b>	<b>571.14</b>	<b>664.58</b>
<b>Actual contribution and benefit payments for year</b>		
Actual benefit payments	(403.02)	(447.22)
Actual contributions	-	-
<b>Net asset / (liability) recognised in the Balance Sheet</b>		
Present value of defined benefit obligation	(3,910.76)	(3,546.86)
Fair value of plan assets	2,441.33	2,648.37
<b>Net asset / (liability) recognised in the Balance Sheet</b>	<b>(1,469.43)</b>	<b>(898.49)</b>
<b>Net liability has been classified under:</b>		
Long-term provisions	1,391.83	717.55
Short-term provisions	77.60	180.94
<b>Change in defined benefit obligations (DBO) during the year</b>		
Present value of DBO at beginning of the year	3,546.86	3,281.14
Current service cost	561.96	525.40
Interest cost	253.37	227.40
Actuarial loss/(gains)	(69.27)	111.75
Benefits paid	(382.16)	(598.83)
<b>Present value of DBO at the end of the year</b>	<b>3,910.76</b>	<b>3,546.86</b>
<b>Change in fair value of assets during the year</b>		
Plan assets at the beginning of the year	2,648.37	1,071.68

**Notes forming part of the consolidated financial statements**

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
Expected return on plan assets	213.67	153.92
Adjustment in fair value of plan assets	-	9.89
Actual group contributions	21.06	1,827.24
Actuarial (loss)/gains	(38.75)	35.42
Benefits paid	(403.02)	(449.78)
<b>Plan assets at the end of the year</b>	<b>2,441.33</b>	<b>2,648.37</b>
<b>Principal actuarial assumptions for gratuity and compensated absences:</b>		
Discount rate	7.20%-7.60%	6.50%-7.40%
Expected return on plan assets	8.35%-8.70%	8.35%-8.70%
Salary escalation	7.50%-10%	7.50%-10%
Retirement age	58 - 65 years	58 years
Mortality tables	IALM (2006 - 08)	IALM (2006 - 08)
Attrition (%)		
All Ages	5%-25% per annum	5%-25% per annum
Estimate of amount of contribution in the immediate next year Rs. in lacs	1,171.62	692.32

**Notes:**

- The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
- The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
- The planned assets of the Group are managed by the Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Group with respect to its gratuity plan. Information on categories of plan assets is not available with the Group.
- Experience on actuarial gain/(loss) for benefit obligations and plan assets:

Particulars	(Rs. in Lakhs)				
	Gratuity				
	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Present value of DBO	3,910.76	3,546.86	3,281.14	4,725.49	3,693.83
Fair value of plan assets	2,441.33	2,648.37	1,071.68	2,107.09	2,260.44
Funded status [Surplus / (Deficit)]	(1,469.43)	(898.49)	(2,209.46)	(2,618.40)	(1,433.39)
Experience gain / (loss) adjustments on plan liabilities	(69.27)	111.75	153.89	57.67	143.21
Experience gain / (loss) adjustments on plan assets	35.42	35.42	153.18	153.19	32.67

**(iii) Other long term benefit**

During the year, Max Life Insurance Company Limited has recognised the following expenses in the statement of profit and loss representing deferred compensation (long term incentive plan): amounting to Rs 2,945.22 Lakhs (previous year: Rs 3,041.78 Lakhs).

## Notes forming part of the consolidated financial statements

### 31. Calculation of Earnings per share (EPS) - Basic and Diluted

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Basic EPS</b>		
Profit attributable to shareholders (Rs. in lakhs)	29,617.16	39,536.28
Weighted average number of equity shares outstanding during the year (Nos.)	267,948,970	267,137,946
Face value per equity share (Rs.)	2.00	2.00
<b>Basic Earnings Per Share (Rs.)</b>	<b>11.05</b>	<b>14.80</b>
<b>Diluted EPS</b>		
Equivalent weighted average number of employee stock options outstanding (Nos.)	1,567,824	2,378,848
Weighted average number of equity shares outstanding during the year for dilutive earnings per share (Nos.)	269,516,794	269,516,794
<b>Diluted Earnings Per Share (Rs.)</b>	<b>10.99</b>	<b>14.67</b>

### 32. Employee Stock Option Plan

#### 32.1. Employee Stock Option Plan – 2003 (“the 2003 Plan”):

The Company had instituted the 2003 Plan, which was approved by the Board of Directors in August 25, 2003 and by the shareholders in 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 by 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	March 31, 2018		March 31, 2017	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	2,246,745	246.05	2,503,560	221.02
Granted during the year	-	-	29,235	2.00
Exercised during the year	(1,113,978)	248.11	(286,050)	2.00
Outstanding at the end of the year	1,132,767	244.03	2,246,745	246.05

For the period, the weighted average share price at the exercise date was Rs. 601.93 (previous year: Rs. 531.30)

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2018 is 1.14 years (March 31, 2017: 1.63 years). The range of exercise prices for options outstanding at the end of the year was 2.00 to 311.34 (March 31, 2017: 2.00 to 311.34).

Stock compensation expense under the Fair Value method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions.

## Notes forming part of the consolidated financial statements

Particulars	March 31, 2018	March 31, 2017
Date of option granted	-	1-Apr-16
Stock Price Now (in Rupees)	-	344.05
Exercise Price (X) (in Rupees)	-	2.00
Expected Volatility (Standard Dev - Annual)	-	36.82%
Life of the options granted (Vesting and exercise period) in years	-	3.00-6.00
Expected Dividend	-	0.51%
Average Risk- Free Interest Rate	-	7.49%-7.91%
Weighted average fair value of options granted	-	332.46 - 337.24

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.

### 32.2. Employees Phantom Stock Plan (PSP Plan)

The Company had instituted PSP Plans, which were approved by the Board of Directors. The PSP Plans provide for issue of units to eligible employees of the Company. Under the Plans, eligible employees receive cash equivalent to fair market value of units upon completion of vesting conditions, as administered by the Nomination and Remuneration Committee including rendering of services across vesting period. Vesting period ranges from 1 to 4 years.

Accordingly Rs. 720.49 Lacs (previous year: Rs. 380.42 Lacs) has been accrued as an expense in the Statement of Profit and Loss account as applicable. The details of the units granted during the year are as under:

Particulars	March 31, 2018		March 31, 2017	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	143,052	6.00	-	-
Granted during the Year	115,189	5.38	143,052	6.00
Forfeited during the year	-	-	-	-
Exercised during the year	(35,763)	6.00	-	-
Outstanding at the end of the year	222,478	5.68	143,052	6.00

For the period, the weighted average share price at the exercise date was Rs. 765.90 (previous year: Rs. Nil)

The weighted average remaining contractual life for the stock options outstanding as at March 31, 2018 is 1.00 years (March 31, 2017: 1.59 years).

Stock compensation expense under the fair value method has been determined based on fair value of the stock options. The fair value of stock options was determined using the Black Scholes option pricing model with the following assumptions.

Particulars	March 31, 2018	March 31, 2018	March 31, 2017
Date of option granted	1-Apr-17	1-Apr-17	8-Aug-16
Stock price now (in rupees)	565.55	734.62	551.60
Exercise price (X) (in rupees)	2.00	6.00	6.00
Expected volatility (standard dev - annual)	36.82%	36.82%	49.00%
Life of the options granted (vesting and exercise period) in years	3.00-5.00	3.00-5.00	3.00-5.65
Expected dividend	0.31%	0.24%	0.32%
Average risk- free interest rate	6.68%-6.88%	6.68%-6.88%	7.05%-7.32%
Weighted average fair value of options granted	555.44 - 558.68	721.65 - 724.48	537.84 - 541.52

## Notes forming part of the consolidated financial statements

### 32.3. Max Life Insurance Company Limited

#### Employee Phantom Stock Plan (Cash settled):

During the year ended March 31, 2013, the Company had instituted Employee Phantom Stock Plan (EPOP) w.e.f. August 1, 2012.

During the year ended March 31, 2015, the Company had issued Employee Phantom Stock Plan (EPOP) w.e.f. July 01, 2014, September 25, 2014 and December 01, 2014. Further, during the year ended March 31, 2016, the Company issued Employee Phantom Stock Plan (EPOP) w.e.f. October 30th, 2015 and January 1st, 2016. Accordingly Rs. 4,881.35 Lakhs (previous year Rs. 8,181.73 Lakhs) has been accrued as expense in the statement of profit & loss account as applicable. The details of the scheme are as under:

Particulars	March 31, 2018		March 31, 2017	
	Number of options	Weighted Average exercise price (Rs.)	Number of options	Weighted Average exercise price (Rs.)
Outstanding at the start of the year	23,916,000	32.09	34,681,000	32.09
Granted during the Year	-	-	-	-
Forfeited during the year	(1,163,000)	32.09	(2,896,000)	32.09
Exercised during the year	(10,452,000)	32.09	(7,869,000)	32.09
Outstanding at the end of the year	12,301,000	32.09	23,916,000	32.09

The Key assumptions used to estimate fair value of options are:

Particulars	March 31, 2018	March 31, 2017
Risk-free interest rate	6.63%-7.31%	6.44%-6.85%
Expected life	1.00-3.68 Years	1.25-4.67 Years
Expected Volatility	29.21%	36.82%
Expected dividend yield	1.64%	1.22%

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.

The Group measures the cost of ESOP using the intrinsic value method. Had the company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Net Profit after tax and minority interest as reported (Rs. in lakhs)</b>	29,617.16	39,536.28
Add: Employee stock compensation under intrinsic value method (Rs. in lakhs)	(3,914.62)	8,994.31
Less: Employee stock compensation under fair value method (Rs. in lakhs)	4,261.01	(10,114.80)
<b>Performa profit (Rs. in lakhs)</b>	<b>29,963.55</b>	<b>38,415.79</b>
<b>Earnings Per Share (Rupees)</b>		
<b>Basic</b>		
- As reported	11.05	14.80
- Performa	11.18	14.38
<b>Diluted</b>		
- As reported	10.99	14.67
- Performa	11.12	14.25



## Notes forming part of the consolidated financial statements

### 33. Leases

Lease rentals recognised in the Consolidated Statement of Profit and Loss for the year is Rs. 7,272.81 Lakhs (previous year: Rs. 6,865.07 Lakhs).

The Group has entered into operating leases for its office and for employees' residence, that are renewable on a periodic basis. The average life of lease is from 3 to 10 years. The total of future minimum lease payments under non-cancellable leases are as follows:

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
Not later than one year	19.09	61.70
Later than one year and not later than five year	-	19.09
Later than five year	-	-
<b>Total</b>	<b>19.09</b>	<b>80.79</b>

### 34. Segment Information

#### 34.1. Business Segments

**The Company has considered business segment as the primary segment for disclosure. The products/services included in each of the reported business segments are as follows:**

- Life Insurance – This segment relates to the life insurance business carried out pan India, by one of the Company's subsidiary.
- Business Investments – This segment is represented by treasury investments.

The above business segments have been identified considering:

- The nature of products and services
- The differing risks and returns
- Organizational structure of the group, and
- The internal financial reporting systems

Segment Revenue consists of segment revenue from external customers and revenue from other segments.

Segment Result is the difference of segment revenue and segment operating expenses.

Unallocated Assets include assets pertaining to the holding company's corporate office such as, loans, advance and deposits.

Unallocated Liabilities include tax provisions and interest bearing loans not directly related to any business segment.

Unallocated Expenses - Expenses incurred at corporate office of the holding company relate to various business segments. As there is no reasonable basis of allocating this expenditure to various segments, the same are shown as unallocated reconciling expenses. Interest expense is not treated as part of a segment expense and is reflected as a separate line item.

#### 34.2. Geographical Segments

The Company has considered geographical segment as secondary reporting segment for disclosure. For this purpose, the revenues are bifurcated based on location of customers in India and outside India.

## Notes forming part of the consolidated financial statements

## 34.3. Segment Information

				(Rs. in Lakhs)
Primary Segments	Business Investments	Life Insurance business	Others	Total
a. <b>Segment Revenue from</b>				
Service Income	-	1,237,944.91	1,144.31	1,239,089.22
	-	1,068,015.65	1,228.75	1,069,244.40
Service/Interest Income from inter segments	20,016.07	9.89	979.23	21,005.19
	22,064.81	8.29	892.90	22,966.00
Income from investment activities	734.19	417,911.91	-	418,646.10
	1,304.97	452,239.39	-	453,544.36
<b>Total Segment Revenue</b>	<b>20,750.26</b>	<b>1,655,866.71</b>	<b>2,123.54</b>	<b>1,678,740.51</b>
	23,369.78	1,520,263.33	2,121.65	1,545,754.76
Less: Inter segment revenue	20,016.07	9.89	979.23	21,005.19
	22,064.81	8.29	892.90	22,966.00
<b>Revenue from operations</b>	<b>734.19</b>	<b>1,655,856.82</b>	<b>1,144.31</b>	<b>1,657,735.32</b>
	1,304.97	1,520,255.04	1,228.75	1,522,788.76
b. <b>Segments Results</b>	<b>734.19</b>	<b>61,869.65</b>	<b>193.05</b>	<b>62,796.89</b>
	1,304.97	77,617.94	192.88	79,115.79
Interest Income				1,754.70
				1,072.25
Sub-total				64,551.59
				80,188.04
Less:				
Unallocated Expenses (Net of unallocated income)				9,643.28
				9,138.39
Interest Expenses				1,102.75
				893.26
<b>Profit before tax</b>				<b>53,805.56</b>
				70,156.39
Provision for taxation (includes provision for Deferred Tax)				8,754.54
				10,829.00
<b>Profit after tax</b>				<b>45,051.02</b>
				59,327.39
Minority Interest				(15,433.86)
				(19,791.11)
<b>Profit after tax (after adjusted minority interest)</b>				<b>29,617.16</b>
				39,536.28
c. <b>Carrying amount of segment assets</b>	<b>4,224.71</b>	<b>5,451,875.66</b>	<b>668.74</b>	<b>5,456,769.11</b>
	3,827.82	4,611,204.46	769.06	4,615,801.34
Add: Unallocated assets				5,523.75
				5,606.36
Goodwill				65,908.05
				52,525.44
<b>Total Assets</b>				<b>5,528,200.91</b>
				4,673,933.14

**Notes forming part of the consolidated financial statements**

				(Rs. in Lakhs)
Primary Segments	Business Investments	Life Insurance business	Others	Total
d. <b>Segment Liabilities</b>	-	<b>5,186,589.53</b>	-	<b>5,186,589.53</b>
		<i>4,362,544.86</i>		<i>4,362,544.86</i>
Add: Unallocated liabilities				<b>3,351.25</b>
				<i>3,025.66</i>
<b>Total Liabilities</b>				<b>5,189,940.78</b>
				<i>4,365,570.52</i>
e. <b>Cost to acquire tangible and intangible fixed assets</b>	-	<b>5,830.21</b>	-	<b>5,830.21</b>
		<i>5,605.64</i>		<i>5,605.64</i>
Unallocated				-
				<i>4.83</i>
<b>Total Addition</b>				<b>5,830.21</b>
				<i>5,610.47</i>
f. <b>Depreciation and amortisation expenses</b>	-	<b>6,085.41</b>	-	<b>6,085.41</b>
		<i>6,057.10</i>		<i>6,057.10</i>
Unallocated depreciation and amortisation				<b>191.99</b>
				<i>195.73</i>
<b>Total depreciation and amortisation</b>				<b>6,277.40</b>
				<i>6,252.83</i>
g. <b>Non-cash expenses other than depreciation and amortisation</b>	-	<b>(4,881.35)</b>	-	<b>(4,881.35)</b>
		<i>8,181.73</i>		<i>8,181.73</i>
Unallocated non cash expenses				<b>966.73</b>
				<i>812.58</i>
<b>Total</b>				<b>(3,914.62)</b>
				<i>8,994.31</i>

**SECONDARY SEGMENT**

				(Rs. in Lakhs)
	India	Outside India		Total
a. Revenue from external customers	<b>1,657,735.32</b>	-		<b>1,657,735.32</b>
	<i>1,522,788.77</i>			<i>1,522,788.77</i>
b. Carrying amount of segment assets by location of assets	<b>5,456,769.11</b>	-		<b>5,456,769.11</b>
	<i>4,615,801.34</i>			<i>4,615,801.34</i>
c. Cost to acquirer tangible and intangible fixed assets by location of assets	<b>5,830.21</b>	-		<b>5,830.21</b>
	<i>5,605.64</i>			<i>5,605.64</i>

Note: Amount in italics represents previous year figures

**35. Related parties disclosures as per Accounting Standard-18****Names of other related parties with whom transactions have taken place during the year**

Key Management Personnel (KMP)	- Mr. Mohit Talwar (Managing Director)
Enterprises owned or significantly influenced by key management personnel or their relatives	- Max India Foundation
Employee benefit funds	- Max Financial Services Limited Employees' Provident Fund Trust

## Notes forming part of the consolidated financial statements

### 35.1 Transactions with related parties during the year:

Particulars	(Rs. in Lakhs)							
	Key Management Personnel (Managing Director, Whole time director, manager and other managerial personnel)		Enterprises owned or significantly influenced by key management personnel or their relatives		Employee Benefit Fund		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
<b>Managerial Remuneration</b>								
Mohit Talwar	1,436.52	676.23	-	-	-	-	<b>1,436.52</b>	<b>676.23</b>
<b>Donation Paid and CSR activities</b>								
Max India Foundation	-	-	1,248.00	1,051.41	-	-	<b>1,248.00</b>	<b>1,051.41</b>
<b>Company's contribution to Provident Fund Trust</b>	-	-	-	-	2,258.99	2,042.72	<b>2,258.99</b>	<b>2,042.72</b>

**Note:** The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

### 36. Actuarial Assumptions

#### Life Insurance Business

MLIC'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 basis the projected yields on 10 year government bonds. A valuation rate of interest of 7.05% (previous year: 6.8%) for participating business and 7.35% (previous year: 7.1%) for non-participating, health business and riders has been used.

The valuation rate of interest rate was reduced by margin for adverse deviation (MAD) of 1.65% (previous year: 1.40%) for the participating business and 1.65% (previous year: 1.40%) for the major non-participating products.

For linked products, unit growth rate of 7.35% (previous year: 7.1%) has been used which was further reduced by MAD of 1.65% (previous year: 1.40%). For unit-linked products where there is a premium related bonus payable, the MAD for unit growth rate has been used as 2.35% (previous year: 2.10%).

#### (b) Mortality:

Mortality assumptions for valuation purposes in general are set at levels above the current experience. These rates were further increased by MAD of 10% (previous year: 10%) for participating business and 20% (previous year: 20%) for the non-participating, unit linked and health business.

#### (c) Morbidity:

The IAI has recommended the CIBT93 study of UK for morbidity incident rates, due to lack of any published Indian experience.

## Notes forming part of the consolidated financial statements

Proportions of 100% (previous year: 100%) of these tables or reinsurance rates have been used which were further increased by MAD of 20% (previous year: 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 were increased by MAD of 10% (previous year: 10%) for participating business and 10% (previous year: 10%) for non-participating, health and unit-linked business.

**(e) Inflation:**

An assumption of 6.00% pa (previous year: 6.00% pa) for expense inflation has been used.

**(f) Commission:**

It is based on the actual commission rates paid.

**(g) Lapses:**

Lapse assumptions for valuation purposes in general are set at levels below the current experience. Further, MAD of 20% (previous year: 20%) for participating business, 50% (previous year: 50%) for non-participating and unit-linked business and 20% (previous year: 20%) for health business is applied.

**(h) Free look cancellation:**

Provisions are made for the strain that may arise in the event of cancellation during the free look period. The free look cancellation assumption is 7.0% (previous year: 7.0%) for participating business, 4.0% (previous year: 4.0%) for non participating business and 7.5% (previous year: 7.5%) for the unit linked business. The assumptions were increased by MAD of 20% (previous year: 20.0%) for participating and non-participating business and 20% (previous year: 20.0%) for unit linked business.

**(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.

### 37. Additional information as required by paragraph 2 of the general instructions for preparation of Consolidated financial statements to Schedule III of the Companies Act, 2013

Name of subsidiary	Net Assets i.e total assets - total liabilities		Share in profit or loss	
	Amount (Rs. in lakhs)	As % of consolidated net assets	Amount (Rs. in lakhs)	As % of consolidated profit or loss
<b>Parent</b>				
Max Financial Services Limited	265,814.89	78.58%	(6,960.98)	(15.45%)
<b>Subsidiary</b>				
Max Life Insurance Company Limited	72,445.24	21.42%	52,012.00	115.45%
<b>Total</b>	<b>338,260.13</b>	<b>100.00%</b>	<b>45,051.02</b>	<b>100.00%</b>

## Notes forming part of the consolidated financial statements

### 38. Derivative contract

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.

MLIC 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.

MLIC has during the year, as part of its Hedging strategy, entered into Interest rate swaps (IRS) transactions to hedge the interest rate sensitivity for highly probable forecasted transactions as permitted by the IRDAI circular on Interest Rate Derivatives.

An IRS transaction is that whereby MLIC receives at a pre-determined fixed rate and pays a floating rate to the bank based on the underlying index. 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 MLIC solely for the purpose of hedging interest rate risks on account of following:

- Reinvestment of maturity proceeds of existing fixed income investments;
- Investment of interest income receivable; and
- Expected policy premium income receivable on insurance contracts which are already underwritten in Life and Pension & General Annuity business.

The Company uses hedge accounting as per the accounting standards 30 issued by the Institute of Chartered Accountants of India.

The following table sets forth, for the period indicated, the details of derivative positions.

Particulars	At	At
	March 31, 2018	March 31, 2017
	Interest rate derivatives	Interest rate derivatives
<b>Cash Flow Derivatives</b>		
1 Derivatives (Notional principal amount)	89,563,300	68,307,609
2 Marked to market positions		
a) Asset (+)	390.00	-
b) Liability (-)	(261,770)	(80,685)
3 Credit exposure		
a) Current Credit Exposure	(261,380)	(80,685)
b) Potential Future Credit Exposure	1,474,751	1,474,751

## Notes forming part of the consolidated financial statements

### Benchmark wise derivative position

Nature of the Derivative Contract	Benchmark	Number of deals	Notional amount of Derivative Contract outstanding 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 outstanding at the end of the year
a) Forward Rate Agreements (FRA)	MIBOR/OIS/INBMK	-	NA	-	-	-
b) Interest Rate Swaps (IRS)	MIOIS/ MIBOR	37	68,307,609	21,255,691	-	89,563,300
c) Interest Rate Futures (IRF)	GOI	-	NA	-	-	-

### 39. Payment to auditor (excluding GST/service tax) (included in legal and professional)

Particulars	(Rs. in Lakhs)	
	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>To statutory auditor:</b>		
For audit	18.00	18.00
For other services	3.00	5.00
Reimbursement of expenses	1.09	1.47
	<b>22.09</b>	<b>24.47</b>

### 40. Disclosures as per the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Particulars	(Rs. in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(i) the principal amount remaining unpaid to any supplier	33.90	-
(ii) interest due thereon	-	-
(iii) interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 and the amount of payment made to the supplier beyond the appointed day.	-	-
(iv) interest due and payable for the period of delay in making payment other than the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(v) interest accrued and remaining unpaid	-	-
(vi) further interest remaining due and payable even in the succeeding years 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.

## Notes forming part of the consolidated financial statements

41. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
42. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
43. At the year end, unhedged foreign currency exposures are as follows:

Particulars	As at March 31, 2018			As at March 31, 2017		
	Foreign Currency	Exchange Rate	Indian Rupee	Foreign Currency	Exchange Rate	Indian Rupee
	(in lakhs)	(Rupee)	(in lakhs)	(in lakhs)	(Rupee)	(in lakhs)
Trade payables (USD)	-	-	-	0.01	64.84	0.88
Trade payables (GBP)	1.52	92.28	140.27	1.41	80.88	114.04

44. The previous year's figures have been regrouped / reclassified, wherever necessary to correspond with the current year's classification / disclosure.

### For and on behalf of the Board of Directors

**Naina Lal Kidwai**

(Chairman)  
DIN - 00017806  
Place : New Delhi

**Sujatha Ratnam**

(Chief Financial Officer)  
Place : New Delhi

Date : May 25, 2018

**Mohit Talwar**

(Managing Director)  
DIN - 02394694  
Place : Gurugram

**Sandeep Pathak**

(Company Secretary)  
M.No - FCS-5351  
Place : New Delhi





# DIRECTORS' REPORT

Your Directors are pleased to present the Eighteenth Annual Report of your Company with the audited accounts for the Financial Year ended March 31, 2018.

## BUSINESS HIGHLIGHTS

Highlights for the Financial Year (FY) ended March 31, 2018 are as under:

Particulars	(Rs. crore)		
	Financial Year 2018 (Apr. 17 – Mar. 18)	Financial Year 2017 (Apr. 16 – Mar. 17)	Growth %
<b>Financial Performance</b>			
New Business Premium (First Year Premium and Single Premium)	4,349	3,666	19
Adjusted Individual First Year Premium*	3,215	2,638	22
Renewal Premium	8,152	7,114	15
Commission Expenses	893	936	-5
Operating Expenses (Policyholders')	1,612	1,591	1
Shareholders Profit / (Loss) After Tax	528	660	-20
Interim Dividend paid (Net of Dividend Distribution Tax)	163	140	16
<b>Key Business Parameters</b>			
Solvency Ratio	275%	309%	-3400 bps
Share Capital including Reserves and Surplus	2,689	2,506	7
Assets Under Management	52,237	44,370	18
No. of Policies In-Force ('000s)	4,085	3,913	4
Sum Assured In-Force	5,11,541	3,77,572	35
No. of Employees	10,226	9,446	8
No. of Agents	54,791	54,283	1
No. of Offices	210	210	0

\*Adjusted First Year Premium=Individual Regular First Year Premium plus 10% of Single Premium

Indian Life Insurance industry witnessed high growth in new business for a second year in a row. This growth strengthens the belief that consumer confidence in financial savings is sustainable and life insurance industry is well placed to leverage that.

New Business (Adjusted Individual First Year Premium) recorded 19% growth for Indian Life Insurance industry in the Financial Year 2017-18 (FY18). During the year, 22 life insurers (including LIC) recorded double digit growth of which 14 recorded more than 20% growth. LIC recorded 13% growth, while private life insurers recorded a growth of 24% resulting in an increase in market share of private life insurers to 56.2%.

FY18 will go down in the history of Indian life insurance industry as a year for which significant corporate actions took place. The industry witnessed two more private life insurers going for an Initial Public Offering which means that the investors now have opportunities to participate in the success story of top four private life insurers through stock markets.

Amongst the private players, Max Life Insurance Co. Ltd. ("Max Life Insurance" or "your Company" or "Max Life") maintained its 4<sup>th</sup> rank with a market share of 9.0% amongst the private players and 5.1% at the industry level, including LIC. While the most anticipated merger between Max Life Insurance and HDFC Life was called off due to regulatory reasons, more M&A opportunities opened up and are being pursued by your Company.

First Year Premium (Individual + Group) for Max Life Insurance increased by 19% to Rs.4,349 crore. In terms of individual adjusted first year premium, your Company recorded 22% growth to Rs.3,215 crore.

During the year, renewal premium income grew by 15% to Rs. 8,152 crore, taking gross written premium to Rs.12,501 crore, an increase of 15% over the previous financial year.

Operational efficiency is key to reducing cost in your Company. The operating expenses (policyholders) to net premium ratio improved from 14.9% in FY17 to 13% in FY18 and the cost (commission + policyholders

operating expenses) to net premium ratio improved from 23.7% FY17 to 20.2% in FY18.

Your Company generated a post-tax shareholders profit of Rs.528 crore in FY18 as compared to Rs.660 crore in the previous financial year, recording a decline of 7% mainly due to high investment profits and some non-repeatable income recorded during the previous year. Your Company announced shareholders' interim dividend (net of Dividend Distribution Tax) of Rs 163 crore and the Board recommended a final dividend (net of Dividend Distribution Tax) of Rs.163.10 crore during the year, which take the total dividend distribution to 17% of the face value of each share.

### THE STATE OF INDIAN ECONOMY

During FY18, as per the estimates, Indian economy grew at 6.6%. After witnessing slow growth in the first half, the economic growth picked up and in Q4 FY18 crossed 7% GDP growth mark. Corporate results for FY18 declared so far also indicate a positive growth in profitability for leading companies. This clearly indicate that the Indian economy has overcome slowdown witnessed due to demonetisation and GST implementation.

Reserve Bank of India reduced the benchmark interest rate by 25 bps to 6% at the close of the financial year 2017-18 as compared to previous financial year. The stock market was in positive territory with BSE Sensex recording 11% growth to end the year at 32,968. With Lok Sabha elections just a year away, all eyes will be on economic announcements made by the Central Government.

### THE STATE OF YOUR COMPANY'S AFFAIRS STRATEGISING FOR CONSISTENT AND PROFITABLE GROWTH

Strategy of any successful organisation is rooted in the environment it operates in. Indian Life Insurance is operating in a dynamic environment impacted by resurgent global economy, growing urbanization, increasing longevity and digital revolution. India is witnessing a significant change with a stable political environment, government policies having clear economic agenda and focus on promoting the habit of financial savings. In addition, Indian consumer is changing – living in present, positive expectations of future but at the same time they have to fend for their own financial future and hence want their money to work harder to provide them financial freedom.

With this backdrop, Max Life Insurance created its five-pillar strategy for the Financial Year 2017-18.

- **Strengthening proprietary channels** – Max Life Insurance has a balanced multi-channel distribution architecture. Proprietary channels, which include

Agency, Customer Advisory Team and e-commerce, form core of this distribution architecture. The Company decided to further strengthen these channels and increase growth rate while continue to be leader on quality parameters.

- **Stronger integration with bancassurance partners** – Max Life Insurance enjoys long standing and most productive relationships with its bancassurance partners. The focus on strengthening relationship with Axis Bank, Yes Bank and Lakshmi Vilas Bank by integrating systems, better customer understanding and relevant solutions became even more critical in open architecture.
- **Strengthening our digital and e-commerce offering** – Indian consumers are adopting digital technology at a fast pace and mobile internet has completely changed content consumption significantly. This creates a new set of opening for life insurance industry. Max Life Insurance decided to strengthen its presence in e-commerce and at the same time create a digitally equipped distribution force best suited to leverage the new ecosystem.
- **Enhance Protection business** – Protection is core to life insurance business. Max Life Insurance has and will continue proposed to strengthen its protection portfolio and increase the element of protection in all the product solutions.
- **Set industry benchmark on health parameters** – Growth without quality of business is not sustainable. Max Life Insurance has always kept this frame in mind while creating its growth strategy. Leadership on all customer parameters was identified as key to a sustainable and profitable growth.

Your Company is happy to report a strong overall performance across various operational areas.

### STRENGTHENING MULTI-CHANNEL DISTRIBUTION ARCHITECTURE

In a country as diverse as India and with the potential that is unmatched in the world, a multi-channel distribution architecture is essential for any life insurance company. Max Life Insurance realized this early in its journey and created a balanced distribution mix. Over the years, the Company has created one of the most productive agency distribution channels, stable and high-performing third party distribution relationships as well as leadership in e-commerce. The Company has also shown the ability to constantly review, learn and upgrade its distribution channels to maintain its leadership in the industry.

## Proprietary Distribution Channels

Proprietary distribution channels have been core to the Company's distribution architecture. Agency Distribution, Customer Advisory Team and e-Commerce witnessed strong growth momentum and, at the same time, further improved the quality of business. The proprietary channels recorded a growth of 16% during the year.

- **Agency Distribution** – Agency Distribution is the largest proprietary channel of Max Life Insurance and is considered the benchmark on quality of people and processes as well as the advice it offers to its customers. As a result, Max Life's agency distribution has one of the highest office productivity levels in Indian Life Insurance industry. Recruitment of quality agent advisors was the key focus area for the channel during FY18 as this is an important vector for building a career agency model. The channel used digital outreach for agent recruitment and also reached out to existing customers for their interest in taking up life insurance selling as a career. Both these initiatives yielded good results and helped improve quality of agent recruitment.
- **Customer Advisory Team** – Max Life Insurance has a strong in-house team that engages with existing customers in select cities. This direct-to-customers channel recorded high growth aided by increase in both productivity and dedicated team of relationship managers. The channel continues to have 13<sup>th</sup> month persistency in line with global standards.
- **Online Channel** – During the year, online term sales more than doubled. Max Life further consolidated its market position within the life insurance market place by holding on to its leadership position in term plans and adding savings plan also to its portfolio. Almost 15% of Max Life customers came through online channel. The channel provided 58% of the protection cover (i.e. Total Sum Assured) written by Max Life.
- **New channels** – Max Life Insurance has been leading the industry in adoption of the concept of Insurance Marketing Firms (IMFs) right from the time it was introduced. During the year, the company expanded the IMF channel and now has 152 IMFs which account for more than fifty percent of IMFs registered with IRDAI. Point of Sales channel was also introduced during the year.

## Third Party Distribution

- **Axis Bank** – Max Life and Axis Bank relationship is one of the most successful bancassurance

relationship in the Indian life insurance industry with both partners committed to provide superior value to its customers. The company maintained its near complete dominance of life insurance counter at Axis Bank. Branch activation and increased preference for ULIPs amongst high ticket customer segment aided the growth in new business.

- **YES Bank** – Max Life relationship continued its strong growth performance during the year and retained its position of one of the fastest growing bancassurance relationship in Indian life insurance sector. Increased focus on affluent customers resulted in greater share of ULIPs in product mix. Your Company remained focused on customer parameters. As a result, 13<sup>th</sup> month persistency witnessed an increase. Your Company increased branch activation in YES Bank through a significant increase in specified persons.
- **Other bancassurance relationships** - Lakshmi Vilas Bank witnessed growth in new business in line with management expectations and your Company continued to be the dominant life insurance partner for the Bank even in open architecture. Our UCB partnerships also recorded a healthy growth.

## Group Business

Group business continued to make good progress with a growth in written premium by 15% as it added some new leading corporates within its customer base.

## CONTINUOUS FOCUS ON OPERATIONAL EFFICIENCY FOR ENHANCING CUSTOMER EXPERIENCE

Customer retention is the best proof of not just selling right product solutions but also the quality of service a company provides to its customers which leads to better engagement.

During FY18, the renewal premium grew by 15% to Rs. 8,152 crore and Max Life Insurance continued its leadership in conservation ratio at 89.6%. 13<sup>th</sup> month persistency was 82.3% and recorded an increase of 190 bps to come closer to global standards. 61<sup>st</sup> month persistency at 54% was driven by higher share of traditional products in the product mix which experiences better persistency as well as secular improvements across cohorts.

Customer complaints continued to witness significant reduction. After 38% reduction in FY17, in FY18, the company also witnessed 37% reduction in complaints resulting in Grievance Incidence Rate improving to 95 per 10,000. Max Life's efforts to educate customers about fraudulent calling mechanism resulted in 17% reduction in spurious call complaints. The Company worked closely with police to nab fraudulent calling offenders which resulted in multiple bank accounts of such offenders being frozen. Processes were further

strengthened to overcome data leakage.

Payment of death claim is the biggest moment of truth in a life insurance contract. Your Company is amongst the best in claim paid ratio and continued its leadership journey on that front with Claim Paid Ratio improving to 98.23%. Your Company paid 10,152 death claims worth Rs. 353 crore during the Financial Year 2017-18. Since inception, Max Life Insurance has paid Rs. 2,223 crore towards death claim to 81,253 families.

Customer Experience Index, a cumulative index of customer experience across key policyholder transactions, witnessed an increase in Top 2 box score to 81% with 5 out of 10 touchpoints having score of about 80% which is in line with global standard results. In addition, the Customer Confidence Index improved to 80% due to significant increase in Treating Customer Fairly culture to 91%.

### **PRODUCT MIX – INCREASE IN SHARE OF PROTECTION AND ULIPs**

Max Life Insurance has a balanced product portfolio having an optimal mix of traditional endowment plans, unit linked plans and protection.

During the year, Max Life Insurance added four new products – Max Life Assured Wealth Plan – a guaranteed lump sum maturity benefit with short premium paying term, Max Life Online Savings Plan – an online unit linked insurance plan with options for wealth creation and planning for children education, Max Life Online Term Plan – a feature reach online term plan and Max Life Point of Sales product – a simple product for PoS channel.

Protection portfolio is one of the key focus areas for Max Life Insurance. During the year, sales of Online Term Plan doubled with sales of Max Life Online Term Plan through offline channels like CAT, Axis Bank and Agency Distribution also contributing significantly.

### **COST MANAGEMENT**

Operational efficiency is key to reducing cost in your Company. The operating expenses (policyholders) to net premium ratio improved from 14.9% in FY17 to 13.0% in FY18 and the cost (Commission plus policyholders operating expenses) to net premium ratio improved from 23.7% FY17 to 20.2% in FY18.

### **INFORMATION TECHNOLOGY – LEVERAGING TECHNOLOGY FOR BUSINESS TRANSFORMATION**

During FY18, significant technological interventions were undertaken by Max Life Insurance with an aim to transform business outcomes. A complete revamp of the Max Life Insurance Corporate website and customer servicing, enabled with world class user experience (UX), mobile responsiveness and powered with latest technologies, has helped substantially increase the B2C revenue through online route. Max Life Insurance also launched smart BOTs for superior customer experience

and real-time business metrics accessible “Anytime, Anywhere and on the go”. Other key applications launched included a unified system for enhanced experience in Operations (UNO) and mPower- a mobile responsive one stop shop mobile application for empowering Agents and Relationship Associates for customer and self-servicing.

### **ENHANCED ENGAGEMENT WITH EMPLOYEES**

At Max Life Insurance, improving employee experience & people practices is the bedrock of your Company’s high-performance culture. Throughout the year, initiatives on supporting performance, celebration of personal & professional milestones and volunteering for social impact were planned at local and organization level. Continuous listening and acting on feedback are enabled through an annual employee engagement survey in partnership with IBM Kenexa, annual Great Place to Work Study and Internal Pulse surveys.

2018 study by Great Place to Work Institute, India recognizes Max Life amongst top 15 workplaces in the BFSI category. Max Life is the only life insurance company to be part of this list. Overall, Max Life Insurance is ranked amongst the top 50 Great Place to Work in India in 2018.

94% employees participated in the recent annual engagement Survey conducted in Quarter 4, FY 2018. IBM has reported Max Life engagement levels amongst top decile of its global client database.

Digitisation of HR processes is key to offering convenience to our employees who are spread across 300+ locations in India. Employee App has now become the lifeline for our employees through which they can complete transactions like attendance management, salary slip request, create and participate in polls for better listening etc. In addition, through eCube, our employee portal, your Company is able to communicate and engage with all its employees.

Peahal, an employees volunteering programme, gained further momentum during the year. Around 3,500 employees and almost all agency distribution offices participated in various social causes such as financial literacy for under-privileged students via school contact programme, green plantation drive, healthcare activities such as blood donation, immunisation and health camps and collection and distribution of goods for underprivileged section of the society.

At our Founders’ Day, 271 employees and their families were recognized with Long Service Awards for completing 10 and 15 years of service.

### **INVESTMENT PERFORMANCE**

Your Company’s Assets under Management (AUM) of Rs. 52,237 crore as on 31<sup>st</sup> March 2018 recorded a healthy growth of 18% over the same time last year.

Your Company ensures the management of its investment assets in accordance with its Asset Liability Management Policy for traditional plans and a market oriented approach for its Unit-Linked plans. The performance of both Traditional and Unit- Linked funds is commensurate with the risks assumed in the respective funds.

While focusing on delivering maximum returns to policyholders, the investment function follows a prudent philosophy. The Traditional funds are invested keeping in mind the safety of capital and consistent returns over the long-term. The debt portfolio of your company is of the highest credit quality with 94.6 % of the rated debt portfolio carrying a top-notch rating of AAA/A1+. Your company maintains a large-cap oriented equity portfolio for the Traditional funds as well as ULIP funds.

On the economic front, this was a year of stabilization after the twin events of demonetization and GST implementation last year. Enhanced domestic investor interest in the equity market was a key highlight and the markets i.e. Nifty-50 Index, were up 10.3% during the year. Equity portfolios are managed in-line with our investment philosophy of "growth at a reasonable price" and performance continues to be robust.

Fixed income markets were highly volatile especially in the second-half. The yield on benchmark 10-year Govt. Security moved up 71 basis points during the year to 7.40% as at 31<sup>st</sup> March 2018.

New investment initiatives during the year were:

- Investments into InVITs (Infrastructure Investment Trust),
- Ramp up of real estate investments,
- Investment in alternative investment fund (AIF), and
- Looking for credit opportunity to enhance in yield on the portfolio.

Your company adopted the Stewardship Code as prescribed by the IRDAI and the investment team started engaging with managements of investee companies and voting on material proposals to protect our investment portfolio.

Shareholders may be pleased to note that in order to expand its business, your company has also been actively looking out for inorganic growth opportunities available in the market.

### AWARDS AND RECOGNITIONS

Our business performance and practices have always earned the admiration of our stakeholders and have won us multiple awards and recognition with FY18 being no different.



**Gold Medal at ASQ World Conference** – for reduction in discrepancies in policies and implementation of a new system testing design



**Outlook Money Awards 2018 - 'Life Insurer of the year'**. For all-round excellence in business



**CDO Converge Award – 'Digital Excellence in Insurance'** For showcasing the exciting developments in Digital and its future developments



**2018 - India Digital Awards** by Internet and Mobile Association of India (IAMAI) for **'Best Email Marketing Campaign'**



**CII - 11th National Lean and Six Sigma competition – First position (Service, IT, and ITES category)**



**29th QualTech Prize Competition - Quality Fables** for "Instaclaims - Claims Approval in 1 day" and "Enhancing Service to Recruitment" Business Contribution %"



**CIO 2017 Awards – IT Genius Award** for demonstrating innovation, creativity and business impact through technology



**World Quality Congress Quality Excellence Award** - 'Best Insurance Company - Life Insurance' and 'Best Use of Six Sigma in Banking and Finance Industry'



**Celent Model Insurer Asia Award – Winner in Digital and Omnichannel category**



**Great Place to Work 2018** - Only life insurance company to appear in Top 15 BFSI Great Place to Work



**Best Big Data/Analytics Awards – Team of the Year Award** for growing and leveraging our analytics capability to improve the value chain and in a way positively impacting the customer's delight



**People Capital Index Award** - one of India's top 50 with a high degree of employee satisfaction about its talent development efforts and programs



**Fintelegt Insurance Awards** – e-Business Leader award



**Effie Award for Communication Effectiveness** – Protection campaign



**Kamikaze Best Customer Service Initiative Award** - Shortest Policy issuance time for digital customers



**India's Most Admired Brand award** – in life insurance category

## **A ROBUST RISK MANAGEMENT FRAMEWORK TO ADDRESS ENTERPRISE WIDE RISKS**

Your Company'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.

Risk management activities are supervised on behalf of the Board by the Risk, Ethics and Asset Liability Management Committee, whose responsibilities conform to those prescribed by the IRDAI. The Management Risk Committee chaired by the Executive Vice Chairman and Managing Director 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 Company.

Your Company has an operationally independent Risk Management Function in place, headed by a Chief Risk Officer. The function is responsible for the supervision of all risk management activities in the Company, including developing the risk appetite, maintaining an aggregated risk view across the Company, 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.

Your Company 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 Company. It is also 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 risk management system is a continuous cycle

of improvement over the Company's existing risk management elements. Your Company is progressing well on its vision of a matured state of risk culture where every individual takes responsibility of risks and has a thorough understanding of all risk tolerances.

Your Company has in place a risk management system that enables it to develop and implement strategies, policies, procedures and controls to manage different types of risks., A Risk Appetite Statement is in place which identifies and addresses each material risk to which the Company is exposed and establishes the degree of risk that the Company is willing to accept in pursuit of its strategic objectives, business plans and the interest of the policyholders. These material risks have been categorized in the areas of Strategic, Insurance, Investment and Operational Risks. The Risk Management Strategy has been developed which defines the Company'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.

The risk management framework also ensures that the level of risk accepted is within the Company's risk capacity and the level of capital adequacy is in excess of the level prescribed in the regulations.

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

Your Company is committed towards providing a safe and alleviating working environment for all and in particular weeding out sexual harassment against women at the work place. Your Company is very sensitive towards any complaints related to sexual harassment and your Company has in place a well-defined Policy on Prevention of Sexual Harassment against women at the workplace. During the FY18, your Company received 22 complaints under the Sexual Harassment category. All these complaints were investigated and 18 cases of these were resolved. The unresolved 4 cases remained under investigation at year end. Of the complaints resolved during the year, all complaints were resolved within 90 days. Your Company makes the requisite filings to the competent authority in this regard.

## **NAMES OF COMPANIES WHICH HAVE BECOME OR CEASED TO BE ITS**



## SUBSIDIARIES, JOINT VENTURES OR ASSOCIATE COMPANIES DURING THE YEAR ALONG WITH REASONS THEREOF:

Your Company did not have any subsidiaries, joint ventures or associate companies during the year.

## CORPORATE SOCIAL RESPONSIBILITY

Your Company and its Directors firmly believe that it is the responsibility of every corporate to contribute to the well-being of the society it operates in. With this belief, your Company has set up a well-defined Corporate Social Responsibility (CSR) agenda for your Company and its employees. During the financial year 2017-18, Corporate Social Responsibility Committee met twice to review your Company's progress in the area of CSR.

Your Company continued to focus on healthcare, which included immunization, healthcare and artificial limbs and polio caliper camps, surgeries and treatments, cancer awareness and treatment support, health awareness, support to permanent health centers as well as environment awareness and protection, financial literacy and village adoption. Your Company made significant progress on involving employees as volunteers for CSR activities.

During the year, Max Life Insurance further increased the work undertaken by your Company in Dhakrani village in District Dehradun, Uttarakhand, which was adopted by your Company in FY15. During FY18 your Company along with Max India Foundation conducted 11 multi-specialty health camps and 103 bi-weekly health camps which benefited 6,782 residents of Dhakrani village. Through 14 immunisation camps, vaccines were administered to 262 children. Three phases of sewerage management work has been completed and now 1,065 houses are connected with sewage system. Solid waste management and bio-composting of organic waste resulted in production of 7,400 kg of organic manure.

During the year, 8,037 children were administered 18,448 immunization vaccines through 142 camps. Your Company also organized 719 health camps that benefited 1,70,201 people and 27 blood donation camps in which employees donated 562 units of blood. Your Company continued to support the cause of artificial limbs through a camp in Dehradun and Kiwanis Club to benefit 391 people. Through five permanent health centers, 19,273 patients were provided health services and medicines. 1,559 patients were provided support for surgeries and treatments.

In its second year, Pehal gained further momentum with over 3,500 employees participating in volunteering activities for social good. The employees participated in varied activities including financial literacy programme in schools, environment protection initiatives, collection

of clothes, books, games etc. for children, healthcare activities like immunization, healthcare and artificial limbs camps.

In line with the requirements under section 135 of the Companies Act, 2013, your Company contributed Rs. 11.71 crore towards these CSR activities during FY18 to its execution partner, Max India Foundation. The detailed Annual Report on the CSR activities undertaken by your Company is placed at **Annexure II**.

## CORPORATE GOVERNANCE

Your Company has a combination of Executive, Non-Executive and Independent Directors on its Board which comprises of 1 Executive, 8 Non-Executive and 3 Independent Directors. Your Company believes that well informed and Independent Board is essential to ensure the high standards of Corporate Governance.

Your Company believes that a strong foundation of corporate governance is essential for smooth operation of business. It also aids effective decision making to support the achievement of your Company's objectives. Further, your Company has always believed that an able leadership and strong corporate governance systems play a critical role in the ability of a company to effectively focus, develop and create value for the enterprise and its stakeholders.

Your Company believes that retaining and enhancing stakeholder trust is essential for sustained corporate growth. For Max Life, adherence to Corporate Governance stems not only from the letter of law but also from our inherent belief in doing business in the right way. Corporate Governance encompasses practically every sphere of management of 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 recognizes that it is the result of value driven leadership and high standards of accountability, transparency and ethics across your Company.

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 Corporate Governance guideline 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 area of disclosure,

compliances, dealing with stakeholders including its Customers, Vendors, Employees and paying back to the society through CSR initiatives. Your Company gives utmost importance to regulatory and statutory compliances and in this pursuit, your Company has implemented an automated Compliance Management System (COMS) across all of its corporate functions and over 134 branch offices across India, thereby establishing accountability, ownership and strengthening the compliance culture across the organization.

### **BOARD OF DIRECTORS AND COMMITTEES**

There were conscious efforts to continue to strengthen the Board of Directors, in terms of its effectiveness and corporate governance. The following changes were made in the Board and Committee composition of your Company:

- a. In accordance with the provisions of the Companies Act, 2013, Mr. Mohit Talwar, Ms. Marielle Theron and Mr. Rajit Mehta shall retire by rotation, and being eligible, have offered themselves for reappointment in the ensuing Annual General Meeting.

A resolution seeking reappointment of Mr. Mohit Talwar, Ms. Marielle Theron and Mr. Rajit Mehta have been included in the notice convening the forthcoming Annual General Meeting of your Company.

- b. In accordance with Companies Act, 2013 and new Corporate Governance Guidelines issued by IRDAI dated May 18, 2016, your Company has a proper composition of Board and Committees.
- c. Mr. Sahil Vachani has been appointed as an additional director of the Company on the nomination of Max Financial Services Limited, holding Company of your Company vide their letter dated May 7, 2018. He shall be a non-rotational director in terms of clause 5 of the Articles of Association of the Company. He is further being recommended for re-appointment by the shareholders of the Company in the ensuing Annual General Meeting.

Further disclosures, as per Corporate Governance Guidelines forms part of the Directors' Report as **Annexure I**.

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

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

In accordance with Section 2 (51) of the Companies Act, Key Managerial Personnel, in relation to a Company,

means the Chief Executive Officer/Managing Director/Manager, Company Secretary, the Whole-Time Directors and the Chief Financial Officer of your Company.

During the year, the following employees of your Company were holding the position of Key Managerial Personnel of your Company:

- a. Mr. Rajesh Sud (Executive Vice Chairman and Managing Director);
- b. Mr. Prashant Tripathy (Chief Financial Officer); and
- c. Mr. Anurag Chauhan (Company Secretary).

### **ANNUAL EVALUATION**

During FY18, the Annual Evaluation of the performance of the Board, the Committees, Individual Directors and Chairperson 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. The outcome of the said performance evaluation was placed at the Nomination and Remuneration Committee of your Company held on May 18, 2018 and at the Board meeting held on May 18, 2018.

In addition, the Independent Directors met separately without the attendance of non-independent directors and members of management, where they discussed and reviewed the performance of non-independent directors, and the Board as a whole; and also performance of the Chairman of the Company. They further assessed the quality, quantity and timelines in respect of flow of information between the Company management and the Board. Overall, the Independent Directors expressed their satisfaction on the performance and effectiveness of the Board, individual Non-Independent Board Members, and the Chairman, as also on the quality, quantity and timelines of flow of information between the Company management and the Board.

### **A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149 THE COMPANIES ACT, 2013**

Your Company has received declarations from the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

### **DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

Your Company's internal control system is commensurate with the size and scale of the business operations.

Your Company has disclosed to your Company's Auditors and the Audit Committee that, based on its most recent evaluation, there were no deficiencies in the design or operation of internal controls which could adversely affect your Company's ability to control processes, summarise and report financial data. No material weakness in internal controls over financial reporting was observed and hence there is no need for corrective actions with regard to deficiencies.

There were no instances of known material financial fraud, that involve the Management or other employees who have a significant role in your Company's internal control systems.

Your Company believes that internal control is a necessary prerequisite of the principle of Governance and that freedom should be exercised within a framework of checks and balances. There is a strong and independent in house Internal Audit department that is commensurate with the nature of the business and the size of its operations. The scope and authority of the Internal Audit department are well defined in the Internal Audit Charter, which is approved by the Audit Committee. To ensure independence, the Internal Audit department has a reporting line to the Chairperson of the Audit Committee of the Board. There is a well-defined risk based internal audit plan, which is prepared in consultation with the Management, Statutory Auditors and approved by the Audit Committee. Internal audit department is responsible for independently evaluating the adequacy of all internal controls, adherence to internal processes and procedures, regulatory and legal requirements. The internal audit function also carries out management self-assessment of adequacy of the Company's internal financial controls and operating effectiveness of such controls in terms of Companies Act, 2013. Internal Audit Department is the third line of defence which undertakes an independent review of the first and second lines and reports its findings and follow-up status on these findings to the Audit Committee on a quarterly basis. The Audit Committee reviews the performance of the audit function, provides strategic guidance, reviews the key findings of the audit reports, meets your Company's Statutory Auditors to ascertain their views on the adequacy of internal controls, and ensures that the Board of Directors is fully informed of major observations. The Company's Management closely monitors the internal control environment and ensures that the recommendations are effectively implemented.

In addition, your Company also has a dedicated compliance team that ensures that the Company maintains highest standards of Corporate Governance and Integrity, both internally and externally and runs its business in Ethical & Compliant manner. The experienced

and diversified compliance team has expertise in the areas of Regulatory Compliance, Compliance Investigation, Compliance Testing and Monitoring. The team works very closely with the business for implementation of various regulations and legislations. It also carries out various compliance reviews and testing to ensure that various policies, procedures and legislative requirements are duly implemented and gaps, if any, are adequately addressed. Annual Compliance Programme is approved by the Risk, Ethics and Asset Liability Management (REALM) Committee of your Company. The Committee also monitors the progress of the Programme on a regular basis. Key compliance risks are highlighted to the Board via the REALM Committee.

#### **CODE OF CONDUCT & WHISTLE BLOWER POLICY**

In order to uphold the highest standards of ethical behaviour, employees are required to observe the Code of Conduct applicable across the organization. Your Company, through the Whistle Blower Policy, has provided employees a channel for communicating any breaches of your Company's Values, Code of Conduct, Anti Money Laundering Policy and other regulatory and statutory requirements. Appropriate disciplinary actions are considered for any violation of the values, code or policies of your Company.

During the year under review, all new employees were provided with an easy to understand, written in simple English, compliance handbook, which contains a brief of all compliance policies and emphasizes the need to further promote use of whistleblower mechanism, in case of any compliance breach, unethical conduct or misbehaviour. Besides, significant focus was placed upon ethical practices, compliance and governance at all levels through multiple modes of training such as class room trainings, on-line modules, webcasts, employee town- halls etc.

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

All of 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 transaction has been made in the Notes to Accounts of your Company. In addition, the particulars of contracts or arrangements as entered with related parties of your Company are enclosed herewith in the prescribed format i.e. AOC-2, as **Annexure III**.

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

The extract of the Annual Return in the prescribed format

i.e. Form MGT-9 is enclosed herewith as **Annexure IV**.

**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 & Remuneration Policy as required under section 178, IRDAI Corporate Governance guidelines and IRDAI issued guidelines on remuneration of Non Executive Directors, Managing Director, Chief Executive Officer and Whole Time Directors dated 5<sup>th</sup> August 2016 ("Remuneration Guidelines"). Any shareholder, interested in obtaining a copy of the Policy, the Nomination & Remuneration Policy is enclosed herewith as **Annexure V**.

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

The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully. The interests of CEO/ MD/WTD are aligned with the business strategy, risk tolerance and adjusted for risk parameters as mentioned in Nomination & Remuneration Policy. The remuneration of CEO and Managing Director/ WTD/Manager is inclusive of fixed pay, perquisites, bonus, guaranteed pay, allowances, short term/ long-term incentives, retiral (superannuation or any other pension plan, gratuity, provident fund), stock, Employee Phantom Stock Option, severance package (by whatever name called) and other components. Your Company's Remuneration structure does not have guaranteed bonus of any kind as part of the remuneration plan of CEO/MD/ WTD except sign on/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 MD/CEO/WTD 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 network position, asset under management (AUM) etc. Remuneration outcomes are symmetrical with risk outcomes. The payouts are sensitive to the time horizon of the risk. Pay mix should be consistent with risk alignment. 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 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.**

Relationship of remuneration to performance is clear, meeting appropriate performance benchmarks and 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 working of the Company and its goals. NRC / Board track performance of the risk parameters or of the relevant line of business every year. In case of negative performance, 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 & Remuneration Policy.

**SECRETARIAL AUDIT REPORT**

The board of Directors of your Company, in its meeting held on July 28, 2017, appointed M/s Chandrasekaran Associates, Company Secretaries, Delhi, to conduct Secretarial Audit for FY18 as per the requirement under Section 204 of the Companies Act, 2013. M/s Chandrasekaran Associates, Company Secretaries, Delhi, has shared its report in the prescribed format i.e. Form No. MR-3. Form MR-3 is enclosed herewith as **Annexure VI** for your reference.

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

**a. Statutory Audit**

**Statutory Auditors i.e.** Fraser and Ross, Chartered Accountants and M/s. B. K. Khare & Co., Chartered Accountants, have no qualification, reservation, disclaimers and adverse remarks in the Auditors Report for FY18.

**b. Secretarial Audit**

M/s. Chandrasekaran Associates, Company Secretaries, Delhi, Secretarial Auditors of the

Company have no qualification, reservation, disclaimers and adverse remarks in the Auditors Report for FY18.

### **RURAL & SOCIAL SECTOR OBLIGATIONS**

Your Company has issued 133,360 policies in rural areas during the year, contributing to 23.74% of the total policy issuance. In addition, your Company has covered 905,829 of social lives under the social sector category. Your Company thereby exceeded the statutory requirements in both of these areas for FY 2018.

### **EMPLOYEE STOCK OPTION PLAN**

Your Company has not formulated any stock option scheme for FY 18.

### **EMPLOYEE PHANTOM STOCK OPTION PLANS**

During FY 2018, the Company had four employee phantom stock plans in force namely, "Employee Phantom Stock Plan 2014 (PSP- 2014)", "Amended Employee Phantom Stock Plan 2014 (PSP- 2014)", "Employee Phantom Stock Plan 2012 (PSP- 2012)" and "Amended Employee Phantom Stock Plan 2012 (Amended PSP- 2012)". The said schemes provide for issuance of Phantom Stock Units to eligible employees and directors, in accordance with the terms thereof. A fresh Employee Stock Option Plan, 2018 has been approved by the Board in its meeting held on May 18, 2018 and recommended to the shareholders for their consent by the way of passing a special resolution in the 18th Annual General Meeting of the Company, necessary details of which shall be included in the notice calling AGM.

### **CAPITAL**

The paid-up share capital of your Company is Rs. 1918.81 crore and including reserves it is Rs. 2,689 crore as on 31<sup>st</sup> March 2018.

As your Company continues to be one of the well-capitalized private life insurance companies in India, no further capital infusion was required during the year.

### **SHAREHOLDERS DIVIDEND**

The Board of Directors of your Company in its meeting held on November 10, 2017, announced an interim dividend of 8.5 % of the face value of each share for its shareholders amounting to Rs.163.10 crore, net of Dividend Distribution Tax (DDT), based on the performance of your Company during the first half of FY18.

The Board of Directors at its meeting held on May 18, 2018, recommended final shareholder's dividend of 8.5 % of the face value of each share, which will amount to Rs.163.10 crore net of Dividend Distribution Tax during FY18, subject to shareholder's approval at the ensuing Annual General Meeting.

This will take the total dividend distribution to 17 % of the face value of each share, amounting to Rs.326.20 crore (net of DDT) during the FY18.

### **POLICYHOLDER BONUS**

The Board of Directors took advice from your Company's Appointed Actuary and approved the recommendation to

- Increase the 2017 regular bonus rates by 5% for all the old products closed to new business.
- Increase the 2017 regular bonus rates by 7.5% for four products which are open to new business - Life Perfect Partner Super, Life Gain Premier, Whole Life Super and Future Secure II.
- Maintain the regular bonuses illustrated at 8% investment return for two products which are open to new business – Monthly Income Advantage Plan and Future Genius Education Plan.
- Pay terminal bonuses to maturities and eligible deaths such that the final payouts are aligned to their asset shares.

The total cost of regular bonus payable for the next 12 months is estimated to be Rs 1084 crore, an increase of Rs 230 crore from the bonus distributed last year amounting to Rs 854 crore. In addition, the payment of terminal bonus on eligible deaths and maturities has been approved, the cost of which would be Rs 12 crore.

### **RESERVES**

The Company for FY'18 has carried forward a total of Rs 184 Crs to its Reserves and Surplus Account. The Company had accumulated profits of Rs 676 Crs on March 31, 2018.

### **SOLVENCY**

Your Company regularly monitors its solvency margin and ensures that the margin is maintained at higher than the statutory required level, as prescribed in the IRDA (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2000. At the end of FY18, the solvency ratio stood at 275% (basis 100% of the Regulatory Solvency Capital).

### **PARTICULARS OF DEPOSITS**

Your Company has not accepted any deposits under Section 73 of the Companies Act, 2013.

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

In accordance with Section 186(11)(a) read with

clarification issued by 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 or 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 are no material changes and / or commitments that have an effect on the financial position of the Company.

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

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

### **AUDITORS**

The Statutory Auditors of the Company viz; M/s B.K. Khare & Co., Chartered Accountants and Fraser and Ross, Chartered Accountants, shall retire at the conclusion of the ensuing Annual General Meeting.

Fraser and Ross and M/s. B. K. Khare, Chartered Accountants have expressed their willingness to be re-appointed respectively at the forthcoming Annual General Meeting.

The members may note that Fraser and Ross, Chartered Accountants, have acted as Joint Statutory Auditors of the Company for the last five years, and M/s B.K. Khare & Co., Chartered Accountants, have acted a Joint Statutory Auditors of the Company for last three years.

Your Company proposes to reappoint M/s B.K. Khare & Co., Chartered Accountants the conclusion of the ensuing Annual General Meeting till the conclusion of the 19<sup>th</sup> Annual General Meeting and Fraser and Ross, Chartered Accountants at the conclusion of the ensuing Annual General Meeting till the conclusion of the 23<sup>rd</sup> Annual General Meeting and, as Joint Statutory Auditors, subject to the notification by the members of the Company at each Annual General Meeting.

Your Company has received certificates from the respective Statutory Auditors that their re-appointment as Auditors, if made, shall be in accordance with the conditions laid down in the Companies (Audit and Auditors) Rules, 2014 and Annexure 7 of Corporate

Governance Guidelines issued by IRDAI and satisfies the criteria provided in Section 141 and Section 144 of the Companies Act, 2013.

### **CAUTIONARY STATEMENT**

Statements in this Report, particularly those which relate to management discussion describing your Company's objectives 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 statements, depending on the circumstances.

### **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, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 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 Companies Act, 2013, for safeguarding the assets of your Company and for 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 devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **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, 2018, is as follows:

A.	Conservation of energy	NA
B.	Technology absorption	As below
C.	Foreign Exchange Earnings/ Inflow and Outgo	Year ended 31.03.2018 (Rs. Crore)
	Earnings/Inflow (including equity infusion)	42.12

Outgo	50.32
Activities relating to exports, initiatives taken to increase exports, develop new export markets, export plan, etc.	NA

### TECHNOLOGY ABSORPTION

a) The efforts made towards technology absorption:

Max Life has made significant progress in Digitizing its business with the adoption of new age technology tools and automations. FY 2018 has seen a transformation change in adoption of Digital assets for New business logins in a move towards a completely paperless journey. Revamp of the Corporate website and buying journeys has seen a steep increase in revenue of the channel by 100%. Efforts are being made towards strengthening absorption of all other Digital/Non Digital assets.

b) The benefits derived from technology improvement, cost reduction, new technological development and import substitution

Technology has helped your Company to leverage advances in online policy purchase process, ancillary mobile and analytic technologies, enable sales through on-line mode (100% revenue uplift), significant improvement in policy processing time, reduction in usage of paper and travel time by digitizing customer acquisition processes, increase end user productivity and consequently the customer satisfaction. In addition, technology initiatives have helped employees connect better with each other, share knowledge and complete various day to day activities with ease and speed. Driving cost reduction initiatives has helped your Company in channelizing investment towards building better applications for improved customer experience.

c) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year).

- i. the details of technology imported – Not Applicable
- ii. the year of import- Not Applicable
- iii. whether the technology been fully absorbed -Not Applicable

The section is not applicable as the Company did not import any technology during the last three years

d) The expenditure incurred during the year on Research and Development- Max Life has spent around Rs. 1 crore towards experimenting with new age innovative technologies such as BOTS, Robotic Process Automation and Internet of Things.

### ACKNOWLEDGMENTS

The Directors wish 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 and channel partners which have enabled your Company to establish itself amongst the leading private life insurance companies in India.

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

Your Directors also express gratitude to the Insurance Regulatory and Development Authority of India, the Reserve Bank of India, Central and State Governments and the joint venture partners, Max Financial Services Limited and Mitsui Sumitomo Insurance Co. Ltd. for their continued cooperation, support and assistance.

### For and on behalf of the Board of Directors

Date: May 18, 2018

Place: New Delhi

**Rahul Khosla**

Chairman

DIN: 03597562

## List of Annexures

S.No.	Particulars	Relevant Rules	Relevant Form	Annexure No.
1.	Disclosures for Financial Year 2019	IRDAI Corporate Governance Guidelines		1
2.	Corporate Social Responsibility Report	Section 134(3)(o) of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility) Rules, 2014]	Prescribed Format	11
3.	Contracts and arrangements with Related Parties	Section 188 (1) read with Section 134(3)(h) of Companies Act 2013	Form AOC-2	III
4.	Extract of Annual Return	Section 92(3) read with Section 134(3)(a)] of Companies Act 2013	Form MGT-9	IV
5.	Nomination & Remuneration Policy	Section 178(4) of Companies Act, 2013	NR Policy	V
6.	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	VI



## “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. ACS16169)

Place: New Delhi

Date: May 18, 2018

# Annexure I: Disclosures as per the Corporate Governance Guidelines

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

- a. During FY18, the Board of Directors met four times as follows:
- May 19, 2017
  - July 28, 2017
  - November 10, 2017
  - February 07, 2018

Number of meetings held and attended by the Directors as on March 31, 2018.

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended
Rahul Khosla	4	4
Marielle Theron	4	4
Rajesh Sud	4	4
Rajit Mehta	4	3
Masataka Kitagawa	4	4
Hideaki Nomura	4	3
John Poole	4	3
Rajesh Khanna	4	4
K. Narasimha Murthy	4	4
D.K. Mittal	4	3
Mohit Talwar	4	4

- b. During FY18 the Audit Committee met 4 times as follows:
- May 18, 2017
  - July 28, 2017
  - November 09, 2017
  - February 06, 2018

Constitution of the Audit Committee, number of meetings held and attended by the Members.

Name of the Member	No. of Meetings held	No. of Meetings attended
K. Narasimha Murthy	4	4
Marielle Theron	4	4
Mr. D. K. Mittal	4	3

During FY2018, there was no such incident happened when your Company's Board of Directors did not accept any recommendation of the Audit Committee.

- c. During FY18 the Investment Committee met 4 times as follows:
- May 19, 2017
  - July 28, 2017
  - November 10, 2017
  - February 06, 2018

Constitution of the Investment Committee, number of meetings held and attended by the Members.

Name of the Member	No. of Meetings held	No. of Meetings attended
Marielle Theron	4	4
John Poole	4	3
Mohit Talwar	4	3
Rajesh Khanna	4	4
Hideaki Nomura	4	3
Rajesh Sud	4	4
Jose John	4	4
Prashant Tripathy	4	4
Mihir Vora	4	4
Sanjeev Sood	4	4

- d. During FY18 the Policyholder Protection Committee met 4 times as follows:
- May 18, 2017
  - July 28, 2017
  - November 09, 2017
  - February 06, 2018

Constitution of the Policyholder Protection Committee, number of meetings held and attended by the Members.

Name of the Member	No. of Meetings held	No. of Meetings attended
Marielle Theron	4	4
John Poole	4	3
Hideaki Nomura	4	3
Jose John	4	4
V. Viswanand	4	4
D.K. Mittal	4	3

- e. During FY18 Risk, Ethics and ALM Committee met 4 times as follows:
- May 18, 2017
  - July 28, 2017
  - November 09, 2017
  - February 06, 2018

Constitution of the Risk, Ethics and ALM Committee, number of meetings held and attended by the Members.

Name of the Member	No. of Meetings held	No. of Meetings attended
Marielle Theron	4	4
John Poole	4	3
Rajesh Sud	4	4
Jose John	4	4
Hideaki Nomura	4	3
K. Narasimha Murthy	4	4

- f. During FY18 the Product & Actuarial Committee met 3 times as follows:
- May 18, 2017
  - July 28, 2017
  - November 09, 2017

Constitution of the Product & Actuarial Committee, number of meetings held and attended by the Members.

Name of the Member	No. of Meetings held	No. of Meetings attended
Marielle Theron	3	3
John Poole	3	2
Rajesh Sud	3	3
Jose John	3	3
Hideaki Nomura	3	3

- g. During FY18 the Nomination and Remuneration Committee met 4 times as follows:
- May 19, 2017
  - July 28, 2017
  - November 10, 2017
  - February 07, 2018

Constitution of the Nomination and Remuneration Committee, number of meetings held and attended by the Members.

Name of the Member	No. of Meetings held	No. of Meetings attended
K. Narasimha Murthy	4	4
Rahul Khosla	4	4
Masataka Kitagawa	4	4
Rajesh Khanna	4	4

- h. During FY18 With Profits Committee met 2 time as follows:
- May 18, 2017
  - February 06, 2018

Constitution of the With Profit Committee, number of meetings held and attended by the Members.

Name of the Member	No. of Meetings held	No. of Meetings attended
K. Narasimha Murthy	2	2
Rajesh Sud	2	2
Jose John	2	2
M.G. Diwan	2	2

- i. During FY18 the Corporate Social Responsibility Committee met 2 times as follows:
- May 18, 2017
  - November 09, 2017

Constitution of the Corporate Social Responsibility Committee, number of meetings held and attended by the Members.

Name of the Member	No. of Meetings held	No. of Meetings attended
D.K. Mittal	2	2
Rajit Mehta	2	1
Hideaki Nomura	2	2

- j. During FY18 the Independent Directors met on May 19, 2017, attendance by members is as follows:

Name of the Member	No. of Meetings held	No. of Meetings attended
D.K. Mittal	1	1
Rajesh Khanna	1	1
K. Narasimha Murthy	1	1

## k. Details of Board of Directors and other Committee Members, designation, qualifications.

<b>Name</b>	<b>DIN</b>	<b>Designation</b>	<b>Qualifications</b>
Mr. D.K. Mittal	00040000	Independent, Non Executive Director	M.Sc. Physics with specialization in Electronics from the University of Allahabad India
Mr. Hideaki Nomura	05304525	Non Executive Director	MBA from Graduate School of International Corporate Strategy, Hitotsubashi University, Japan
Mr. John Poole	05303908	Non Executive Director	Fellow of the Institute and Faculty of Actuaries (UK); Fellow of the Institute of Actuaries of Australia and B.Sc (Hons) in Mathematics from University College London
Mr. Jose John	NA	Appointed Actuary	B TECH-1990-1994; MBA (Finance), Cardiff Business School-1997-1999; and Fellow member of Institute and Faculty of Actuaries, UK 2000-2005
Mr. K. Narasimha Murthy	00023046	Independent, Non Executive 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).
Mr. M.G. Diwan	NA	Independent Actuary	Fellow member of the Institute of Actuaries of India, Fellow member of the Institute and Faculty of Actuaries, UK and a Fellow member of the Insurance Institute of India.
Mr. Masataka Kitagawa	07236354	Non Executive Director	Bachelor of Sociology from Hitotsubashi University, Tokyo.
Mr. Mihir Vora	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
Mr. Mohit Talwar	02394694	Non Executive Director	Postgraduate from St. Stephen's College and completed his Management Studies in Hospitality from the Oberoi School
Mr. Rahul Khosla	03597562	Chairman	Chartered Accountant and Honors in Economics from St Stephen's College, Delhi
Mr. Rajesh Khanna	00032562	Independent, Non Executive Director	MBA from the Indian Institute of Management, Ahmedabad and is a Chartered Accountant.
Mr. Rajesh Sud	02395182	Executive Vice Chairman and Managing Director	MBA from FMS, Delhi University, Honours in Commerce from Sri Ram College of Commerce, Delhi and also attended Advance Management Program at Wharton School of Business, University of Pennsylvania, USA
Mr. Rajit Mehta	01604819	Non Executive Director	Graduate in Commerce, post graduate in Human Resources and has also attended an Advanced Management Program at INSEAD – France
Mr. Sahil Vachani	00761695	Additional 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

Name	DIN	Designation	Qualifications
Ms. Marielle Theron	02667356	Non Executive Director	Fellow of Society of Actuaries, USA and B.Sc. majored in Actuarial Science, Laval University, Canada
Prashant Tripathy	NA	Chief Financial Officer	B TECH - IIT Kharagpur, PGDBM – IIM Bangalore
Sanjeev Sood	NA	SVP Head Internal Assurance & Chief Risk officer	B.Com from Delhi University, 1990, Chartered Accountant, 1997, Certified Internal Auditor (CIA), Certified Information Security Auditor (CISA), Certified Fraud Examiner (CFE), Certification in Risk Management Assurance (CRMA), 2013
V. Viswanand	NA	Chief Operations Officer	MMS-BITS Pilani

I. No. of other directorship and brief profile/field of specialization of the Directors of your Company:

S.	Name	No. of Directorships held in other Companies%	Brief Profile
1	Mr. D. K. Mittal	12	<p>Field of Specialization - Infrastructure, International Trade, Urban Development, Renewable Energy, Agriculture Development and Micro-Credit, Banking, Insurance, Pension and Finance.</p> <p>Mr. Mittal has hands on experience in Infrastructure, International Trade, Urban Development, Renewable Energy, Agriculture Development and Micro- Credit, Corporate Governance, Banking, Insurance, Pension and Finance.</p> <p>He is a former Indian Administrative Service (IAS) officer of 1977 batch (UP cadre) and has served the government of India in various capacities. Until last year, Mr. Mittal was Secretary, Department of Financial Services, where he was responsible for overseeing Banking, Insurance and Pension policies of India. During his tenure he worked very closely with the RBI and was on the Board of the RBI, LIC, State Bank of India, IIFCL and IIFCL(UK). Previously as Secretary, Ministry of Corporate Affairs, he has worked closely with SEBI, ICAI, ICSI and ICWAI. As an Additional Secretary, Department of Commerce, Mr. Mittal was the chief negotiator of India for WTO negotiation.</p>
2.	Mr. Hideaki Nomura	Nil	<p>Field of Specialization - Financial industries including insurance, banking and investment banking. Mr. Hideaki Nomura has 32 years of experience in the field of financial industries including insurance, banking and investment banking. In his tenure with Mitsui Sumitomo Insurance., Ltd. ("MSI") for 20 years, he steered and supervised Asian life insurance affiliates' business as a shareholder. He also took a strategic role in helping the company expand into Asian local insurance businesses by analyzing, structuring and valuating M&amp;A transactions, such as Sinatay Life in China, Sinarmas Life in Indonesia, Hong Leong Assurance in Malaysia, Hong Leong Takaful in Malaysia, Mingtai Insurance in Taiwan, etc.</p>

S.	Name	No. of Directorships held in other Companies%	Brief Profile
3.	Mr. John Poole	Nil	<p>Field of Specialization - Actuarial services</p> <p>Mr. Poole has more than 40 years of experience in the field of Actuarial and related services. John joined Max Life in 2005 and served as the Appointed Actuary from 2005 till 2011.</p> <p>Before joining Max Life Insurance, John's career was spent mainly with one of Australia's leading life insurers. He held a number of actuarial and finance positions including Finance Director for the company's Asian operations where he was involved in Business Development activities in the People's Republic of China, India and Japan. He also served as CFO and Actuary for the largest of the company's Australian business units.</p>
4.	Mr. K. Narasimha Murthy	6	<p>Field of Specialization - Chartered Accountant and Cost &amp; Management Accountancy Mr K. Narasimha Murthy holds brilliant academic records. He scored ranks in both CA &amp; ICWA courses and entered the Profession of Cost &amp; Management Accountancy in 1983. Expert in his field, he has to his merit credits of turning around of many large Corporates, focusing on systems improvement with Cost Reduction approach. Currently, he is associated with the development of Cost &amp; Management Information Systems for more than 175 Companies covering more than 50 industries.</p>
5.	Mr. Masataka Kitagawa	Nil	<p>Field of Specialization - Insurance and Underwriting</p> <p>Mr. Kitagawa has an experience of more than 30 years in insurance industry, including 13 years as a Liability Insurance underwriter in Fire &amp; Casualty Insurance Underwriting Department, 8 years of overseas business experience in London &amp; Bermuda and 3 years experience as the general manager of IR (investors relationship) Department involving the company's strategy and corporate planning and 3 years of experience of handling MS&amp;AD Group's global life insurance business"</p>
6.	Mr. Mohit Talwar	7	<p>Field of Specialization - Corporate Finance and Investment Banking</p> <p>Mr. Mohit Talwar is the Managing Director of Max Financial Services and Max India, and Vice Chairman of Max Ventures &amp; Industries Limited (MaxVIL). In addition, he is the Chairman of Max Speciality Films and serves on the Boards of Max Life Insurance, Max Healthcare, Max Bupa and Antara Senior Living. As the Deputy Managing Director of the erstwhile consolidated Max India Limited, he successfully leveraged his strong relationships with institutional investors, hedge funds, banks and private equity firms, and led several complex corporate finance and financial structuring deals to ensure adequate investment and liquidity for the Group's operations. He has played a central role in executing key transactions including the setting up of Max Bupa Health Insurance, bringing on board MS&amp;AD Insurance Group Holdings as the new JV partner for Max Life, Life Healthcare's entry in Max Healthcare, and later the equalization of its stake in the business, and completing the mega-restructuring of the erstwhile Max India into three new listed companies, which received a significantly positive reaction from capital markets. In his new role, Mr. Talwar was instrumental in executing a stake repurchase transaction with IDFC Limited, and more recently a transaction with IFC to repurchase its stake in Max Healthcare. He has also overseen key transactions in MaxVIL, including the induction of Toppan Group as a JV partner in Max Speciality Films, and a 22.5% stake sale to New York Life's subsidiary.</p> <p>Mr. Talwar has a wealth of experience in Corporate Finance and Investment Banking, and spent 24 years in Wholesale Banking in Standard Chartered, ANZ Grindlays and Bank of Nova Scotia.</p>

S.	Name	No. of Directorships held in other Companies%	Brief Profile
7.	Mr. Rahul Khosla	5	<p>Field of Specialization - Business Leader</p> <p>Mr. Rahul Khosla is a seasoned business leader with deep management experience, broad leadership skills and wide business perspectives developed over the last 35 years of working in India and globally. He is currently President of the Max Group, and also serves as Executive President, Max Financial Services; Chairman, Max India; Chairman, Max Life Insurance; and Chairman, Max Healthcare. He also serves on the Boards of Antara Senior Living and Max Bupa Health Insurance Company.</p> <p>Under his leadership, the Max Group has delivered superior financial performance, significantly grown market capitalization, and concluded seminal corporate transactions. He also led the mega-restructuring of the erstwhile Max India into three new listed entities. Before joining Max, Mr. Khosla spent more than a decade in Singapore as the Group Head of Products at Visa Inc for Asia Pacific, Central Europe, Middle East and Africa, following his role at Visa Inc as Chief Operating Officer for the Asia Pacific region. He held several senior roles prior to this – as Country Head for ANZ Grindlays' consumer banking businesses in India; Head of Retail Assets, Strategy, Finance and Legal at Bank of America; CFO for the American Express TRS businesses for India and South Asia, and as a Business Leader to help set up a pioneering in-house global processing facility for American Express.</p> <p>Mr. Rahul Khosla served as President, NatHealth, India's leading multi-stakeholder platform for healthcare organizations in 2016 and as the Chair of the FICCI Committee on Health Services in 2017. In addition, he serves on the Executive Board of the Indian School of Business (ISB), one of Asia's top B-Schools.</p> <p>He is a Fellow member of the Institute of Chartered Accountants of India, an Economics graduate from St. Stephens College, Delhi and completed his schooling at St. Xavier's in Delhi.</p>
8.	Mr. Rajesh Khanna	3	<p>Field of Specialization - Investment</p> <p>Mr. Rajesh Khanna is the founder and CEO of Arka Capital Advisors Pvt. Ltd, and is an investor in various companies. He is a Director on the Board of Max Financial Services Limited.</p> <p>Mr. Khanna is a member of the Equity Investment Committee of Piramal Fund Management Pvt. Ltd and is a Senior Advisor of Kae Capital. Previously, he served as a Managing Director and India Head of Warburg Pincus, a global private equity firm, and was a member of its global Executive Management Group. He received a PGDM from the Indian Institute of Management, Ahmedabad and is a Chartered Accountant.</p> <p>He received an MBA from the Indian Institute of Management, Ahmedabad and is a Chartered Accountant.</p>

S.	Name	No. of Directorships held in other Companies%	Brief Profile
9.	Mr. Rajesh Sud	3	<p>Field of Specialization - Business Leader &amp; Insurance</p> <p>Mr. Rajesh Sud was appointed Executive Vice Chairman and Managing Director of Max Life Insurance with effect from January 29, 2016. Max Life Insurance started operations in 2001 when the insurance sector was opened to private participation. A founder team member, Rajesh was amongst the first few management team members to join Max Life Insurance. In November 2008, he took over as the CEO &amp; Managing Director of the company. He leads the Company towards achieving its vision of being the most admired life insurance company by securing the financial future of our customers.</p>
10.	Mr. Rajit Mehta	7	<p>Field of Specialization - Management, Financial and Healthcare services</p> <p>Mr. Rajit Mehta is a seasoned professional with a total experience spans nearly 3 decades. He is a founder member of the Company and has seen it through its formative years. In his previous role, Rajit was Executive Director and Chief Operating Officer at the Company. Currently, Rajit is Managing Director &amp; CEO of Max Healthcare Institute Limited, a leading private healthcare company in India. He is also a trustee of Max India Foundation – the CSR arm for the Max Group of Companies.</p>
11.	Ms. Marielle Theron	3	<p>Field of Specialization - Actuarial and Financial services</p> <p>Ms. Theron, a Fellow of the Society of Actuaries, has 35 years' experience in the financial service industry. She is currently a Principal of Erlen Street Corporation, Switzerland, a company that specialises in strategic investment and management consulting solutions.</p> <p>Prior to that, Ms Theron worked in both consulting and corporate roles for multi-national companies and governments across Europe, Asia, Australia, New Zealand and South Africa, advising on insurance and investment related solutions.</p> <p>She joined the Board of Max Life in May 2009. She also serves on the Board of Max Bupa and Max Skill First.</p>
12.	Mr. Sahil Vachani	18	<p>Mr. Sahil Vachani is CEO &amp; Managing Director, Max Ventures and Industries Limited, which is the holding company for Max Speciality Films, an innovation leader in the Speciality Packaging Films business; Max Estates, the commercial and residential real estate development arm; Max Learning, the education vertical; and Max I an Investment arm, wherein he is responsible for the overall strategic vision and direction of the company. He has diverse experience across various sectors including consumer durables and real estate. Mr. Sahil Vachani holds a Bachelor's degree in Management Sciences from the University of Warwick, U.K. backed up by an Executive Management Program on Disruptive Innovation from the Harvard Business School. He started his career as an investment banker with Citigroup in London, where he worked on Mergers and Acquisitions across the Middle East and Africa region. In 2004, he joined Dixon Technologies, a consumer appliance manufacturing firm as Business Head and setup new verticals across multiple locations and was involved in the launch of new products, setting up of new manufacturing facilities and establishing relationships with leading brands as customers.</p>

% 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.



- m. During FY18, your Company paid profit-based commission to the independent directors for FY17, not exceeding 1% of net profits the Company, amounting as follows:

<b>Independent Director</b>	<b>Commission paid in FY18 for FY17</b>
Mr. D.K. Mittal	25,00,000
Mr. K. Narasimha Murthy	25,00,000
Mr. Rajesh Khanna	25,00,000

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 FY18. Details of which is hereunder:

<b>Independent Director</b>	<b>Total Meetings attended</b>	<b>Total amount paid in Rs.</b>
Mr. D. K. Mittal	12	12,00,000
Mr. K Narasimha Murthy	19	19,00,000
Mr. Rajesh Khanna	13	13,00,000

The profit-based commission shall be in addition to the sitting fees being paid to your Company's Independent Directors. A proposal in this regard has been passed at the Annual General Meeting of the Company, held on May 18, 2016.

- n. All pecuniary relationships or transactions of the Non-Executive Directors.

Mr. John Poole, Non-Executive Director of the Company has received Rs. 38,07,030/- to provide professional services to your Company. The professional engagement complies with section 197 of the Companies Act, 2013.

- o. Elements of remuneration package (including incentives) of MD & CEO and all other directors and Key Management Persons as per clause 9 of the IRDAI Corporate Governance guidelines:

	In Rs.
<b>Total Fixed Pay</b>	31,55,78,082
Includes Basic, Retirals (PF, Gratuity), Flexible Benefits Plan (including expenses on account of Car, Medical Reimbursement, Communication	
<b>Total Bonus</b>	7,23,69,089
Variable Plan contingent on Company and Individual Performance...@182.7% Bonus pool in FY 2017-18	

**Note:**

- This does not include the remuneration For Managing Director 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.

p. Details in respect of remuneration paid to the Executive Director:

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

The performance of the Managing Director is linked to the achievement vis-à-vis, the Measure of Success ("MOS") for the 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).

ii. Service contracts, key terms;

Mr. Rajesh Sud was re-appointed as the Managing Director and Chief Executive Officer of the Company effective November 01, 2013 for a period of five (5) years valid till October 31, 2018. Subsequently he has been designated as Executive Vice Chairman & Managing Director effective January 29, 2016.

iii. 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.

Mr. Rajesh Sud, Executive Vice Chairman and Managing Director of the Company did not receive any commission or remuneration from your Company or its holding Company during the FY 2018.

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

**For and on behalf of the Board of Directors**

**Rahul Khosla**

Chairman

DIN: 03597562

Place: New Delhi

Date: May 18, 2018

## 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 8<sup>th</sup> CSR Committee Meeting held on 18<sup>th</sup> May 2017 in New Delhi and was approved by the Committee. As per the CSR Policy, your Company has identified Health & Hygiene, Nutrition, Livelihood, Financial Literacy & Insurance Awareness, Education and Support to NGOs as the key areas for CSR initiative. As per the CSR Policy, your Company decided to execute and undertake healthcare, which includes immunization, surgeries and treatments, health camps, medicinal support, health awareness, environment awareness and disability support for artificial limbs and polio callipers and other disabilities. In the area of sanitation your company decided to undertake sewerage management, waste management including its correct disposal as well as the safe drinking water. Your Company also undertook health & hygiene, sanitation, drinking water, education support and environment protection activities in the adopted village. Your Company also decided to provide nutrition support and livelihood training. Your Company also provided financial literacy & insurance awareness to school students and support staff in offices with an aim to enhance their understanding of money related concepts such as earning, spending and savings and the financial products including government schemes for the same.

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

1. **Immunization and Health Camps** – During FY18, through 142 immunization camps 8,037 children were given vaccines for identified diseases. 18,448 vaccines were administered during these camps. During this period, 719 health camps were organized in which 1,70,201 people availed the services of doctors. During the year, 27 blood donation camps were organised in which 562 units of blood were donated by employees of Max Life Insurance. ₹58.78 lakh was spent on organising all these activities.
 

During FY17, Max Life Insurance purchased a mobile medical unit for conducting immunisation and health camps and health awareness. A sum of ₹4.54 lakh was spent on running and maintenance of this mobile medical unit.
2. **Surgeries and treatments** – Max Life Insurance supported 1,559 cases of surgeries and tertiary treatments. Of these 31 cases were related to oncology, 36 cases related to paediatric cardiology and 238 cases were related to cataract. Cancer treatment was provided to 725 patients through various NGOs working in this area such as CanKids... KidsCan, Indian Cancer Society and RBCT. A sum of ₹254.94 lakh was spent on surgeries and treatments during FY18.
3. **Health Centres** - Max Life Insurance supported five health centres, one each in Ukhimath, Purukul, Mussorie (all in Uttarakhand) and Rail Majra (Punjab) and Delhi. In addition, your Company supported home visit programme conducted by CanSupport for palliative care. During the year, your Company decided to close down the health centres in Ukhimath and Purukulas well-appointed Government Primary Health Centres have come up in the near vicinity. Through these health centres 19,273 patients were provided medical care. A total of ₹50.49 lakh was spent on these health centres and patient support programme.
4. **Contribution to NGOs** - During the Financial Year 2017-18, ₹262.93 lakh was contributed to NGOs. These NGOs are mainly engaged in healthcare activities. Some of the main NGOs supported by Max Life Insurance were CanSupport, Sambandh Health Foundation, CanKids...KidsCan, SevaMandir and Chandigarh Spinal Rehab. Another ₹55.98 lakh was spent on health awareness and environment awareness & protection programmes.
5. **Artificial Limbs & Polio Callipers** –Max Life Insurance conducted an artificial limbs and polio callipers camp in Dehradun in which benefited 205 people. In addition, artificial limbs were provided to 186 beneficiaries through Kiwanis Rehabilitation

Centre and some other NGOs. ₹35.63 lakh was spent on this activity.

6. **Village Adoption** – Max Life Insurance adopted Dhakrani village in District Dehradun in 2015. Your company has continued to work in the areas of sewage and solid waste management, healthcare including immunisation, drinking water in schools. A sum of ₹347.70 lakh was allocated for village adoption activity during the year of which ₹105 lakh was allocated for sewage treatment plant phase IV.

During the year, your Company organised 11 multi-speciality health camps with support from Max Healthcare and 14 immunisation camps in the village with 2,343 and 262 beneficiaries respectively. Your company also organised bi-weekly health camps, one each in Upper Dhakrani and Lower Dhakrani, through Bella Healthcare. During the year 103 camps were organised which benefited 4,439 villagers and health awareness programmes run along with these health camps covered 5,725 people. A sanitary napkin unit, which was set up by women from the village with initial capital provided by Max Life Insurance, has produced over 27,000 sanitary napkins till date. These napkins were sold at nominal cost to village women and funds thus generated were used for procurement of raw material.

Solid waste management has taken roots in Dhakrani village with around 1,800 households participating in house to house waste collection programme. The waste is segregated in organic and inorganic waste using trammel machine. Using this organic waste 7,400 kg of organic manure was produced and plastic waste was recycled.

First three phases of sanitation programme, involving laying out 94,100 feet of sewerage pipelines and connecting those with sewage treatment plant was completed during the year. So far 1,065 households have been covered in these three phases.

A park of approximately 1,200 sq. ft. was set up in the village which can be used by elders as well as children from ITI and Anganwadi nearby.

The employees and agent advisors of your company conducted financial literacy and insurance awareness camps in the village. The employees and agents visited 995 households and explained to them the benefit of financial planning, features of financial products and also conducted need analysis to help the households understand their

financial needs.

7. In its second year, Pehal gained further momentum with over 3,500 employees participating in volunteering activities for social good. During the Financial Year 2017-18 Pehal, the volunteering programme, covered the following activities:

- Financial Literacy – During FY18, financial literacy camps were organised in 56 schools in Madhya Pradesh, Assam, Andhra Pradesh, Delhi NCR, Jammu & Kashmir, Gujarat and Uttarakhand in which more than 6,000 students of class 9-12 were imparted financial literacy to make them conversant with basic financial concepts, life insurance benefits and financial schemes launched by Government of India for underprivileged section of the society.
- Skill Development – Max Life Insurance supported Students' Education and Cultural Movement of Ladakh (SECMOL), an NGO promoted by Sonam Wangchuk, for setting up the School of Performing Arts, Yoga and Traditional Tibetan Medicine Centre at Renovated Amphitheatre of the Phyang Monastery. The group plans to engage youths from multiple Himalayan countries in Research & Development to tackle the issues faced by mountain people, especially in the domains of education, culture and environment. Max Life Insurance supported the development of various aspects of the School of Tourism like the Wellness Centre, Centre of Performing Arts and Yoga & Medication. A microsite was launched to create awareness about the work SECMOL is doing. An interactive online game was used to engage people on the microsite. Besides this 6 short videos and infographics were also promoted through our digital media assets to increase the awareness.
- Employees of Max Life Insurance also engaged in tree plantation in the cities of Gurugram and Hyderabad. All agency distribution offices of Max Life Insurance participated in environment awareness activity in which a Tulsi plant was distributed to agent advisors and walk-in customers. They were also informed about the environmental impact of choosing environment friendly communication methods. Max Life also supported a cycle trip by Sabita Mahato, a women cyclist, to promote environment awareness in Uttarakhand. The expedition that commenced from the ancient

city of Haridwar, passed through the rough terrain of Garhwal range (Gangotri, Yamunotri and Uttarkashi) before culminating in Haridwar after a month. During the expedition Sabita covered around 26 schools and various villages to create awareness about the need to protect our rivers. Around one tonne of waste was collected with the help of 700 school girl students from river bed during this cycling trip.

- 2,180 employees in our offices collected material such as clothes, toys and stationary and distributed those to around 3,200 underprivileged people including children.

₹100 lakh has been booked as expenses under this head in FY18.

The CSR Policy of your Company has been posted on <https://www.maxlifeinsurance.com/content/dam/corporate/csr-and-media-centre-policies/csr-policies/FY2017-18/CSR-Policy-FY-2017-18.pdf>

#### The composition of the CSR Committee:

The CSR Committee of Max Life Insurance is headed by Mr. D K Mittal, Independent Director and has Mr. Rajit Mehta, Director and Mr. Hideaki Nomura, Director as members.

## 2. Average net profit of the company for last three financial years and prescribed CSR Expenditure:

During the Financial Year 2017-18, your Company decided to spend ₹1,171 lakh, which is 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 2017-18 is as follows:

Annual CSR Expenditure FY18 – Max Life Insurance Company Limited	
Profit Before Tax FY15	₹47,759 lakh
Profit Before Tax FY16	₹51,094 lakh
Profit Before Tax FY17	₹76,822 lakh
Average Profit Before Tax	₹58,558 lakh
CSR Budget FY 18 (2% of Average PBT)	<b>₹1,171 lakh</b>

## 3. Details of CSR spend during the financial year:

### a. Total amount to be spent for the financial year

During the Financial Year 2017-18, ₹1,171 lakh was paid to our execution partner Max India Foundation which is in line with 2% of three years average PBT.

### b. Amount unspent, if any; Nil.

Following are the details of CSR expenditure conducted during the Financial Year 2017-18:

1	2	3	4	5	6	7	8
S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program-wise (₹ In Lakh)	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs. (2) Overheads: (₹ in Lakh)	Cumulative expenditure up to the reporting period. (Amount ₹ in Lakh) April 2016 - March 2017	Amount spent: Direct or through implementing agency
1	Surgeries and Treatments	Health	all over India	200.00	(1) 198.86 (2) 56.08	254.94	Through Max India Foundation
2	Immunization / Healthcamps/ Blood donation camps	Health	all over India	85.00	(1) 25.38 (2) 33.40	58.78	Through Max India Foundation
3	Healthcentre	Health	Punjab/ Delhi/ Dehradun/ Ukhimat h/Mussoorie	60.00	(1) 35.30 (2) 15.19	50.49	Through Max India Foundation
4	NGO work on Healthcare platform	Health	all over India	251.00	(1) 222.78 (2) 40.16	262.93	Through Max India Foundation
5	Health Awareness	Health	all over India	60.00	(1) 45.33 (2) 10.66	55.98	Through Max India Foundation

1	2	3	4	5	6	7	8
S. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or program-wise (₹ In Lakh)	Amount spent on the projects or programs Sub-heads: (1) Direct Expenditure on projects or programs. (2) Overheads: (₹ in Lakh)	Cumulative expenditure up to the reporting period. (Amount ₹ in Lakh) April 2016 - March 2017	Amount spent: Direct or through implementing agency
6	Artificial Limb and polio Calipers	Health	Delhi / Chandigarh/ Dehradun	40.00	(1) 35.63 (2) 0.0	35.63	Through Max India Foundation
7	Village Adoption	Rural Development	(1) Village Dhakrani (2) Dehradun, Uttarakhand	370.00	(1) 293.30 (2) 54.40	347.70	Through Max India Foundation
8	Mobile Van (for immunisation)	Health	Delhi	5.00	(1) 4.53	4.53	Through Max India Foundation
9	Financial Literacy & Volunteers support	Education	Gurugram/ Jammu/ Srinagar	100.00	(1) 100.00	100.00	Through Max India Foundation
	Total			1,171.00	(1) 961.12 (2) 209.88	1,171.00	

4. **Manner in which the amount was spent during the financial year is detailed below:**

CSR initiatives by your Company were implemented through Max India Foundation, an independent Trust that is involved in the societal activities since 2006.

5. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

Not applicable.

6. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company:**

This is to confirm that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and policy of your Company.

**Rajesh Sud**

Executive Vice Chairman and Managing Director  
DIN: 02395182

Date: May 18, 2018  
Place: New Delhi

**Dinesh Kumar Mittal**

Chairman, CSR Committee  
DIN: 00040000

Date: May 18, 2018  
Place: New Delhi

**Mr. Rahul Khosla**

Chairman  
DIN: 03597562

Date: May 18, 2018  
Place: New Delhi

## 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 FY18

Related Party	Name of the related party	Nature of Relationship	Nature of Contract	Amount spent / received in Transaction Period (2017-18)	Duration of the Contract	Salient Terms of contract or arrangements or transactions including the value	Dates of approval by the Boards, if any	Amount Paid as advance if any
1	Max Financial Services Limited	Holding Company	Sub Licensing Agreement	Nil/NA		Sublicensing by Max Financial Services Limited to the Company for using the trademark of Max India.	08.08.2016	NO

## B Details of contracts or arrangements or transactions at arm's length basis for FY18

Related Party	Name of the related party	Nature of Relationship	Nature of Contract	Amount spent / received in Transaction Period (2017-18)	Duration of the Contract	Salient Terms of contract or arrangements or transactions including the value	Dates of approval by the Boards, if any	Amount Paid as advance if any
1	Max Financial Services Limited	Holding Company	Expense - Group Cost allocation - Coordination	1,541,787	01-04-2017 to 31-03-2018	Cost Sharing on compliance dealing	Not Applicable	NO
2	Max Financial Services Limited	Holding Company	Expense - Guest House expenses	922,600	01-04-2017 to 31-03-2018	Stay Expenses	Not Applicable	NO
3	Max Financial Services Limited	Holding Company	Expense - Functional support services	97,000,000	01-04-2017 to 31-03-2018	Group Consultancy	Not Applicable	NO
4	Max Financial Services Limited	Holding Company	Receipt - Cost allocation of disaster recovery site	459,030	01-04-2017 to 31-03-2018	Services cost allocation for resource sharing	Not Applicable	NO
5	Max Financial Services Limited	Holding Company	Receipt - Recovery of HRMS implementation cost	20,004	01-04-2017 to 31-03-2018	Cost sharing HRMS maintenance	Not Applicable	NO
6	Max Financial Services Limited	Holding Company	Receipt - Life Insurance Premium	837,942	01-10-2017 to 30-09-2018	Group Term life insurance	Not Applicable	NO
7	Max Financial Services Limited	Holding Company	Expenses - D&O Insurance Policy	453,120	01-09-2017 to 31-08-2018	Directors' Insurance allocation	Not Applicable	NO
8	Max India Foundation	Other entities of which any of the directors of the company is a member or owner	Payment - CSR activity	117,100,000	01-04-2017 to 31-03-2018	Payment towards CSR activities	Not Applicable	NO
9	John Poole	Director	Payment - Consultancy	3,807,030	01-04-2017 to 31-03-2018	Consultancy services	01.02.2017	NO

## For and on behalf of the Board of Directors

**Rahul Khosla**  
Chairman  
DIN: 03597562

**Annexure IV  
Form No. MGT-9**

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2018

(Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

CIN	U74899PB2000PLC045626
Registration Date	July 11, 2000
Name of the Company	<b>Max Life Insurance Company Limited</b>
Category / Sub-Category of the Company	Life Insurance Company
Address of the Registered office and contact details	419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab-144 533
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Mas Services Limited (Registrars & Share Transfer Agents) T-34, 2nd Floor, Okhla Industrial Area, Phase - II, New Delhi - 110 020 Ph:- 26387281/82/83

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Life Insurance	Group: 651, Class: 6511, Sub-Class: 65110	~100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

No.	Name And Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Max Financial Services Limited (erstwhile Max India Limited)	L24223PB1988PLC008031	Holding Company	70.75%	Section 2(87) (ii)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

**i. Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
g) Individual/HUF									
h) Central Govt									
i) State Govt (s)									
j) Bodies Corp.	1,34,33,60,309	0	1,34,33,60,309	70.01%	1,35,75,31,126	0	1,35,75,31,126	70.75%	0.74%
k) Banks / FI									
l) Any Other...									
<b>[Shares held by nominees of Max Financial Services Limited (erstwhile Max India Ltd)]</b>	0	70	70	Nil (Approx)	0	70	70	Nil (Approx)	0
Sub-total (A) (1):-	1,34,33,60,309	70	1,34,33,60,379	70.01%	1,35,75,31,126	70	1,35,75,31,196	70.75%	0.74%



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign	-	-	-	-	-	-	-	-	-
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A) (1)+(A)(2)	1,34,33,60,309	70	1,34,33,60,379	70.01%	1,35,75,31,126	70	1,35,75,31,196	70.75%	0.74%
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	9,57,48,762	0	9,57,48,762	4.99%	7,65,99,010	0	7,65,99,010	3.99%	(1.00%)
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
NBFC	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	9,57,48,762	0	9,57,48,762	4.99%	7,65,99,010	0	7,65,99,010	3.99%	(1.00%)
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	47,97,03,215	0	47,97,03,215	25.00%	48,46,82,150	0	48,46,82,150	25.26%	0.26%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	0	500	500	0%	0	500	500	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	-	-	-	-	-	-	-	-	-
c) Others	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	47,97,03,215	500	47,97,03,715	25.00%	48,46,82,150	500	48,46,82,650	25.26%	0.26%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	57,54,51,977	500	57,54,52,477	29.99%	56,12,81,160	500	56,12,81,660	29.25%	(0.74%)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	1,91,88,12,286	570	1,91,88,12,856	100.00%	1,91,88,12,286	570	1,91,88,12,856	100.00%	0.00%

## ii. Shareholding of Promoters

Sl No.	Share-holder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1	Max Financial Services Limited (erstwhile Max India Limited)	1,34,33,60,309	70.01%	Nil	1,35,75,31,126	70.75%	Nil	0.74%
2	Shares held by nominees of Max Financial Services Limited (erstwhile Max India Limited)	70	Nil (Approx)	Nil	70	Nil (Approx)	Nil	Nil
	Total	1,34,33,60,379	70.01%	Nil	1,35,75,31,196	70.75%	Nil	0.74%

iii. **Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year <b>Max Financial Services Limited (erstwhile Max India Limited)</b>	1,34,33,60,309	70.01%	1,34,33,60,379	70.01%
2	<b>Shares held by nominees of Max Financial Services Limited</b>	70	Nil (Approx)		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc): <b>Max Financial Services Limited (erstwhile Max India Limited)</b>	Percentage of Shareholding changed due to transfer of shares as under: March 22, 2018, Axis Bank Limited transferred its 1,41,70,817 equity shares amounting to 0.74% of paid-up equity share capital to Max Financial Services Limited through demat mode.			
1	At the end of the year <b>Max Financial Services Limited (erstwhile Max India Limited)</b>	1,35,75,31,126	70.75%	1,35,75,31,196	70.75
2	<b>Shares held by nominees of Max Financial Services Limited</b>	70	Nil (Approx)		

iv. **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year <b>Mitsui Sumitomo Insurance Company Limited</b>	47,97,03,215	25.00%	57,54,51,977	29.99%
2	<b>Axis Bank Limited</b>	9,57,48,762	4.99%		
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Percentage of Shareholding changed due to transfer of shares as under: March 22, 2018, Axis Bank Limited transferred its 14,170,817 equity shares amounting to 0.74% of paid-up equity share capital to Max Financial Services Limited and 49,78,935 equity shares amounting to 0.25% to Mitsui Sumitomo Insurance Company Limited through demat mode.			
1	At the end of the year (or on the date of separation, if separated during the year) <b>Mitsui Sumitomo Insurance Company Limited</b>	48,46,82,150	25.26%	56,12,81,160	29.25%
2	<b>Axis Bank Limited</b>	7,65,99,010	3.99%		

**v. Shareholding of Directors and Key Managerial Personnel:**

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>At the beginning of the year</b>					
1	Mr. Rajit Mehta (Director)	10	Nil (Approx)	30	Nil (Approx)
2	Mr. Prashant Tripathy (Chief Financial Officer)	10			
3.	Mr. Mohit Talwar (Director)	10			
Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):		May 19, 2017, Transfer of Shares held by Mr. V. Krishnan as Nominee Shareholder of Max Financial Services Limited to Mr. Anurag Chauhan.			
<b>At the end of the year</b>					
1	Mr. Rajit Mehta (Director)*	10	Nil (Approx)	40	Nil (Approx)
2	Mr. Prashant Tripathy (Chief Financial Officer)*	10			
3	Mr. Anurag Chauhan (Company Secretary)*	10			
4	Mr. Mohit Talwar (Director)*	10			

\*Note: Mr. Rajit Mehta, Mr. Prashant Tripathy, Mr. Anurag Chauhan and Mr. Mohit Talwar hold the above mentioned shares for and on behalf of Max Financial Services Limited (erstwhile Max India Limited) as nominee shareholders under Section 89 of the Companies Act, 2013.

**V. INDEBTEDNESS****Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				
<b>Change in Indebtedness during the financial year</b>				
• Addition				
• Reduction				
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>				

NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(In Rs.)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Mr. Rajesh Sud	
	<b>Gross salary</b>		7,95,50,416
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,93,36,224	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,14,192	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	
	Stock Option	Nil	Nil
	Sweat Equity	Nil	Nil
	Commission	Nil	Nil
	- as % of profit		
	- others, specify...		
	Others, please specify		
	- Bonus	6,88,33,340	61,71,98,208
	- NPS Employer Contribution	13,37,448	
	- Pay out of PSP exercised in FY 2017-18 which are granted and accumulated over past years	54,70,27,420	
	<b>Total (A)</b>	<b>69,67,48,624</b>	<b>69,67,48,624</b>
	<b>Ceiling as per the Act</b>	The remuneration of Whole-time Director is governed by the provisions of the Insurance Act, 1938, and the same is in line with the approval of Insurance Regulatory and Development Authority of India (IRDAI) under the said Insurance Act.	

### B. Remuneration to other directors:

(In Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount
		Mr. K. Narasimha Murthy	Mr. D.K. Mittal	Mr. Rajesh Khanna	Mr. John Poole	
	Independent Directors					
	• Fee for attending board / committee meetings*	19,00,000	12,00,000	13,00,000	N.A.	44,00,000
	• Commission	25,00,000	25,00,000	25,00,000		75,00,000
	• Others, please specify	0	0	0		0
	<b>Total (1)</b>	<b>44,00,000</b>	<b>37,00,000</b>	<b>38,00,000</b>	<b>N.A.</b>	<b>1,19,00,000</b>
	Other Non-Executive Directors					
	• Fee for attending board / committee meetings	N.A.	N.A.	N.A.	0	0
	• Commission				0	0
	• Others, please specify					
	++ Professional Service fees				38,07,030	38,07,030
	<b>Total (2)</b>	<b>N.A.</b>	<b>N.A.</b>	<b>N.A.</b>	<b>38,07,030</b>	<b>38,07,030</b>
	<b>Total (B)=(1+2)</b>	<b>44,00,000</b>	<b>37,00,000</b>	<b>38,00,000</b>	<b>38,07,030</b>	<b>1,57,07,030</b>
	Total Managerial Remuneration = A+B					<b>71,24,55,654</b>

\*Sitting fees shall not be part of the percentage of ceiling limit in accordance with Section 197(2) of the Companies Act, 2013.

++ Professional Service fees shall not fall under the ceiling limit of Act in accordance with proviso of Section 197(4) of the Act.

## C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(In Rs.)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary Mr. Anurag Chauhan	CFO Mr. Prashant Tripathy	Total
	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,20,95,041	3,99,62,322	5,22,18,361
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	59,953	1,01,045	
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961			
	Stock Option			
	- PSP amount	9,88,865	85,03,061	94,91,926
	Sweat Equity	Nil	Nil	Nil
	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify			
	Others, please specify			
	- Bonus	32,87,967	1,03,61,282	1,39,82,885
	- NPS Employer Contribution	Nil	3,33,636	
	<b>Total</b>	<b>1,64,31,826</b>	<b>5,92,61,346</b>	<b>7,56,93,172</b>

## VII. Penalties / Punishment/ Compounding of offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				
<b>B. DIRECTORS</b>					
Penalty	Nil				
Punishment	Nil				
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil				
Punishment	Nil				
Compounding	Nil				

## For and on behalf of the Board of Directors

Rahul Khosla

Chairman

DIN: 03597562

Date: May 18, 2018

Place: New Delhi

# NOMINATION AND REMUNERATION POLICY

## 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 atleast 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 18<sup>th</sup> 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 5<sup>th</sup> 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 an individual who, subject to the superintendence, control and direction of the Board, has the management of the whole, or substantially the whole, of the affairs of the Company and includes a Director or any other person occupying the position of a manager, by whatever name called, whether under a contract of service or not

"**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 KMP**

- 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 60% 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 the variable pay shall be deferred over a period of 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 thereunder, 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 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.

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

The Members

**Max Life Insurance Company Limited**

419, Bhai Mohan Singh Nagar,  
Railmajra, Tehsil Balachaur Nawan Shehar,  
Punjab 144533

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 March 31, 2018 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, 2018 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; Not Applicable
- (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'): Not Applicable
  - (a) The Securities and Exchange Board of India

(Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (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, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (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 of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015: Not Applicable

During the period under review the Company has

complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as 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 for the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance 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 are 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 the company has no specific events / actions having major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Chandrasekaran Associates  
Company Secretaries

### **Rupesh Agarwal**

Partner

Membership No. A16302

Certificate of Practice No. 5673

Date: 01.05.2018

Place: New Delhi

Note: 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.

The Members

### **Max Life Insurance Company Limited**

419, Bhai Mohan Singh Nagar,  
Railmajra, Tehsil Balachaur Nawan Shehar,  
Punjab 144533

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. Where ever 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

### **Rupesh Agarwal**

Partner

Membership No. A16302

Certificate of Practice No. 5673

Date: 01.05.2018

Place: New Delhi

# INDEPENDENT AUDITORS' CERTIFICATE

To,  
The Board of Directors  
Max Life Insurance Company Limited  
11<sup>th</sup> Floor, DLF Square Building,  
Jacaranda Marg,  
DLF City Phase II,  
Gurgaon – 122 002  
Dear Sirs,

**[Ref: Independent Auditors' Certificate as referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' forming part of the Independent Auditors' Report dated May 18, 2018.]**

1. This certificate is issued to **MAX LIFE INSURANCE COMPANY LIMITED** (the "Company") in accordance with the terms of engagement letters dated July 03, 2017 (between Fraser & Ross and the Company) and dated July 03, 2017 (between B.K.Khare & Co. and the Company).
2. This certificate is issued to comply with the provisions of paragraphs 3 and 4 of Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, (the "IRDA Financial Statements Regulations") read with Regulation 3 of the IRDA Financial Statements Regulations.

## Management's Responsibility

3. The Company's Management is responsible for complying with the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") which includes (i) preparation of management report consistent with the financial statements; (ii) compliance with the terms and conditions of the registration stipulated by the Authority; (iii) maintenance and custody of cash balances and securities relating to the insurer's loans and maintenance of investments with custody and depository; and (iv) ensuring that no part of the assets of the policyholders' funds has been directly or indirectly applied in

contravention of the provisions of the Insurance Act, relating to the application and investments of the Policyholders' Funds.. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring compliance as aforesaid and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

## Independent Auditors' Responsibility

4. Our responsibility for the purpose of this certificate, is to provide reasonable assurance on the matters contained in paragraphs 3 and 4 of Schedule C of the Regulations read with Regulation 3 of the IRDA Financial Statements Regulations.
5. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Standards on Auditing issued by the Institute of Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this Certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

## Opinion

7. In accordance with the information and explanations and representations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by the Company for the year ended March 31, 2018, we certify that:
  - a) We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2018, and on the basis of our review, there is no apparent mistake or material inconsistencies with the financial statements;
  - b) Based on the Management representations and compliance certificates submitted to the Board of

Directors by the officers of the Company charged with compliance and the same being noted by the Board, we certify that the Company has complied with the terms and conditions of registration stipulated by IRDAI;

- c) We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's loans and investments as at March 31, 2018, by actual inspection or on the basis of certificates/confirmations received from the Custodian and/ or Depository Participants

appointed by the Company, as the case may be. As at March 31, 2018, the Company does not have reversions and life interests;

- d) Based on the management representation the Company is not a trustee of any trust; and
- e) No part of the assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, relating to the application and investments of the Policyholders' Funds.

**For FRASER & ROSS**

Chartered Accountants

ICAI Firm's Registration No: 000829S

**S. Ganesh**

Partner

Membership No: 204108

Place : Bangalore

May 18, 2018

**For B. K. Khare & Co.**

Chartered Accountants

ICAI Firm's Registration No: 105102W

**Padmini Khare Kaicker**

Partner

Membership No: 044784

Place : Mumbai

May 18, 2018

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF MAX LIFE INSURANCE COMPANY LIMITED

### Report on the Financial Statements

We have audited the accompanying Financial Statements of **MAX LIFE INSURANCE COMPANY LIMITED** (the "Company") which comprise the Balance Sheet as at March 31, 2018, the related Revenue Account (also called the "Policyholders' Account" or the "Technical Account"), the Profit and Loss Account (also called the "Shareholders' Account" or "Non-Technical Account"), the Receipts and Payments Account for the year ended March 31, 2018 and a summary of significant accounting policies and other explanatory information, annexed thereto (these statements have hereinafter together been referred to as the "Financial Statements").

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these financial statements that give a true and fair view of the Financial position, Financial performance and the Receipts and Payments Account of the Company in accordance with the accounting principles generally accepted in India, including the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act"), the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (the "IRDA Financial Statements Regulations"), orders/directions/circulars issued by the Insurance Regulatory and Development Authority of India (the "IRDAI") in this regard, the Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), to the extent applicable.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit.

In conducting our audit we have taken into account the provisions of the Act, the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations, orders / directions/ circulars issued by the IRDAI, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authorities. Those Standards are pronouncements issued by the Institute of Chartered Accountants of India, which require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the Company's preparation and fair presentation of the Financial Statements that gives true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

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 in accordance with the Insurance Act, the IRDA Act, the IRDA Financial Statements Regulations, the orders/directions/circulars issued by the IRDAI and the Act to the extent applicable in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, as applicable to the Insurance Companies:

- i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- ii. in the case of the Revenue Account, of the net surplus for the year ended March 31, 2018;
- iii. in the case of the Profit and Loss Account, of the profit for the year ended March 31, 2018; and
- iv. in the case of the Receipts and Payments Account, of the receipts and payments for the year ended March 31, 2018.

## Other Matter

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, 2018 is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2018 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists in Financial Statements of the Company.

## Report on Other Legal and Regulatory Requirements

As required by the IRDA Financial Statements Regulations, we have issued a separate certificate dated May 18, 2018 certifying the matters specified in paragraphs 3 and 4 of Schedule C to the IRDA Financial Statements Regulations.

As required by the IRDA Financial Statements Regulations, read with Section 143 (3) of the Act, we report that:

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 the audit and have found them to be satisfactory;

In our opinion and to the best of our information and according to the explanations given to us, 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;

As the Company's financial accounting system is centralised, no returns for the purposes of our audit are prepared at the branches of the Company;

The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account dealt with by this report are in agreement with the books of account;

In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, to the extent not inconsistent with the accounting principles prescribed in the IRDA Financial Statements Regulations and orders/directions issued by the IRDAI in this regard;

In our opinion and to the best of our information and according to the explanations given to us, investments have been valued in accordance with the provisions of the Insurance Act, the IRDA Financial Statements Regulations and/or orders/directions/ circulars issued by the IRDAI in this regard.

In our opinion, the accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards specified under Section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, and with the accounting principles as prescribed in the IRDA Financial Statements Regulations and orders/directions issued by the IRDAI in this regard.

On the basis of the written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.



With respect to the adequacy of the internal financial controls over financial reporting 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 over financial reporting.

With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

The Company has disclosed the impact of pending

**For FRASER & ROSS**

Chartered Accountants  
ICAI Firm's Registration No: 000829S

**S. Ganesh**

Partner  
Membership No: 204108  
Place : Bangalore  
May 18, 2018

litigations on its financial position in its financial statements.

The liability for insurance contracts, is determined by the Company's Appointed Actuary as per Note II (18) in Schedule 16 to the financial statements, and is covered by the Appointed Actuary's certificate, referred to in Other Matter paragraph above, on which we have placed reliance; and the Company did not have any other long-term contracts including derivative contracts for which there were any material foreseeable losses.

There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year.

**For B. K. Khare & Co.**

Chartered Accountants  
ICAI Firm's Registration No: 105102W

**Padmini Khare Kaicker**

Partner  
Membership No: 044784  
Place : Mumbai  
May 18, 2018

## ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 (i) under ‘Report on Other Legal and Regulatory Requirements’ of our report of even date)

### Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls over financial reporting of **MAX LIFE INSURANCE COMPANY LIMITED** (the “Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

The actuarial valuation of liabilities for life policies in force and policies where premium is discontinued but liability exists as at March 31, 2018 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 us, as mentioned in “Other Matter” para of our audit report on the financial statements of the Company as at and for the year ended March 31, 2018. Accordingly, we have not audited the internal financial controls over financial reporting in respect of the valuation and accuracy of the aforesaid actuarial valuation.

### 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 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 (the “Guidance Note”). 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 including the provisions of the Insurance Act, 1938 as amended by the Insurance Laws (Amendment) Act, 2015 (the “Insurance Act”), the Insurance Regulatory and Development Authority Act,

1999 (the “IRDA Act”), the IRDA Financial Statements Regulations, orders/directions issued by the Insurance Regulatory and Development Authority of India (the “IRDAI”) in this regard.

### Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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 issued by the Institute of Chartered Accountants of India.

#### **For FRASER & ROSS**

Chartered Accountants  
ICAI Firm's Registration No: 000829S

#### **S. Ganesh**

Partner  
Membership No: 204108  
Place : Bangalore  
May 18, 2018

#### **For B. K. Khare & Co.**

Chartered Accountants  
ICAI Firm's Registration No: 105102W

#### **Padmini Khare Kaicker**

Partner  
Membership No: 044784  
Place : Mumbai  
May 18, 2018

# FORM A-BS

**NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED**  
**IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000**  
**BALANCE SHEET AS AT MARCH, 2018**

(All Amounts in Thousands of Indian Rupees)

Particulars	Schedule	As at March 31, 2018	As at March 31, 2017
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS:</b>			
Share Capital	5	19,188,129	19,188,129
		<b>19,188,129</b>	<b>19,188,129</b>
RESERVES AND SURPLUS	6	7,702,393	5,867,168
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT		98,320	38,070
<b>Sub-Total</b>		<b>26,988,842</b>	<b>25,093,367</b>
BORROWINGS	7	-	-
<b>POLICYHOLDERS' FUNDS:</b>			
CREDIT/ (DEBIT) FAIR VALUE CHANGE ACCOUNT		3,452,993	3,045,254
REVALUATION RESERVE - INVESTMENT PROPERTY [Refer To Note II (38) On Schedule 16]		1,111	-
POLICY LIABILITIES		310,137,406	245,295,876
[Refer to Note II (2), (17) & (18) on Schedule 16]			
PROVISION FOR LINKED LIABILITIES		163,049,923	152,204,164
[Refer to Note II (2), (17) & (18) on Schedule 16]			
FUND FOR DISCONTINUED POLICIES		9,502,001	6,146,607
[Refer to Note II (2), (17), (18) (32) & (36) on Schedule 16]			
<b>Sub-Total</b>		<b>486,143,434</b>	<b>406,691,901</b>
FUNDS FOR FUTURE APPROPRIATIONS			
- Linked [Refer to Note II (33) on Schedule 16]		85,540	83,453
- Non Linked		18,569,902	15,481,371
<b>TOTAL</b>		<b>531,787,718</b>	<b>447,350,092</b>
<b>APPLICATION OF FUNDS:</b>			
<b>INVESTMENTS</b>			
Shareholders' Investments	8	32,145,857	32,303,071
Policyholders' Investments	8A	319,238,422	255,482,506
[Refer to Note II (36) on Schedule 16]			
ASSETS HELD TO COVER LINKED LIABILITIES	8B	170,981,206	155,909,509
[Refer to Note II (36) on Schedule 16]			
LOANS	9	2,232,576	1,333,172
FIXED ASSETS	10	1,581,831	1,622,746
<b>CURRENT ASSETS:</b>			
Cash and Bank Balances	11	4,405,018	3,464,490
Advances and Other Assets	12	19,043,478	14,459,496
<b>Sub-Total (A)</b>		<b>23,448,496</b>	<b>17,923,986</b>

<b>Particulars</b>	<b>Schedule</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
CURRENT LIABILITIES	<b>13</b>	17,439,218	16,914,678
PROVISIONS	<b>14</b>	401,452	310,220
<b>Sub-Total (B)</b>		<b>17,840,670</b>	<b>17,224,898</b>
NET CURRENT ASSETS (C) = (A) – (B)		<b>5,607,826</b>	<b>699,088</b>
MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)	<b>15</b>	-	-
DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT (SHAREHOLDERS' ACCOUNT)		-	-
<b>Total</b>		<b>531,787,718</b>	<b>447,350,092</b>
Significant Accounting Policies and Notes	<b>16</b>		
Contingent Liability (Refer Note II (1) on schedule 16)		3,009,009	4,587,149

The Schedules referred to above form an integral part of the Balance Sheet.

In terms of our report attached

For and on behalf of the Board of Directors of Max Life Insurance Company Limited

**For Fraser & Ross**  
Chartered Accountants  
ICAI Firm Registration  
No. 000829S

**For B.K. Khare & Co.**  
Chartered Accountants  
ICAI Firm Registration No.  
105102W

**Rahul Khosla**  
Chairman  
DIN: 03597562

**K Narasimha Murthy**  
Independent Director  
DIN: 00023046

**Rajesh Sud**  
Executive Vice  
Chairman & Managing  
Director  
DIN: 02395182

**Marielle Theron**  
Director  
DIN: 02667356

**Hideaki Nomura**  
Director  
DIN: 05304525

**Prashant Tripathy**  
Chief Financial Officer  
PAN: ABTPT2026P

Place: Bangalore  
Date : May 18, 2018

Place: Mumbai  
Date : May 18, 2018

**Jose John**  
Appointed Actuary

**Anurag Chauhan**  
Company Secretary  
Membership No. A16169

Place: New Delhi  
Date : May 18, 2018

# FORM A-PL

NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED

IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018

Shareholders' Account (Non-technical Account)

(All Amounts in Thousands of Indian Rupees Except Per Share Data)

Particulars	Schedule	For the year ended March 31, 2018	For the year ended March 31, 2017
Transfer from the Policyholders' Account (Technical Account) [Refer to Note II (15) on Schedule 16]		3,991,670	5,551,160
Income from Investments			
(a) Interest, Dividends & Rent - Gross		1,755,968	1,356,069
(b) Profit on sale/redemption of investments		487,862	1,815,053
(c) (Loss) on sale/ redemption of investments		(26,230)	(65,618)
(d) Transfer/ Gain on revaluation/change in fair value		-	-
(e) Accretion of discount / (amortisation of premium) (Net)		(39,200)	(16,274)
Other income			
- Miscellaneous income		5,429	4,881
<b>Total (A)</b>		<b>6,175,499</b>	<b>8,645,271</b>
Expenses other than those directly related to the insurance business:			
Employees remuneration and welfare benefits [Refer to Note II (8), (9) & (24) on Schedule 16]		(178,834)	785,905
Expenditure on corporate social responsibility [Refer to Note II (39) on Schedule 16]		117,133	100,397
Others :			
Interest and bank charges		1,072	1,336
IRDAI application fee		-	25,000
Transition Costs		(30,300)	-
Consultancy charges		19,990	47,064
Other miscellaneous expenses		3,229	1,000
Contribution to the Policyholders Account (Technical Account) [Refer to Note II (15) on Schedule 16]		91,467	2,398
<b>Total (B)</b>		<b>23,757</b>	<b>963,100</b>
Profit before tax (C)=(A)-(B)		<b>6,151,742</b>	<b>7,682,171</b>
Provision for Taxation [Refer to Note II (6) on Schedule 16]		875,455	1,082,900
Profit after tax		<b>5,276,287</b>	<b>6,599,271</b>
<b>Appropriations:</b>			
(a) Balance at the beginning of the Year		<b>4,927,471</b>	14,089
(b) Interim dividend paid during the Year [Refer to note II (14) on schedule 16]		1,630,991	1,400,733
(c) Final dividend paid [Refer to note II (14) on schedule 16]		1,228,040	-

Particulars	Schedule	For the year ended March 31, 2018	For the year ended March 31, 2017
(d) Dividend distribution tax [Refer to note II (14) on schedule 16]		582,031	285,156
<b>Profit carried forward to the Balance Sheet</b>		<b>6,762,696</b>	<b>4,927,471</b>
Significant Accounting Policies and Notes	<b>16</b>		
Earnings per Share- Basic (Nominal Value Rs 10)		2.75	3.44
Earnings per Share- Diluted (Nominal Value Rs 10) [Refer to Note II (23) on Schedule 16]		2.75	3.44

The Schedules referred to above form an integral part of the Profit & Loss Account.

In terms of our report attached

For and on behalf of the Board of Directors of Max Life Insurance Company Limited

**For Fraser & Ross**  
Chartered Accountants  
ICAI Firm Registration  
No. 000829S

**For B.K. Khare & Co.**  
Chartered Accountants  
ICAI Firm Registration No.  
105102W

**Rahul Khosla**  
Chairman  
DIN: 03597562

**K Narasimha Murthy**  
Independent Director  
DIN: 00023046

**Rajesh Sud**  
Executive Vice  
Chairman & Managing  
Director  
DIN: 02395182

**Marielle Theron**  
Director  
DIN: 02667356

**Hideaki Nomura**  
Director  
DIN: 05304525

**Prashant Tripathy**  
Chief Financial Officer  
PAN: ABTPT2026P

Place: Bangalore  
Date : May 18, 2018

Place: Mumbai  
Date : May 18, 2018

**Jose John**  
Appointed Actuary

**Anurag Chauhan**  
Company Secretary  
Membership No. A16169

Place: New Delhi  
Date : May 18, 2018

**FORM A-RA**

**NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED  
IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000  
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018  
Policyholders' Account (Technical Account)**

(All Amounts in Thousands of Indian Rupees)

Particulars	Schedule	For the year ended March 31, 2018										Total										
		Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)				Linked Policies														
		Individual Life	Pension	Individual Life	Annuity	Health Insurance	Group	Individual	Linked Pension	Linked Group												
<b>Premiums earned - net</b>																						
(a) Premiums earned	<b>1</b>	71,633,961	35,813	13,257,566	222,986	313,948	3,919,883	32,507,284	2,949,082	168,397												125,008,920
(b) Reinsurance Ceded		(225,706)	(1,424)	(465,374)	(961)	(47,370)	(361,634)	(110,603)	(369)													(1,213,441)
(c) Reinsurance Accepted		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		<b>71,408,255</b>	<b>34,389</b>	<b>12,792,192</b>	<b>222,025</b>	<b>266,578</b>	<b>3,558,249</b>	<b>32,396,681</b>	<b>2,948,713</b>	<b>168,397</b>												<b>123,795,479</b>
<b>Income from Investments</b>																						
(a) Interest, Dividends & Rent - Gross		17,199,327	66,733	2,473,311	92,072	5,862	585,829	5,391,481	730,833	70,144												26,615,592
(b) Profit on sale/ redemption of investments		2,636,330	-	159,562	57	-	3,041	12,220,961	1,638,064	20,731												16,678,746
(c) (Loss) on sale/ redemption of investments		(281,565)	-	(52)	(59)	-	-	(2,954,736)	(379,871)	(24,900)												(3,641,183)
(d) Transfer/ Gain on revaluation/change in fair value *		(64,229)	-	-	-	-	-	(1,469,079)	(581,959)	(8,871)												(2,124,138)
(e) Accretion of discount / (amortisation of premium) (Net)		(123,770)	(351)	28,384	49	(167)	(4,386)	143,507	1,922	95												45,283
<b>Other Income</b>																						
Contribution from the Shareholders' Account: [Refer to Note II (15) on Schedule 16]		-	-	-	-	-	-	-	-	-												91,467
Miscellaneous Income		245,185	70	6,230	2	131	514	1,733	176	2												254,043
<b>Total (A)</b>		<b>91,019,533</b>	<b>100,841</b>	<b>15,459,627</b>	<b>314,146</b>	<b>272,404</b>	<b>4,143,247</b>	<b>45,730,548</b>	<b>4,449,345</b>	<b>225,598</b>												<b>161,715,289</b>
Commission	<b>2</b>	6,242,215	304	1,014,391	3,892	59,714	10,405	1,516,230	81,597	5												8,928,753
Operating Expenses related to Insurance Business	<b>3</b>	10,395,092	1,500	2,115,529	2,625	147,286	529,122	2,718,420	188,180	971												16,098,725
Provision for doubtful debts		9,325	3	1,513	1	73	279	1,651	93	-												12,938
Bad debts written off		3,916	-	781	1	57	147	1,219	67	-												6,188
Provision for tax		-	-	-	-	-	-	-	-	-												-
Service Tax and GST Expenditure***		-	-	-	-	-	-	1,010,373	66,027	856												1,077,256
Provision (other than taxation)		-	-	-	-	-	-	-	-	-												-
(a) For diminution in the value of investments (Net)		-	-	-	-	-	-	-	-	-												-
(b) Others		-	-	-	-	-	-	-	-	-												-
<b>Total (B)</b>		<b>16,650,548</b>	<b>1,807</b>	<b>3,132,214</b>	<b>6,519</b>	<b>207,130</b>	<b>539,953</b>	<b>5,247,893</b>	<b>335,964</b>	<b>1,832</b>												<b>26,123,860</b>
Benefits Paid (Net)	<b>4</b>	17,326,605	76,914	1,390,898	83,183	2,162	1,145,472	26,561,051	2,587,828	282,036												49,456,149
Interim Bonuses Paid		10,309	-	-	-	-	-	-	-	-												10,309
Change in valuation of liability against life policies in force: [Refer to Note II (2) (17) & (18) on Schedule 16]		-	-	-	-	-	-	-	-	-												-



(a) Gross **	(8,726)	10,218,451	223,506	84,488	1,421,770	10,126,524	869,968	(62,336)	75,860,248
(b) Discontinuance Fund	-	-	-	-	-	2,877,167	478,227	-	3,355,394
(c) Amount ceded in Reinsurance	-	(34,024)	-	(38,532)	(103,612)	-	-	-	(172,959)
(d) Amount accepted in Reinsurance	-	-	-	-	-	-	-	-	-
<b>Total (C)</b>	<b>70,326,726</b>	<b>68,188</b>	<b>11,575,325</b>	<b>306,689</b>	<b>2,463,630</b>	<b>39,564,742</b>	<b>3,936,023</b>	<b>219,700</b>	<b>128,509,141</b>
<b>SURPLUS / (DEFICIT) (D) = (A)-(B)-(C)</b>	<b>4,042,259</b>	<b>30,846</b>	<b>752,088</b>	<b>938</b>	<b>1,139,664</b>	<b>917,913</b>	<b>177,358</b>	<b>4,066</b>	<b>7,082,288</b>
Opening balance of Funds available for Future Appropriation	15,134,794	346,577	-	-	-	78,340	5,113	-	15,564,824
<b>SURPLUS / (DEFICIT) AVAILABLE FOR APPROPRIATION</b>	<b>19,177,053</b>	<b>377,423</b>	<b>752,088</b>	<b>938</b>	<b>1,139,664</b>	<b>996,253</b>	<b>182,471</b>	<b>4,066</b>	<b>22,647,112</b>
<b>APPROPRIATIONS:</b>									
Transfer to Shareholders' Account: [Refer to Note II (16) on Schedule 16]	983,089	1,485	752,088	938	1,139,664	916,808	176,376	4066	3,991,670
Transfer to Other Reserves	-	-	-	-	-	-	-	-	-
Closing balance of Funds available for Future Appropriations	18,193,964	375,938	-	-	-	79,445	6,095	-	18,655,442
<b>Balance carried forward to the Balance Sheet</b>									
<b>Details of Surplus</b>									
(a) Interim Bonus Paid	10,309	-	-	-	-	-	-	-	10,309
(b) Allocation of Bonus to Policyholders: [Refer to Note II (17) on Schedule 16]	10,830,798	14,035	-	-	-	-	-	-	10,844,833
(c) Surplus Shown in the Revenue Account	19,177,053	377,423	752,088	938	1,139,664	996,253	182,471	4,066	22,647,112
(d) Total Surplus : [(a)+(b)+(c)]	30,018,160	391,458	752,088	938	1,139,664	996,253	182,471	4,066	33,502,254
Significant Accounting Policies and Notes	<b>16</b>								

\* Represents the deemed realised gain/(loss) as per norms specified by the Authority.

\*\* Represents Mathematical Reserve considering allocation of Bonus.

\*\*\* Includes Service Tax as per Finance Act 1994 till June 30, 2017 and GST (Goods and Services Tax) with effect from July 01, 2017.

We state that all expenses of the Management incurred by the Company in respect of Life Insurance business transacted in India by the Company have been fully debited to Policyholder Revenue Account as expenses. The Schedules referred to above form an integral part of the Revenue Account.

In terms of our report attached

For and on behalf of the Board of Directors of Max Life Insurance Company Limited

**For Fraser & Ross**  
Chartered Accountants  
ICAI Firm Registration No. 000829S ICAL Firm Registration No. 105102W

**Rahul Khosla**  
Chairman  
DIN: 03597562

**K Narasimha Murthy**  
Independent Director  
DIN: 00023046

**Rajesh Sud**  
Executive Vice Chairman &  
Managing Director  
DIN: 02395182

**Marielle Theron**  
Director  
DIN: 026667356

**Hideaki Nomura**  
Director  
DIN: 05304525

**Prashant Tripathy**  
Chief Financial Officer  
PAN: ABTPT2026P

Place: Bangalore  
Date : May 18, 2018

Place: Mumbai  
Date : May 18, 2018

**Anurag Chauhan**  
Company Secretary  
Membership No. A16169

Place: New Delhi  
Date : May 18, 2018

**FORM A-RA**

**NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED**  
**IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000**  
**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017**

**Policyholders' Account (Technical Account)**

(All Amounts in Thousands of Indian Rupees)

Particulars	Schedule	For the year ended March 31, 2017											Total			
		Participating Policies (Non-Linked)			Non-Participating Policies (Non-Linked)				Linked Policies							
		Individual Life	Pension	Life	Annuity	Health Insurance	Group	Individual	Linked Pension	Linked Group						
<b>Premiums earned - net</b>	<b>1</b>															
(a) Premiums earned		66,137,300	35,477	10,940,866	213,140	180,287	3,406,224	23,903,855	2,476,902	509,972						107,804,023
(b) Reinsurance Ceded		(198,400)	-	(348,546)	-	(34,065)	(301,621)	(118,587)	(408)	-						(1,001,627)
(c) Reinsurance Accepted		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Income from Investments</b>		<b>65,938,900</b>	<b>35,477</b>	<b>10,592,320</b>	<b>213,140</b>	<b>146,222</b>	<b>3,104,603</b>	<b>23,785,268</b>	<b>2,476,494</b>	<b>509,972</b>						<b>106,802,396</b>
(a) Interest, Dividends & Rent - Gross		13,716,579	81,133	2,067,985	75,638	2,822	513,870	5,021,726	662,322	56,989						22,199,064
(b) Profit on sale/ redemption of investments		2,346,765	16,001	255,397	49	-	12,433	9,502,834	829,038	39,620						13,002,137
(c) (Loss) on sale/ redemption of investments		(295,146)	(20)	(206)	(27)	-	(8)	(3,004,882)	(147,464)	(10,026)						(3,457,779)
(d) Transfer/ Gain on revaluation/change in fair value *		-	-	-	-	-	-	8,995,897	1,362,208	16,908						10,375,013
(e) Accretion of discount / (amortisation of premium) (Net)		(203,488)	79	(2,160)	784	-	(983)	188,115	6,122	-						(11,531)
<b>Other Income</b>																<b>2,398</b>
Contribution from the Shareholders' Account: [Refer to Note II (15) on Schedule 16]		-	-	-	2,398	-	-	-	-	-						-
Miscellaneous Income		182,504	98	4,285	-	12	520	1,638	117	-						189,174
<b>Total (A)</b>		<b>81,686,114</b>	<b>132,768</b>	<b>12,917,621</b>	<b>291,982</b>	<b>149,056</b>	<b>3,630,435</b>	<b>44,490,596</b>	<b>5,188,837</b>	<b>613,463</b>						<b>149,100,872</b>
Commission	<b>2</b>	7,652,703	209	772,158	3,946	40,626	2,923	828,546	63,162	3						9,364,276
Operating Expenses related to Insurance Business	<b>3</b>	11,334,210	1,762	1,822,273	5,415	15,622	637,194	2,014,684	80,320	581						15,912,061
Provision for doubtful debts		(1,234)	2	212	1	2	186	359	29	-						(443)
Bad debts written off		3,568	-	618	-	-	142	587	7	-						4,922
Provision for Tax		-	-	-	-	-	-	-	-	-						-
Service Tax Expenditure		-	-	-	-	-	-	744,830	53,334	560						798,724
Provision (other than taxation)		-	-	-	-	-	-	-	-	-						-
(a) For diminution in the value of investments (Net)		-	-	-	-	-	-	-	-	-						-
(b) Others		-	-	-	-	-	-	-	-	-						-
<b>Total (B)</b>		<b>18,989,247</b>	<b>1,973</b>	<b>2,595,261</b>	<b>9,362</b>	<b>56,250</b>	<b>640,445</b>	<b>3,589,006</b>	<b>196,852</b>	<b>1,144</b>						<b>26,079,540</b>
Benefits Paid (Net)	<b>4</b>	15,122,886	61,973	847,688	49,926	9,400	1,000,569	18,052,057	2,418,106	205,508						37,768,113
Interim Bonuses Paid		6,920	-	-	-	-	-	-	-	-						6,920
Change in valuation of liability against life policies in force: [Refer to Note II (2) (17) & (18) on Schedule 16]		-	-	-	-	-	-	-	-	-						-

(a) Gross **	45,842,054	(366)	9,142,611	232,694	109,735	1,190,587	18,195,169	2,070,827	405,537	77,188,848
(b) Discontinuance Fund	-	-	-	-	-	-	1,684,295	296,527	-	1,980,822
(c) Amount ceded in Reinsurance	(29,221)	-	(330,892)	-	(53,865)	(62,547)	-	-	-	(476,525)
(d) Amount accepted in Reinsurance	-	-	-	-	-	-	-	-	-	-
<b>Total (C)</b>	<b>60,942,639</b>	<b>61,607</b>	<b>9,659,407</b>	<b>282,620</b>	<b>65,270</b>	<b>2,128,609</b>	<b>37,931,521</b>	<b>4,785,460</b>	<b>611,045</b>	<b>116,468,178</b>
<b>SURPLUS / (DEFICIT) (D)=(A)-(B)-(C)</b>	<b>1,754,228</b>	<b>69,188</b>	<b>662,953</b>	-	<b>27,536</b>	<b>861,381</b>	<b>2,970,069</b>	<b>206,525</b>	<b>1,274</b>	<b>6,553,154</b>
Opening balance of Funds available for Future Appropriation	14,283,968	278,862	-	-	-	-	-	-	-	14,562,830
<b>SURPLUS / (DEFICIT) AVAILABLE FOR APPROPRIATION</b>	<b>16,038,196</b>	<b>348,050</b>	<b>662,953</b>	-	<b>27,536</b>	<b>861,381</b>	<b>2,970,069</b>	<b>206,525</b>	<b>1,274</b>	<b>21,115,984</b>
<b>APPROPRIATIONS:</b>										
Transfer to Shareholders' Account: [Refer to Note II (16) on Schedule 16]	903,402	1,473	662,953	-	27,536	861,381	2,891,729	201,412	1,274	5,551,160
Transfer to Other Reserves	-	-	-	-	-	-	-	-	-	-
Closing balance of Funds available for Future Appropriations	15,134,794	346,577	-	-	-	-	78,340	5,113	-	15,564,824
<b>Balance carried forward to the Balance Sheet</b>	-	-	-	-	-	-	-	-	-	-
<b>Details of Surplus</b>										
(a) Interim Bonus Paid	6,920	-	-	-	-	-	-	-	-	6,920
(b) Allocation of Bonus to Policyholders: [Refer to Note II (17) on Schedule 16]	8,522,709	13,553	-	-	-	-	-	-	-	8,536,262
(c) Surplus Shown in the Revenue Account	16,038,196	348,050	662,953	-	27,536	861,381	2,970,069	206,525	1,274	21,115,984
(d) Total Surplus : [(a) + (b) + (c)]	24,567,825	361,603	662,953	-	27,536	861,381	2,970,069	206,525	1,274	29,659,166
Significant Accounting Policies and Notes	<b>16</b>									

\* Represents the deemed realised gain/(loss) as per norms specified by the Authority

\*\* Represents Mathematical Reserve considering allocation of Bonus

We state that all expenses of the Management incurred by the Company in respect of Life Insurance business transacted in India by the Company have been fully debited to Policyholder Revenue Account as expenses. The Schedules referred to above form an integral part of the Revenue Account.

In terms of our report attached

For and on behalf of the Board of Directors of Max Life Insurance Company Limited

**For Fraser & Ross**

Chartered Accountants

ICAI Firm Registration No. 000829S ICAI Firm Registration No. 105102W

**Rahul Khosla**

Chairman

DIN: 03597562

**K Narasimha Murthy**

Independent Director

DIN: 00023046

**Rajesh Sud**

Executive Vice Chairman & Managing Director

DIN: 02395182

Place: Bangalore

Date : May 18, 2018

**Jose John**

Appointed Actuary

Place: New Delhi

Date : May 18, 2018

**Hideaki Nomura**

Director

DIN: 05304525

**Prashant Tripathy**

Chief Financial Officer

PAN: ABTPT2026P

Place: Bangalore

Date : May 18, 2018

**Anurag Chauhan**

Company Secretary

Membership No. A16169

## SCHEDULE 1

PREMIUM	For the year ended March 31, 2018										Total
	Participating Policies (Non-Linked)					Non-Participating Policies (Non-Linked)					
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual	Linked Pension	Linked Individual	Linked Group	
First year premiums	14,012,698	-	3,642,396	-	180,136	450,954	12,776,488	684,037	168,397	31,915,106	
Renewal premiums	49,897,350	23,225	9,615,170	-	133,812	441,833	19,432,595	1,979,029	-	81,523,014	
Single premiums	7,723,913	12,588	-	222,986	-	3,027,096	298,201	286,016	-	11,570,800	
<b>Total premium</b>	<b>71,633,961</b>	<b>35,813</b>	<b>13,257,566</b>	<b>222,986</b>	<b>313,948</b>	<b>3,919,883</b>	<b>32,507,284</b>	<b>2,949,082</b>	<b>168,397</b>	<b>125,008,920</b>	
<b>Total premium in India</b>	<b>71,633,961</b>	<b>35,813</b>	<b>13,257,566</b>	<b>222,986</b>	<b>313,948</b>	<b>3,919,883</b>	<b>32,507,284</b>	<b>2,949,082</b>	<b>168,397</b>	<b>125,008,920</b>	
Total Premium outside India	-	-	-	-	-	-	-	-	-	-	

PREMIUM	For the year ended March 31, 2017										Total
	Participating Policies (Non-Linked)					Non-Participating Policies (Non-Linked)					
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual	Linked Pension	Linked Individual	Linked Group	
First year premiums	14,412,790	(370)	2,952,527	-	155,407	317,642	7,609,478	507,459	509,972	26,464,905	
Renewal premiums	44,834,175	23,044	7,988,339	-	24,880	334,163	16,077,188	1,858,685	-	71,140,474	
Single premiums	6,890,335	12,803	-	213,140	-	2,754,419	217,189	110,758	-	10,198,644	
<b>Total premium</b>	<b>66,137,300</b>	<b>35,477</b>	<b>10,940,866</b>	<b>213,140</b>	<b>180,287</b>	<b>3,406,224</b>	<b>23,903,855</b>	<b>2,476,902</b>	<b>509,972</b>	<b>107,804,023</b>	
<b>Total premium in India</b>	<b>66,137,300</b>	<b>35,477</b>	<b>10,940,866</b>	<b>213,140</b>	<b>180,287</b>	<b>3,406,224</b>	<b>23,903,855</b>	<b>2,476,902</b>	<b>509,972</b>	<b>107,804,023</b>	
Total Premium outside India	-	-	-	-	-	-	-	-	-	-	

## SCHEDULE 2

COMMISSION	For the year ended March 31, 2018										Total
	Participating Policies (Non-Linked)					Non-Participating Policies (Non-Linked)					
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual	Linked Pension	Linked Individual	Linked Group	
Commission paid											
Direct - First Year Premiums	4,154,251	-	852,444	-	54,026	7,109	1,317,026	47,905	5	6,432,766	
- Renewal Premiums	2,087,550	304	161,877	-	5,688	2,962	193,825	29,739	-	2,481,945	
- Single Premiums	414	-	70	3,892	-	334	5,379	3,953	-	14,042	
<b>Total (A)</b>	<b>6,242,215</b>	<b>304</b>	<b>1,014,391</b>	<b>3,892</b>	<b>59,714</b>	<b>10,405</b>	<b>1,516,230</b>	<b>81,597</b>	<b>5</b>	<b>8,928,753</b>	
Add : Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-	-	
Less : Commission on Re-insurance Ceded	-	-	-	-	-	-	-	-	-	-	
<b>Net Commission</b>	<b>6,242,215</b>	<b>304</b>	<b>1,014,391</b>	<b>3,892</b>	<b>59,714</b>	<b>10,405</b>	<b>1,516,230</b>	<b>81,597</b>	<b>5</b>	<b>8,928,753</b>	

## Break-up of commission expenses (gross) incurred to procure business is as per details below:

Particulars	For the year ended March 31, 2018										Total
	Participating Policies (Non-Linked)					Non-Participating Policies (Non-Linked)					
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual	Linked Pension	Linked Individual	Linked Group	
Agents	2,091,686	301	174,090	737	19,123	318	162,542	19,756	5	2,468,558	
Brokers	597	0	29	-	1	9,317	322	32	-	10,299	
Corporate Agency	190,173	1	15,589	6	238	-	23,820	115	-	229,941	
Bancassurance	3,959,759	2	824,683	3,149	40,352	770	1,329,546	61,694	-	6,219,955	
<b>Total (B)</b>	<b>6,242,215</b>	<b>304</b>	<b>1,014,391</b>	<b>3,892</b>	<b>59,714</b>	<b>10,405</b>	<b>1,516,230</b>	<b>81,597</b>	<b>5</b>	<b>8,928,753</b>	
<b>COMMISSION</b>											
Particulars	For the year ended March 31, 2017										Total
	Participating Policies (Non-Linked)					Non-Participating Policies (Non-Linked)					
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual	Linked Pension	Linked Individual	Linked Group	
Commission paid											
Direct - First Year Premiums	4,971,011	(54)	583,274	-	39,980	1,229	583,005	35,495	3	6,213,943	
- Renewal Premiums	2,681,562	263	188,884	-	646	331	241,846	25,898	-	3,139,430	
- Single Premiums	130	-	-	3,946	-	1,363	3,695	1,769	-	10,903	
<b>Total (A)</b>	<b>7,652,703</b>	<b>209</b>	<b>772,158</b>	<b>3,946</b>	<b>40,626</b>	<b>2,923</b>	<b>828,546</b>	<b>63,162</b>	<b>3</b>	<b>9,364,276</b>	
Add : Commission on Re-insurance Accepted	-	-	-	-	-	-	-	-	-	-	
Less : Commission on Re-insurance Ceded	-	-	-	-	-	-	-	-	-	-	
<b>Net Commission</b>	<b>7,652,703</b>	<b>209</b>	<b>772,158</b>	<b>3,946</b>	<b>40,626</b>	<b>2,923</b>	<b>828,546</b>	<b>63,162</b>	<b>3</b>	<b>9,364,276</b>	

## Break-up of commission expenses (gross) incurred to procure business is as per details below:

Particulars	For the year ended March 31, 2017										Total
	Participating Policies (Non-Linked)					Non-Participating Policies (Non-Linked)					
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual	Linked Pension	Linked Individual	Linked Group	
Agents	2,155,669	139	128,547	745	6,996	(472)	111,278	650	3	2,403,556	
Brokers	1,669	1	75	-	2	2,132	(701)	52	-	3,230	
Corporate Agency	245,804	3	9,687	-	388	0	44,755	360	(0)	300,997	
Bancassurance	5,249,561	65	633,849	3,201	33,239	1,263	673,214	62,100	0	6,656,492	
<b>Total (B)</b>	<b>7,652,703</b>	<b>209</b>	<b>772,158</b>	<b>3,946</b>	<b>40,626</b>	<b>2,923</b>	<b>828,546</b>	<b>63,162</b>	<b>3</b>	<b>9,364,276</b>	

### SCHEDULE 3 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

Particulars	Participating Policies (Non-Linked)		Non-Participating Policies (Non-Linked)				Linked Policies			Total
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Linked Individual	Linked Pension	Linked Group	
Employees remuneration and welfare benefits [Refer to Note II (8), (9) & (24) on Schedule 16]	4,998,115	696	868,264	1,270	64,714	198,350	1,325,744	85,549	517	7,543,219
Travel, conveyance and vehicle running expenses	362,736	46	65,775	93	5,476	16,253	96,075	6,353	27	552,834
Training expenses (including Agent advisors)	745,734	(6)	145,456	111	12,351	38,025	166,435	8,771	(3)	1,116,874
Rent, rates & taxes	456,524	58	81,732	114	6,989	21,638	113,856	7,774	36	688,721
Repairs & Maintenance	182,538	19	32,669	42	2,786	8,603	45,895	3,126	13	275,691
Printing and stationery	50,092	4	9,089	11	748	2,224	13,967	886	-	77,021
Communication expenses	270,683	83	49,616	38	2,350	7,887	90,227	7,828	12	428,724
Legal, professional and consultancy charges	197,081	41	34,449	62	2,810	8,183	56,718	4,050	25	303,419
Medical fees	68,775	-	148,991	9	1,220	4,128	12,181	7,195	-	242,499
Auditors' fees, expenses etc:										
(a) as auditor	5,852	2	931	2	91	283	1,329	108	-	8,598
(b) as advisor or in any other capacity, in respect of:										
(i) Taxation matters	220	-	40	-	4	8	74	5	-	351
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-
(c) in any other capacity										
- Certification	1,232	-	244	1	15	35	495	29	-	2,051
- Out of pocket expenses	767	-	146	-	9	35	237	19	-	1,213
Advertisement and publicity	1,418,935	-	279,518	242	22,652	73,169	330,233	17,968	-	2,142,717
Interest and bank charges	63,076	67	9,809	43	655	2,270	30,079	3,145	58	109,202
<b>Others:</b>										
Rates and taxes	65,918	11	11,166	18	982	2,928	17,865	1,331	8	100,227
Service Tax and GST Expenditure*	158,836	154	8,495	7	354	1,913	-	-	-	169,759
Information technology maintenance expenses	275,814	112	41,523	123	3,331	10,093	89,456	8,034	74	428,560

Particulars	Participating Policies (Non-Linked)			Non-Participating Policies (Non-Linked)				Linked Policies			Total
	Individual Life	Pension	Individual Life	Individual Life	Annuity	Health	Group	Linked Individual	Linked Pension	Linked Group	
Board Meetings expenses	10,328	1	1,776	2	148	467	2,732	210	1	15,665	
Recruitment (including Agent advisors)	108,668	-	20,599	12	1,868	5,856	21,727	1,176	-	159,906	
Electricity, water and utilities	175,398	21	31,329	45	2,691	8,330	43,647	2,981	13	264,455	
Insurance	41,732	7	7,166	12	606	1,915	10,875	827	5	63,145	
Policy issuance and servicing costs	295,994	34	197,981	186	8,844	99,160	113,836	9,088	91	725,214	
(Profit)/Loss on fluctuation in foreign exchange	594	-	64	-	4	11	253	28	-	954	
Other miscellaneous expenses	45,404	5	7,787	14	650	2,080	12,302	919	3	69,164	
Depreciation (Refer to Schedule 10)	394,046	145	60,914	168	4,938	15,278	122,182	10,780	91	608,542	
<b>Total</b>	<b>10,395,092</b>	<b>1,500</b>	<b>2,115,529</b>	<b>2,625</b>	<b>147,286</b>	<b>529,122</b>	<b>2,718,420</b>	<b>188,180</b>	<b>971</b>	<b>16,098,725</b>	

\* Includes Service Tax as per Finance Act 1994 till June 30, 2017 and GST with effect from July 01, 2017.

Particulars	Participating Policies (Non-Linked)			Non-Participating Policies (Non-Linked)				Linked Policies			Total
	Individual Life	Pension	Individual Life	Individual Life	Annuity	Health	Group	Linked Individual	Linked Pension	Linked Group	
Employees remuneration and welfare benefits [Refer to Note II (8), (9) & (24) on Schedule 16]	5,761,194	912	836,813	1,223	1,896	294,910	1,079,811	46,218	344	8,023,321	
Travel, conveyance and vehicle running expenses	289,840	42	42,794	68	82	17,450	51,264	1,999	9	403,548	
Training expenses (including Agent advisors)	418,569	-	64,229	68	-	23,234	53,152	(2)	-	559,250	
Rent, rates & taxes	471,286	58	72,124	104	109	28,787	80,033	2,656	19	655,176	
Repairs & Maintenance	186,270	20	28,453	36	41	11,204	31,770	1,054	6	258,854	
Printing and stationery	74,300	6	12,227	17	17	4,138	13,154	385	2	104,246	
Communication expenses	274,150	90	44,117	37	87	10,925	64,094	4,554	4	398,058	
Legal, professional and consultancy charges	187,554	40	27,583	44	69	9,700	38,111	1,760	11	264,872	
Medical fees	71,100	-	101,325	14	-	5,471	8,980	-	-	186,890	
Auditors' fees, expenses etc: (a) as auditor	5,949	3	947	1	4	430	1,208	58	-	8,600	

## For the year ended March 31, 2017

Particulars	Participating Policies (Non-Linked)				Non-Participating Policies (Non-Linked)				Linked Policies				Total						
	Individual Life		Pension		Individual Life		Annuity		Health		Group			Individual		Pension		Linked Group	
(b) as advisor or in any other capacity, in respect of:																			
(i) Taxation matters	339	-	46	-	-	-	(10)	73	2	-	-	-	-	-	-	-	-	-	450
(ii) Insurance matters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(iii) Management services; and	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) in any other capacity																			
- Certification	1,710	-	256	-	-	-	69	351	14	-	-	-	-	-	-	-	-	-	2,400
- Out of pocket expenses	657	1	6	2	1	12	12	52	7	-	-	-	-	-	-	-	-	-	738
Advertisement and publicity	1,069,898	-	164,131	98	-	44,790	-	131,790	-	-	-	-	-	-	-	-	-	-	1,410,707
Interest and bank charges	52,062	80	6,268	23	271	1,860	2,283	25,095	48	87,990									
<b>Others:</b>																			
Rates and taxes	53,643	10	7,862	11	65	2,663	474	10,702	3	75,433									
Service Tax Expenditure	186,643	237	21,408	3,274	153	2,270	-	-	-	213,985									
Information technology maintenance expenses	240,650	103	30,240	75	176	9,464	4,472	64,649	33	349,862									
Board Meetings	12,184	1	1,772	3	4	619	-	2,408	-	17,101									
Recruitment (including Agent advisors)	278,607	(1)	37,625	5	(2)	3,192	(50)	33,421	-	352,797									
Electricity, water and utilities	182,441	22	28,022	39	42	11,345	1,030	30,957	7	253,905									
Insurance	36,203	6	5,131	8	13	1,917	324	6,980	2	50,584									
Policy issuance and servicing costs	1,023,997	(18)	228,712	136	12,470	130,694	6,145	178,455	44	1,580,635									
(Profit)/Loss on fluctuation in foreign exchange	281	-	22	-	-	3	11	119	-	436									
Other miscellaneous expenses	33,316	4	4,699	8	(142)	2,198	303	6,127	1	46,514									
Depreciation (Refer to Schedule 10)	421,367	146	55,461	121	266	19,859	6,513	101,928	48	605,709									
<b>Total</b>	<b>11,334,210</b>	<b>1,762</b>	<b>1,822,273</b>	<b>5,415</b>	<b>15,622</b>	<b>637,194</b>	<b>80,320</b>	<b>2,014,684</b>	<b>581</b>	<b>15,912,061</b>									



**SCHEDULE 4  
BENEFITS PAID [NET]**

For the year ended March 31, 2018

Particulars	Participating Policies (Non-Linked)				Non-Participating Policies (Non-Linked)				Linked Policies			Total
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Linked Individual	Linked Pension	Linked Group			
<b>Insurance Claims *</b>												
(a) By Death,	2,037,168	1,301	1,147,885	15,254	-	1,139,435	855,947	68,859	54	5,265,903		
(b) By Maturity,	1,274,599	17,345	-	-	-	-	8,223,469	203,530	247,864	9,966,807		
(c) Annuities/ Pension payment,	-	-	-	67,911	-	-	-	-	-	67,911		
(d) Other benefits												
Surrenders	4,818,892	44,759	680,197	-	-	259,629	17,438,640	2,315,128	34,131	25,591,376		
Health	-	-	600	-	40,833	2,875	-	-	-	44,308		
Survival Benefit	483,466	-	61,124	-	-	-	-	-	-	544,590		
Bonus to Policyholders [Refer to Note II (17) on Schedule 16]	8,747,748	13,361	-	-	-	-	-	-	-	8,761,109		
Others	56,784	148	20,882	18	39	26	117,799	311	-	196,007		
<b>Total paid</b>	<b>17,418,657</b>	<b>76,914</b>	<b>1,910,688</b>	<b>83,183</b>	<b>40,872</b>	<b>1,401,965</b>	<b>26,635,855</b>	<b>2,587,828</b>	<b>282,049</b>	<b>50,438,011</b>		
(Amount ceded in re-insurance):												
(a) By death,	(92,052)	-	(519,290)	-	-	(256,493)	(74,804)	-	(13)	(942,652)		
(b) By Maturity,	-	-	-	-	-	-	-	-	-	-		
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-	-		
(d) Other benefits - Health	-	-	(500)	-	(38,710)	-	-	-	-	(39,210)		
<b>Total ceded</b>	<b>(92,052)</b>	<b>-</b>	<b>(519,790)</b>	<b>-</b>	<b>(38,710)</b>	<b>(256,493)</b>	<b>(74,804)</b>	<b>-</b>	<b>(13)</b>	<b>(981,862)</b>		
Amount accepted in re-insurance:												
(a) By death,	-	-	-	-	-	-	-	-	-	-		
(b) By Maturity,	-	-	-	-	-	-	-	-	-	-		
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-	-		
(d) Other benefits	-	-	-	-	-	-	-	-	-	-		
<b>Total accepted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>Net Paid</b>	<b>17,326,605</b>	<b>76,914</b>	<b>1,390,898</b>	<b>83,183</b>	<b>2,162</b>	<b>1,145,472</b>	<b>26,561,051</b>	<b>2,587,828</b>	<b>282,036</b>	<b>49,456,149</b>		
<b>Benefits paid in India</b>	<b>17,326,605</b>	<b>76,914</b>	<b>1,390,898</b>	<b>83,183</b>	<b>2,162</b>	<b>1,145,472</b>	<b>26,561,051</b>	<b>2,587,828</b>	<b>282,036</b>	<b>49,456,149</b>		
<b>Benefits paid Outside India</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		

\* Including claim investigation expenses amounting to Rs.9,036

Particulars	For the year ended March 31, 2017											Total
	Participating Policies (Non-Linked)			Non-Participating Policies (Non-Linked)				Linked Policies				
	Individual Lwlife	Pension	Individual Life	Annuity	Health	Group	Linked Individual	Linked Pension	Linked Group			
<b>Insurance Claims *</b>												
(a) By Death,	1,694,251	1,177	598,195	5,421	-	992,079	787,514	42,795	-			4,121,432
(b) By Maturity,	2,037,710	13,671	966	-	-	4,042	1,401,332	63,632	93,197			3,614,550
(c) Annuities/ Pension payment,	-	-	-	44,505	-	-	-	-	-			44,505
(d) Other benefits												
Surrenders	3,100,806	31,919	439,355	-	-	302,976	15,811,710	2,303,897	112,314			22,102,977
Health	-	-	2,600	-	18,632	2,526	-	-	-			23,758
Survival Benefit	411,107	-	118	-	-	-	-	-	-			411,225
Bonus to Policyholders [Refer to Note II (17) on Schedule 16]	7,943,722	13,255	-	-	-	-	-	-	-			7,956,977
Others	35,348	1,951	17,823	-	59	25	137,715	8,032	-			200,953
<b>Total paid</b>	<b>15,222,944</b>	<b>61,973</b>	<b>1,059,057</b>	<b>49,926</b>	<b>18,691</b>	<b>1,301,648</b>	<b>18,138,271</b>	<b>2,418,356</b>	<b>205,511</b>			<b>38,476,377</b>
(Amount ceded in re-insurance):												
(a) By death,	(100,058)	-	(210,219)	-	(400)	(301,079)	(86,214)	(250)	(3)			(698,223)
(b) By Maturity,	-	-	-	-	-	-	-	-	-			-
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-			-
(d) Other benefits - Health	-	-	(1,150)	-	(8,891)	-	-	-	-			(10,041)
<b>Total ceded</b>	<b>(100,058)</b>	<b>-</b>	<b>(211,369)</b>	<b>-</b>	<b>(9,291)</b>	<b>(301,079)</b>	<b>(86,214)</b>	<b>(250)</b>	<b>(3)</b>			<b>(708,264)</b>
Amount accepted in re-insurance :												
(a) By death,	-	-	-	-	-	-	-	-	-			-
(b) By Maturity,	-	-	-	-	-	-	-	-	-			-
(c) Annuities/ Pension payment,	-	-	-	-	-	-	-	-	-			-
(d) Other benefits	-	-	-	-	-	-	-	-	-			-
<b>Total accepted</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>
<b>Net Paid</b>	<b>15,122,886</b>	<b>61,973</b>	<b>847,688</b>	<b>49,926</b>	<b>9,400</b>	<b>1,000,569</b>	<b>18,052,057</b>	<b>2,418,106</b>	<b>205,508</b>			<b>37,768,113</b>
<b>Benefits paid in India</b>	<b>15,122,886</b>	<b>61,973</b>	<b>847,688</b>	<b>49,926</b>	<b>9,400</b>	<b>1,000,569</b>	<b>18,052,057</b>	<b>2,418,106</b>	<b>205,508</b>			<b>37,768,113</b>
<b>Benefits paid Outside India</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			<b>-</b>

\* Including claim investigation expenses amounting to Rs.8.656

**SCHEDULE 5:  
SHARE CAPITAL**

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Authorised Capital</b>		
3,000,000,000 ( March 31, 2017: 3,000,000,000) Equity Shares of Rs 10 each	30,000,000	30,000,000
<b>Issued and Subscribed Capital</b>		
1,918,812,856 (March 31, 2017: 1,918,812,856) Equity Shares of Rs 10 each	19,188,129	19,188,129
<b>Called up Capital</b>		
1,918,812,856 (March 31, 2017: 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)	-	-
Less: Par value of equity shares bought back	-	-
Less: Preliminary Expenses	-	-
<b>Total</b>	<b>19,188,129</b>	<b>19,188,129</b>

Of the above 1,357,531,196 (March 31, 2017: 1,343,360,379 ) 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, 2018		As at March 31, 2017	
	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	1,357,531,196	70.75%	1,343,360,379	70.01%
- Foreign	484,682,150	25.26%	479,703,215	25.00%
Others	76,599,510	3.99%	95,749,262	4.99%
<b>Total</b>	<b>1,918,812,856</b>	<b>100%</b>	<b>1,918,812,856</b>	<b>100%</b>

**SCHEDULE 6  
RESERVE AND SURPLUS**

Particulars	As at March 31, 2018	As at March 31, 2017
Capital Reserve		
Capital Redemption Reserve	258,784	258,784
Share Premium	680,913	680,913
Revaluation Reserve	-	-
General Reserve :		
Opening Balance	-	-
Add: Transfer from / (to) Profit and Loss Appropriations	-	-
Closing Balance of General Reserve	-	-
Catastrophe Reserve	-	-
Other Reserves	-	-
Balance of profit in Profit and Loss Account	6,762,696	4,927,471
<b>Total</b>	<b>7,702,393</b>	<b>5,867,168</b>

**SCHEDULE 7****BORROWINGS**

Particulars	As at March 31, 2018	As at March 31, 2017
Debentures/ Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
<b>Total</b>	-	-

**SCHEDULE 8****INVESTMENTS-SHAREHOLDERS**

[Refer to Note II (7) on Schedule 16]

Particulars	As at March 31, 2018	As at March 31, 2017
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	1,323,982	3,022,899
Other Approved Securities	2,691,702	7,570,374
Other Approved investments		
(a) Shares		
(aa) Equity	958,374	820,345
(bb) Preference	-	-
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	11,004,586	2,562,518
(e) Other Securities		
Deposits with Bank	-	-
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	4,196,448	9,273,338
Other Investments		
Debentures/ Bonds	50,000	-
Equity Shares	73,850	40,364
Preference Shares	-	-
Investments in Infrastructure and Social Sector	32,426	-
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	70,748	2,557
Other Approved Securities	-	-
Other Approved investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference Shares	-	-
(b) Mutual Funds	6,706,473	7,990,000
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	124,310	244,835
(e) Other Securities		
Commercial Paper	976,037	-
Certificate of Deposits	2,386	4,289
Deposits with Bank	2,944,654	129,562

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Reverse Repo	182,312	172,520
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	807,569	469,470
Other Investments	-	-
Mutual Fund	-	-
<b>Total</b>	<b>32,145,857</b>	<b>32,303,071</b>
Aggregate Amount of Investments other than listed equity securities	30,987,538	31,283,971
Aggregate Market Value of Investments other than listed equity securities	30,758,609	31,727,737

**SCHEDULE 8A****INVESTMENTS-POLICYHOLDERS**

[Refer to Note II (7) on Schedule 16]

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	200,376,258	163,831,115
Other Approved Securities	13,023,227	10,858,856
Other Approved Investments		
(a) Shares		
(aa) Equity	21,748,083	19,374,542
(bb) Preference	6	1
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	12,304,328	6,557,660
(e) Other Securities		
Commercial Paper	-	-
Deposits with Bank	90,000	289,800
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate [Refer To Note II (41) On Schedule 16]	228,990	227,879
Investments in Infrastructure and Social Sector	49,485,279	37,280,425
Other Investments		
Debentures/ Bonds	50,000	-
Equity Shares	611,680	711,757
Alternate Investment Funds	147,678	75,170
Investments in Infrastructure and Social Sector	280,111	172,564
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	2,420,315	1,967,777
Other Approved Securities	49,800	100,000
Other Approved Investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	8,009,814	7,664,107
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	1,274,254	729,793
(e) Other Securities		
Commercial Paper	976,037	-

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Certificate of Deposits	717,465	837,023
Deposits with Bank	1,039,800	-
Reverse Repo	3,146,919	3,048,845
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
Investments in Infrastructure and Social Sector	3,258,378	1,755,192
Other Investments	-	-
Debentures/ Bonds	-	-
Investments in Infrastructure and Social Sector	-	-
Mutual Fund	-	-
<b>Total</b>	<b>319,238,422</b>	<b>255,482,506</b>
Aggregate Amount of Investments other than listed equity securities	293,650,465	232,822,557
Aggregate Market Value of Investments other than listed equity securities	299,508,432	246,034,235

### **SCHEDULE 8B ASSETS HELD TO COVER LINKED LIABILITIES**

[Refer to Note II (7) on Schedule 16]

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	33,721,781	22,425,589
Other Approved Securities	2,008,514	8,246,086
Other Approved Investments		
(a) Shares		
(aa) Equity	70,338,617	67,911,137
(bb) Preference	11,047	13,736
(b) Mutual Funds	-	-
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	14,051,549	8,202,619
(e) Other Securities		
Deposits with Banks	95,000	95,000
(f) Subsidiaries	-	-
Investments in Infrastructure and Social Sector	22,501,487	22,765,880
Other Investments		
Debentures/ Bonds	102,723	210,433
Equity Shares	3,400,220	4,396,147
Preference Shares	-	-
Investments in Infrastructure and Social Sector	492,560	213,261
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	1,122,599	1,869,609
Other Approved Securities	59,945	-
Other Approved investments		
(a) Shares		
(aa) Equity	-	-
(bb) Preference	-	-
(b) Mutual Funds	6,101,394	10,930,000
(c) Derivative Instruments	-	-
(d) Debentures/ Bonds	760,541	463,459
(e) Other Securities		

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
Commercial Paper	2,804,206	-
Certificate of Deposits	938,332	155,710
Deposits with Bank	-	-
Reverse Repo	2,606,166	1,989,259
(f) Subsidiaries	-	-
(g) Investment Properties-Real Estate	-	-
(h) Exchange Traded Funds	-	-
Investments in Infrastructure and Social Sector	3,907,496	1,523,936
Other Investments		
Debentures/ Bonds	100,004	101,907
Mutual Funds	-	-
Exchange Traded Funds	2,817,539	2,137,708
Net Current Assets	3,039,486	2,258,033
<b>Total</b>	<b>170,981,206</b>	<b>155,909,509</b>

**SCHEDULE 9****LOANS**

<b>Particulars</b>	<b>As at March 31, 2018</b>	<b>As at March 31, 2017</b>
<b>SECURITY - WISE CLASSIFICATION</b>		
Secured		
(a) On mortgage of property		
(aa) In India	-	-
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt. Securities, etc.	-	-
(c) Loans against policies	2,232,576	1,333,172
(d) Others	-	-
Unsecured	-	-
<b>Total</b>	<b>2,232,576</b>	<b>1,333,172</b>
<b>BORROWER-WISE CLASSIFICATION</b>		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	-	-
(e) Loans against policies	2,232,576	1,333,172
(f) Others	-	-
<b>Total</b>	<b>2,232,576</b>	<b>1,333,172</b>
<b>PERFORMANCE-WISE CLASSIFICATION</b>		
(a) Loans classified as standard		
(aa) In India	2,232,576	1,333,172
(bb) Outside India	-	-
(b) Non-standard loans less provisions		
(aa) In India	-	-
(bb) Outside India	-	-
<b>Total</b>	<b>2,232,576</b>	<b>1,333,172</b>
<b>MATURITY- WISE CLASSIFICATION</b>		
(a) Short Term	30,769	5,769
(b) Long Term	2,201,807	1,327,403
<b>Total</b>	<b>2,232,576</b>	<b>1,333,172</b>

**SCHEDULE 10  
FIXED ASSETS**

Particulars	Cost/Gross Block		Depreciation			Net Block			
	As At April 1, 2017	Additions	Deductions	As At March 31, 2018	As At April 1, 2017	For the Year	On Sales/ Adjustments	As At March 31, 2018	As At March 31, 2017
Goodwill	-	-	-	-	-	-	-	-	-
Intangibles - Software	3,141,336	252,764	-	3,394,101	2,109,824	394,885	-	2,504,708	1,031,512
Land-Freehold	-	-	-	-	-	-	-	-	-
Leasehold Property	-	-	-	-	-	-	-	-	-
Leasehold improvements	1,186,678	27,247	42,865	1,171,060	1,011,078	35,950	42,851	1,004,177	175,600
Buildings	-	-	-	-	-	-	-	-	-
Furniture and Fittings	376,740	5,008	17,032	364,717	308,971	18,230	14,568	312,632	52,085
Information Technology equipment (Including communication networks and servers)	1,351,262	102,384	138,624	1,315,022	1,151,944	120,916	138,339	1,134,520	180,502
Vehicles	37,638	-	3,750	33,888	23,301	6,146	3,383	26,064	7,824
Office equipment	559,507	17,459	38,610	538,354	458,171	32,415	37,192	453,395	84,959
<b>Total</b>	<b>6,653,161</b>	<b>404,862</b>	<b>240,881</b>	<b>6,817,142</b>	<b>5,063,289</b>	<b>608,542</b>	<b>236,333</b>	<b>5,435,496</b>	<b>1,381,646</b>
Capital Work in Progress (including Capital advances)									200,185
<b>Grand Total</b>	<b>6,653,161</b>	<b>404,862</b>	<b>240,881</b>	<b>6,817,142</b>	<b>5,063,289</b>	<b>608,542</b>	<b>236,333</b>	<b>5,435,496</b>	<b>1,581,831</b>
<b>Previous Year (FY 16-17)</b>	<b>5,863,786</b>	<b>898,621</b>	<b>109,246</b>	<b>6,653,161</b>	<b>4,559,418</b>	<b>605,709</b>	<b>101,839</b>	<b>5,063,289</b>	<b>1,622,746</b>

**Note:**

1. Internally generated Intangibles is Rs. NIL. (Mar 31, 2017 - Rs. NIL)



**SCHEDULE 11**  
**CASH AND BANK BALANCES**

Particulars	As at March 31, 2018	As at March 31, 2017
Cash [Including Insurance Stamp Rs. 56,760 (March 31, 2017 : Rs. 31,648) and Cheques in hand of Rs. 568,172 (March 31, 2017 : Rs. 635,302)]	661,460	722,003
Balances with banks in India		
(a) Deposit accounts		
(aa) Short-term fixed deposit (i.e. maturing in 12 months)	-	-
(bb) Others	-	-
(b) Current accounts *	3,743,558	2,742,487
(c) Others	-	-
Money at call and short notice	-	-
(a) With Banks	-	-
(b) With other Institutions	-	-
Others	-	-
<b>Total</b>	<b>4,405,018</b>	<b>3,464,490</b>

\*Bank Balances with non-scheduled bank included in (b) above is Rs Nil (March 31, 2017 Rs Nil)  
Cash and Bank Balances outside India is Rs Nil (March 31, 2017 Rs Nil)

**SCHEDULE 12**
**ADVANCES AND OTHER ASSETS**

Particulars	As at March 31, 2018		As at March 31, 2017	
<b>ADVANCES</b>				
Reserve deposit with ceding companies		-		-
Application money for investments		-		-
Prepayments		292,235		360,299
Advances to Directors / Officers		-		-
Advance tax paid and taxes deducted at source (Net of provision for taxation)		147,208		148,697
Others:				
Advances to suppliers	1,343,734		1,039,798	
Less : Provision for doubtful advances	41,420	1,302,314	40,102	999,696
Advances to employees for imprest, travel, etc.	29,749		24,427	
Less : Provision for doubtful advances	24,262	5,487	18,641	5,786
<b>Total (A)</b>		<b>1,747,244</b>		<b>1,514,478</b>
<b>OTHER ASSETS</b>				
Income accrued on investments		7,761,523		6,079,198
Outstanding premiums		5,884,352		4,857,143
Agents' balances	50,036		39,035	

Particulars	As at March 31, 2018		As at March 31, 2017	
Less : Provision for doubtful agents' balances	33,209	16,827	27,210	11,825
Foreign agencies balances		-		-
Due from other entities carrying on insurance business (including reinsurers)		686,946		386,082
Due from holding company		-		-
Deposits with Reserve Bank of India		-		-
Others:				
- Service tax & GST unutilised credit*		334,612		338,817
- Security and other deposits		374,043		359,525
- Outstanding trades - Investment		664,507		-
- Receivable from Unit Linked Fund		444,393		136,138
- Derivative Assets [Refer to Note II (29), (40) on Schedule 16]		390		5,181
- Derivative margin money investment		222,429		-
- Asset held for unclaimed amount [Refer to Note II (31) on Schedule 16]		381,664		498,831
- Service Tax Deposits		105,290		103,020
- Income Tax Deposits		419,258		169,258
<b>Total (B)</b>		<b>17,296,234</b>		<b>12,945,018</b>
<b>Total (C) = (A) + (B)</b>		<b>19,043,478</b>		<b>14,459,496</b>

\* Includes Service Tax as per Finance Act 1994 till June 30, 2017 and GST with effect from July 01, 2017.

### SCHEDULE 13

#### CURRENT LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017
Agents balances	2,874,558	3,075,924
Balance due to other insurance companies	458,310	281,215
Deposits held on reinsurance ceded	-	-
Premium received in advance	180,827	172,442
Unallocated premium	950,570	1,621,476
Sundry creditors [Refer to Note II (28) on Schedule 16]	5,671,991	5,846,973
Due to holding company	38,770	24,138
Claims outstanding (includes pending investigation) [Refer to Note II (13) on Schedule 16]	878,240	471,334
Annuities due	-	-
Due to Officers/ Directors	-	-
Unclaimed amount- Policyholders [Refer to Note II (31) on Schedule 16]	381,664	498,831
Others:		
-Proposal / Policyholder deposits	1,556,896	1,473,870
-Payable to Policyholder [Refer to Note II (29) on Schedule 16]	1,777,063	1,196,210
-Withholding tax deducted at source	243,528	349,207
-Service tax and GST liability*	970,042	13,183

Particulars	As at March 31, 2018	As at March 31, 2017
-Other statutory liabilities	44,226	40,449
-Derivative Liability [Refer to Note II (29), (40) on Schedule 16]	261,770	85,866
- Payable for purchase of investments	1,150,763	1,763,560
<b>Total</b>	<b>17,439,218</b>	<b>16,914,678</b>

\* Includes GST with effect from July 01, 2017.

#### SCHEDULE 14

##### PROVISIONS

Particulars	As at March 31, 2018	As at March 31, 2017
For taxation (less payments and taxes deducted at source)	9,631	16,482
For proposed dividends	-	-
For dividend distribution tax	-	-
Others :		
- Gratuity	112,312	63,216
- Compensated absences	279,509	230,522
<b>Total</b>	<b>401,452</b>	<b>310,220</b>

#### SCHEDULE 15

##### MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Particulars	As at March 31, 2018	As at March 31, 2017
Discount Allowed in issue of shares/ debentures	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### RECEIPT AND PAYMENTS ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Cash flows from operating activities</b>		
Premium received from policyholders, including advance receipts	123,402,216	108,187,892
Other receipts	37,043	194,055
Payments to the re-insurers, net of commissions and claims	(355,348)	(489,592)
Payments of claims	(49,421,109)	(39,233,629)
Payments of commission and brokerage	(9,141,120)	(8,621,646)
Payments of other operating expenses	(16,066,946)	(14,556,125)
Deposits, advances and staff loans	(266,788)	(211,284)
Income taxes paid (Net)	(880,817)	(1,067,146)
Service tax/GST paid	(285,951)	(821,744)
<b>Net cash flow from operating activities</b>	<b>47,021,179</b>	<b>43,380,781</b>
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	(481,155)	(797,845)
Proceeds from sale of fixed assets	7,956	13,020

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchases of investments	(5,215,852,184)	(4,006,645,555)
Loans against policies	(899,404)	(569,223)
Sales of investments	5,147,784,900	3,946,151,259
Rents/Interests/ Dividends received	26,800,300	22,485,608
<b>Net cash flow from investing activities</b>	<b>(42,639,587)</b>	<b>(39,362,736)</b>
<b>Cash flows from financing activities</b>		
Dividends paid (Including Dividend Distribution Tax)	(3,441,062)	(3,879,855)
<b>Net cash flow from financing activities</b>	<b>(3,441,062)</b>	<b>(3,879,855)</b>
<b>Effect of foreign exchange rates on cash and cash equivalents, net</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>940,530</b>	<b>138,190</b>
Cash and cash equivalents at beginning of year	3,464,490	3,326,300
<b>Cash and cash equivalents at end of year</b>	<b>4,405,018</b>	<b>3,464,490</b>

Notes :

1. The above Receipts and Payments Account has been prepared under the "Direct Method" as set out in the Accounting Standard-3 on Cash Flow Statement.
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.

#### Cash and Cash Equivalents

Reconciliation of Cash and Cash Equivalents with Cash and Bank Balance (Schedule-11):	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash in hand	36,528	55,053
Stamps in hand	56,760	31,648
Cheques in hand	568,172	635,302
Balance with banks		
- Current Account (including Remittances in Transit)	3,743,558	2,742,487
<b>Total</b>	<b>4,405,018</b>	<b>3,464,490</b>

In terms of our report attached

For and on behalf of the Board of Directors of Max Life Insurance Company Limited

**For Fraser & Ross**  
Chartered Accountants  
ICAI Firm Registration  
No. 000829S

**For B.K. Khare & Co.**  
Chartered Accountants  
ICAI Firm Registration No.  
105102W

**Rahul Khosla**  
Chairman  
DIN: 03597562

**K Narasimha Murthy**  
Independent Director  
DIN: 00023046

**Rajesh Sud**  
Executive Vice  
Chairman & Managing  
Director  
DIN: 02395182

**S. Ganesh**  
Partner  
Membership No.  
204108

**Padmini Khare Kaicker**  
Partner  
Membership No. 044784

**Marielle Theron**  
Director  
DIN: 02667356

**Hideaki Nomura**  
Director  
DIN: 05304525

**Prashant Tripathy**  
Chief Financial Officer  
PAN: ABTPT2026P

Place: Bangalore  
Date : May 18, 2018

Place: Mumbai  
Date : May 18, 2018

**Jose John**  
Appointed Actuary

**Anurag Chauhan**  
Company Secretary  
Membership No. A16169

Place: New Delhi  
Date : May 18, 2018

**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2018**  
**Policyholders' Account (Technical Account)**

Particulars	Schedule		Linked Life		Linked Pension			Linked Group		Total Unit Linked (10)=(3)+(6)+(9)
	Non-Unit	Unit	Non-Unit	Unit	Non-Unit	Unit	Non-Unit	Unit	Total	
	(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	
<b>Premiums earned – net</b>										
(a) Premium	1,226,508	31,280,776	32,507,284	39,005	2,910,077	2,949,082	-	168,397	168,397	35,624,763
(b) Reinsurance ceded	(110,603)	-	(110,603)	(369)	-	(369)	-	-	-	(110,972)
<b>Income from Investments</b>										
(a) Interest, Dividend & Rent - Gross	274,628	5,116,853	5,391,481	19,721	711,112	730,833	(1)	70,145	70,144	6,192,458
(b) Profit on sale/redemption of investments	14,371	12,206,590	12,220,961	(1)	1,638,065	1,638,064	-	20,731	20,731	13,879,756
(c) Loss on sale/redemption of investments	(3)	(2,954,733)	(2,954,736)	-	(379,871)	(379,871)	(1)	(24,899)	(24,900)	(3,359,507)
(d) Unrealised gain/(loss)	2,026	(1,471,105)	(1,469,079)	-	(581,959)	(581,959)	-	(8,871)	(8,871)	(2,059,909)
(e) Amortisation of discount/(premium)	63,899	79,608	143,507	(873)	2,795	1,922	-	95	95	145,524
<b>Other income:</b>										
(a) Linked Income	4,414,422	(4,414,422)	-	342,061	(342,061)	-	-	(4,961)	(4,961)	-
(b) Contribution from the Shareholders' Account	-	-	-	91,467	-	91,467	-	-	-	91,467
(c) Others	1,728	5	1,733	172	4	176	-	2	2	1,911
<b>TOTAL (A)</b>	<b>5,886,976</b>	<b>39,843,572</b>	<b>45,730,548</b>	<b>491,183</b>	<b>3,958,162</b>	<b>4,449,345</b>	<b>4,959</b>	<b>220,639</b>	<b>225,598</b>	<b>50,405,491</b>
Commission Paid	1,516,230	-	1,516,230	81,597	-	81,597	5	-	5	1,597,832
Operating Expenses related to Insurance Business	2,718,420	-	2,718,420	188,180	-	188,180	971	-	971	2,907,571
Provision for doubtful debts	1,651	-	1,651	93	-	93	-	-	-	1,744
Bad debts written off	1,219	-	1,219	67	-	67	-	-	-	1,286
Service Tax/GST	-	1,010,373	1,010,373	-	66,027	66,027	-	856	856	1,077,256
<b>TOTAL (B)</b>	<b>4,237,520</b>	<b>1,010,373</b>	<b>5,247,893</b>	<b>269,937</b>	<b>66,027</b>	<b>335,964</b>	<b>976</b>	<b>856</b>	<b>1,832</b>	<b>5,585,689</b>
Benefits Paid (Net)	1,556,345	25,004,706	26,561,051	1,106	2,586,722	2,587,828	41	281,995	282,036	29,430,915
Interim Bonus Paid	-	-	-	-	-	-	-	-	-	-
Change in Valuation Liability	(824,802)	13,828,493	13,003,691	42,782	1,305,413	1,348,195	(124)	(62,212)	(62,336)	14,289,550
<b>TOTAL (C)</b>	<b>731,543</b>	<b>38,833,199</b>	<b>39,564,742</b>	<b>43,888</b>	<b>3,892,135</b>	<b>3,936,023</b>	<b>(83)</b>	<b>219,783</b>	<b>219,700</b>	<b>43,720,465</b>
<b>SURPLUS/ (DEFICIT) (D) = (A) - (B) - (C)</b>	<b>917,913</b>	<b>-</b>	<b>917,913</b>	<b>177,358</b>	<b>-</b>	<b>177,358</b>	<b>4,066</b>	<b>-</b>	<b>4,066</b>	<b>1,099,337</b>
<b>APPROPRIATIONS</b>										
Transfer to Shareholders' Account	-	-	-	-	-	-	-	-	-	-
Funds available for future appropriations	-	-	-	-	-	-	-	-	-	-
<b>Total (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2017**  
**Policyholders' Account (Technical Account)**

Particulars	Schedule		Linked Life		Linked Pension			Linked Group		Total Unit
	Non-Unit (1)	Unit (2)	Non-Unit (4)	Unit (5)	Non-Unit (7)	Unit (8)	Total (9)=(7)+(8)	Non-Unit (7)	Unit (8)	Total (10)=(9)+(10)
<b>Premiums earned – net</b>										
(a) Premium	862,211	23,041,644	30,516	2,446,386	-	509,972	509,972	-	509,972	26,890,729
(b) Reinsurance ceded	(118,587)	-	(408)	-	-	-	-	-	-	(118,995)
<b>Income from Investments</b>										
(a) Interest, Dividend & Rent - Gross	430,858	4,590,868	34,401	627,921	-	56,989	56,989	-	56,989	5,741,037
(b) Profit on sale/redemption of investments	97,764	9,405,070	24,108	804,930	1,633	37,987	39,620	1,633	37,987	10,371,492
(c) Loss on sale/redemption of investments	(185)	(3,004,697)	60	(147,524)	13	(10,039)	(10,026)	13	(10,039)	(3,162,372)
(d) Unrealised gain/(loss)	(752)	8,996,649	(16,361)	1,378,569	(1,522)	18,430	16,908	(1,522)	18,430	10,375,013
(e) Amortisation of discount/(premium)	88,919	99,196	(1,702)	7,824	(124)	124	-	(124)	124	194,237
<b>(f) App / Exp Adj Account</b>										
Other income:	-	-	-	-	-	-	-	-	-	-
(a) Linked Income	4,096,517	(4,096,517)	307,437	(307,437)	-	(2,650)	-	2,650	(2,650)	-
(b) Contribution from the Shareholders' Account	-	-	-	-	-	-	-	-	-	-
<b>(c) Others</b>	<b>1,386</b>	<b>252</b>	<b>117</b>	<b>-</b>	<b>117</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,755</b>
TOTAL (A)	5,458,131	39,032,465	378,168	4,810,669	5,188,837	610,813	613,463	2,650	610,813	50,292,896
Commission Paid	828,546	-	63,162	-	63,162	-	3	3	-	891,711
Operating Expenses related to Insurance Business	2,014,684	-	80,320	-	80,320	-	581	581	-	2,095,585
Provision for doubtful debts	359	-	29	-	29	-	-	-	-	388
Bad debts written off	587	-	7	-	7	-	-	-	-	594
<b>Service Tax</b>	<b>30,813</b>	<b>714,017</b>	<b>1,099</b>	<b>52,235</b>	<b>53,334</b>	<b>(14)</b>	<b>560</b>	<b>(14)</b>	<b>574</b>	<b>798,724</b>
TOTAL (B)	2,874,989	714,017	144,617	52,235	196,852	574	1,144	570	574	3,787,002
Benefits Paid (Net)	771,133	17,280,924	3,822	2,414,284	2,418,106	(2)	205,508	(2)	205,510	20,675,671
Interim Bonus Paid	-	-	-	-	-	-	-	-	-	-
<b>Change in Valuation Liability</b>	<b>(1,158,060)</b>	<b>21,037,524</b>	<b>23,204</b>	<b>2,344,150</b>	<b>2,367,354</b>	<b>808</b>	<b>405,537</b>	<b>808</b>	<b>404,729</b>	<b>22,652,355</b>
<b>TOTAL (C)</b>	<b>(386,927)</b>	<b>38,318,448</b>	<b>27,026</b>	<b>4,758,434</b>	<b>4,785,460</b>	<b>806</b>	<b>611,045</b>	<b>806</b>	<b>610,239</b>	<b>43,328,026</b>
<b>SURPLUS/ (DEFICIT) (D) = (A)-(B)-(C)</b>	<b>2,970,069</b>	<b>-</b>	<b>206,525</b>	<b>-</b>	<b>206,525</b>	<b>-</b>	<b>1,274</b>	<b>-</b>	<b>-</b>	<b>3,177,868</b>
APPROPRIATIONS	-	-	-	-	-	-	-	-	-	-
Transfer to Shareholders' Account	-	-	-	-	-	-	-	-	-	-
<b>Funds available for future appropriations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (D)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED****IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000**

(All Amounts in Thousands of Indian Rupees)

**Schedule-UL1****Linked Income (recovered from linked funds)\***

Particulars	For the year ended March 31, 2018			
	Life Linked Unit	Pension Linked Unit	Linked Group Unit	Total
	(1)	(2)	(3)	(4) = (1)+(2)+(3)
Fund Administration charges	-	-	-	-
Fund Management charge	1,720,788	228,514	4,920	<b>1,954,222</b>
Policy Administration charge	1,143,690	99,525	-	<b>1,243,215</b>
Surrender charge	116,188	7,738	-	<b>123,926</b>
Switching charge	15	-	-	<b>15</b>
Mortality charge	1,537,735	4,802	-	<b>1,542,537</b>
Rider Premium charge	-	-	-	-
Partial withdrawal charge	-	-	-	-
Miscellaneous charge	(103,994)	1,482	48	<b>(102,464)</b>
<b>TOTAL (UL-1)</b>	<b>4,414,422</b>	<b>342,061</b>	<b>4,968</b>	<b>4,761,451</b>

\* (net of service tax/GST, if any)

**Schedule-UL1****Linked Income (recovered from linked funds)\***

Particulars	For the year ended March 31, 2017			
	Life Linked Unit	Pension Linked Unit	Linked Group Unit	Total
	(1)	(2)	(3)	(4) = (1)+(2)+(3)
Fund Administration charges	-	-	-	-
Fund Management charge	1,493,269	196,991	3,697	<b>1,693,957</b>
Policy Administration charge	1,003,751	98,073	-	<b>1,101,824</b>
Surrender charge	132,509	10,799	-	<b>143,308</b>
Switching charge	367	3	-	<b>370</b>
Mortality charge	1,446,537	5,251	-	<b>1,451,788</b>
Rider Premium charge	-	-	-	-
Partial withdrawal charge	-	-	-	-
Miscellaneous charge	20,084	(3,680)	(1,047)	<b>15,357</b>
<b>TOTAL (UL-1)</b>	<b>4,096,517</b>	<b>307,437</b>	<b>2,650</b>	<b>4,406,604</b>

\* (net of service tax, if any)

**Schedule-UL2**  
**BENEFITS PAID [NET]**

Sl. No.	Particulars	For the year ended March 31, 2018															
		Linked Life		Non-Unit		Linked Pension		Non-Unit		Linked Group		Total Unit					
		Unit (1)	Unit (2)	Total (3)=(1)+(2)	Non-Unit (4)	Unit (5)	Total (6)=(4)+(5)	Non-Unit (7)	Unit (8)	Total (9)=(7)+(8)	Total Unit Linked (10)=(3)+(6)+(9)						
1	Insurance Claims																
(a)	Claims by Death	577,296	278,651	855,947	5,702	63,157	68,859	54	-	54	-	54	-	54	-	54	924,860
(b)	Claims by Maturity	-	8,223,469	8,223,469	-	203,530	203,530	-	247,864	247,864	-	247,864	-	247,864	-	247,864	8,674,863
(c)	Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Other benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Surrender	974,800	16,463,840	17,438,640	(4,596)	2,319,724	2,315,128	-	34,131	34,131	-	34,131	-	34,131	-	34,131	19,787,899
	- Survival	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Others	79,054	38,745	117,799	-	311	311	-	-	-	-	-	-	-	-	-	118,110
	<b>Sub Total (A)</b>	<b>1,631,150</b>	<b>25,004,705</b>	<b>26,635,855</b>	<b>1,106</b>	<b>2,586,722</b>	<b>2,587,828</b>	<b>54</b>	<b>281,995</b>	<b>282,049</b>	<b>54</b>	<b>281,995</b>	<b>282,049</b>	<b>282,049</b>	<b>54</b>	<b>281,995</b>	<b>29,505,732</b>
2	Amount Ceded in reinsurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Claims by Death	74,804	-	74,804	-	-	-	13	-	13	-	-	-	13	-	-	74,817
(b)	Claims by Maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Other benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Surrender	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Survival	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B)</b>	<b>74,804</b>	<b>-</b>	<b>74,804</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>74,817</b>
	<b>TOTAL (A) - (B)</b>	<b>1,556,346</b>	<b>25,004,705</b>	<b>26,561,051</b>	<b>1,106</b>	<b>2,586,722</b>	<b>2,587,828</b>	<b>41</b>	<b>281,995</b>	<b>282,036</b>	<b>41</b>	<b>281,995</b>	<b>282,036</b>	<b>282,036</b>	<b>41</b>	<b>281,995</b>	<b>29,430,915</b>
	<b>Benefits paid to claimants:</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	In India	1,556,346	25,004,705	26,561,051	1,106	2,586,722	2,587,828	41	281,995	282,036	41	281,995	282,036	282,036	41	281,995	29,430,915
	Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>TOTAL (UL2)</b>	<b>1,556,346</b>	<b>25,004,705</b>	<b>26,561,051</b>	<b>1,106</b>	<b>2,586,722</b>	<b>2,587,828</b>	<b>41</b>	<b>281,995</b>	<b>282,036</b>	<b>41</b>	<b>281,995</b>	<b>282,036</b>	<b>282,036</b>	<b>41</b>	<b>281,995</b>	<b>29,430,915</b>



**Schedule-UL2  
BENEFITS PAID [NET]**

Sl. No.	Particulars	For the year ended March 31, 2017																	
		Linked Life		Linked Pension		Linked Group		Linked Pension		Linked Group		Total							
		Non Unit	Unit	Non-Unit	Unit	Non-Unit	Unit	Non-Unit	Unit	Non-Unit	Unit	Non-Unit	Unit						
		(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	(10)=(3)+(6)+(9)	(11)	(12)						
1	Insurance Claims																		
(a)	Claims by Death	548,396	239,118	787,514	3,182	39,613	42,795	1	-	1	-	1	-	1	-	1	-	830,310	
(b)	Claims by Maturity	-	1,401,332	1,401,332	-	63,632	63,632	-	93,196	-	93,196	-	93,196	-	93,196	-	93,196	-	1,558,160
(c)	Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Other benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Surrender	171,236	15,640,474	15,811,710	890	2,303,007	2,303,897	-	112,314	-	112,314	-	112,314	-	112,314	-	112,314	-	18,227,921
	- Survival	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Others	137,715	-	137,715	-	8,032	8,032	-	-	-	-	-	-	-	-	-	-	-	145,747
	<b>Sub Total (A)</b>	<b>857,347</b>	<b>17,280,924</b>	<b>18,138,271</b>	<b>4,072</b>	<b>2,414,284</b>	<b>2,418,356</b>	<b>1</b>	<b>205,510</b>	<b>1</b>	<b>205,510</b>	<b>1</b>	<b>205,510</b>	<b>205,511</b>	<b>205,511</b>	<b>205,511</b>	<b>205,511</b>	<b>205,511</b>	<b>20,762,138</b>
2	Amount Ceded in reinsurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(a)	Claims by Death	86,214	-	86,214	250	-	250	-	-	3	-	-	-	-	-	-	-	-	86,467
(b)	Claims by Maturity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c)	Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(d)	Other benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Surrender	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	- Survival	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B)</b>	<b>86,214</b>	<b>-</b>	<b>86,214</b>	<b>250</b>	<b>-</b>	<b>250</b>	<b>3</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>86,467</b>
	<b>TOTAL (A) - (B)</b>	<b>771,133</b>	<b>17,280,924</b>	<b>18,052,057</b>	<b>3,822</b>	<b>2,414,284</b>	<b>2,418,106</b>	<b>(2)</b>	<b>205,510</b>	<b>(2)</b>	<b>205,510</b>	<b>205,508</b>	<b>205,508</b>	<b>205,508</b>	<b>205,508</b>	<b>205,508</b>	<b>205,508</b>	<b>205,508</b>	<b>20,675,671</b>
	<b>Benefits paid to claimants:</b>																		
	In India	857,347	17,280,924	18,138,271	4,072	2,414,284	2,418,356	1	205,510	1	205,510	205,511	205,511	205,511	205,511	205,511	205,511	205,511	20,762,138
	Outside India	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>TOTAL (UL2)</b>	<b>857,347</b>	<b>17,280,924</b>	<b>18,138,271</b>	<b>4,072</b>	<b>2,414,284</b>	<b>2,418,356</b>	<b>1</b>	<b>205,510</b>	<b>1</b>	<b>205,510</b>	<b>205,511</b>	<b>205,511</b>	<b>205,511</b>	<b>205,511</b>	<b>205,511</b>	<b>205,511</b>	<b>205,511</b>	<b>20,762,138</b>

**NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED**  
**IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000**  
 (All Amounts in Thousands of Indian Rupees)  
**Fund Balance Sheet as at March 31, 2018**

Particulars	Schedule	Funds													
		Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced	Pension Conservative
<b>SFIN</b>		ULIF00225/06/04 LIFEBALANC104	ULIF00225/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGROWSUP104	ULIF01311/02/08 LIFEFHIGH-GR104	ULIF01425/03/08 LIFEFYD-NOPP104	ULIF01004/10/06 AMSR-GUADYN104	ULIF00904/10/06 AMSR-GUAINC104	ULIF01528/04/09 LIFEFMON-EYM104	ULIF01628/04/09 LIFESECPCLS104	ULIF02021/06/13 LIFEFDIS-CON104	ULIF00625/11/05 PENSBAL-ANC104	ULIF00725/11/05 PENSCON-SER104
<b>Sources of Funds</b>															
<b>Policyholders' Funds:</b>															
Policyholder contribution	F-1	17,100,936	1,084,867	17,191,855	3,737,843	13,167,681	12,813	3,939,632	16,604	4,800	117,849	2,234,019	6,499,821	532,836	7,533
Revenue Account		7,740,440	616,324	43,361,074	1,880,786	25,820,064	435,440	5,537,393	22,533	5,341	155,141	379,536	503,535	944,714	102,014
<b>Total</b>		<b>24,841,376</b>	<b>1,701,191</b>	<b>60,552,929</b>	<b>5,618,629</b>	<b>38,987,745</b>	<b>448,253</b>	<b>9,477,025</b>	<b>39,137</b>	<b>10,141</b>	<b>272,990</b>	<b>2,613,555</b>	<b>7,003,356</b>	<b>1,477,550</b>	<b>109,547</b>
<b>Application of Funds</b>															
Investments	F-2	24,043,812	1,645,906	59,711,074	5,307,152	38,461,586	455,477	9,432,685	38,238	10,016	312,301	2,298,277	7,062,261	1,453,282	106,945
Current Assets	F-3	812,669	55,285	1,230,290	311,477	1,084,631	(1,603)	108,173	899	125	(63)	315,278	244,871	24,268	2,602
Less: Current Liabilities and Provisions	F-4	15,105	388,435	0	0	558,472	5,621	63,833			39,248		303,776		
<b>Net current assets</b>		<b>797,564</b>	<b>55,285</b>	<b>841,855</b>	<b>311,477</b>	<b>526,159</b>	<b>(7,224)</b>	<b>44,340</b>	<b>899</b>	<b>125</b>	<b>(39,311)</b>	<b>315,278</b>	<b>(58,905)</b>	<b>24,268</b>	<b>2,602</b>
<b>Total</b>		<b>24,841,376</b>	<b>1,701,191</b>	<b>60,552,929</b>	<b>5,618,629</b>	<b>38,987,745</b>	<b>448,253</b>	<b>9,477,025</b>	<b>39,137</b>	<b>10,141</b>	<b>272,990</b>	<b>2,613,555</b>	<b>7,003,356</b>	<b>1,477,550</b>	<b>109,547</b>
<b>Net Asset Value (NAV) per Unit:</b>		40.47	33.88	53.37	28.51	31.58	29.41	24.89	21.29	20.41	16.76	19.99	13.74	28.07	26.35
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. In '000)		24,841,376	1,701,191	60,552,929	5,618,629	38,987,745	448,253	9,477,025	39,137	10,141	272,990	2,613,555	7,003,356	1,477,550	109,547
(b) Number of Units outstanding		613,887,361	50,213,049	1,134,536,588	197,066,598	1,234,390,925	15,242,970	380,686,446	1,838,201	496,875	16,283,582	130,730,871	509,658,576	52,630,684	4,158,017
(c) NAV per Unit (a)/(b) (Rs.)		40.47	33.88	53.37	28.51	31.58	29.41	24.89	21.29	20.41	16.76	19.99	13.74	28.07	26.35

The Schedules referred to above form an integral part of the Fund Balance Sheet.

**Fund Balance Sheet as at Mar 31, 2017**

Particulars	Schedule	Funds													
		Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced	Pension Conservative
<b>SFIN</b>		ULIF00225/06/04 LIFEBALANC104	ULIF00225/06/04 LIFECONSER104	ULIF00125/06/04 LIFEGROWTH104	ULIF00425/06/04 LIFESECURE104	ULIF01108/02/07 LIFEGROWSUP104	ULIF01311/02/08 LIFEFHIGH-GR104	ULIF01425/03/08 LIFEFYD-NOPP104	ULIF01004/10/06 AMSR-GUADYN104	ULIF00904/10/06 AMSR-GUAINC104	ULIF01528/04/09 LIFEFMON-EYM104	ULIF01628/04/09 LIFESECPCLS104	ULIF02021/06/13 LIFEFDIS-CON104	ULIF00625/11/05 PENSBAL-ANC104	ULIF00725/11/05 PENSCON-SER104
<b>Sources of Funds</b>															
<b>Policyholders' Funds:</b>															
Policyholder contribution	F-1	13,948,167	929,825	18,857,941	3,427,994	15,451,448	82,541	5,080,594	22,581	6,491	166,507	1,192,727	3,033,257	739,956	22,334
Revenue Account		6,640,228	560,075	39,006,292	1,686,771	21,676,011	369,830	4,893,141	21,081	5,059	140,578	316,302	222,391	841,397	96,365
<b>Total</b>		<b>20,588,395</b>	<b>1,489,900</b>	<b>57,864,233</b>	<b>5,114,765</b>	<b>37,127,459</b>	<b>452,371</b>	<b>9,973,735</b>	<b>43,662</b>	<b>11,550</b>	<b>307,085</b>	<b>1,509,029</b>	<b>3,255,648</b>	<b>1,581,353</b>	<b>118,699</b>
<b>Application of Funds</b>															
Investments	F-2	20,050,064	1,424,960	57,159,186	5,002,104	36,929,221	437,988	9,914,272	42,571	11,246	306,591	1,374,259	3,100,140	1,552,498	115,557
Current Assets	F-3	745,149	79,721	1,066,015	277,750	198,239	29,821	245,079	1,091	317	494	190,844	155,508	30,204	5,489
Less: Current Liabilities and Provisions	F-4	206,818	14,781	360,968	165,089	1	15,438	185,616		13		56,074		1,349	2,347
<b>Net current assets</b>		<b>538,331</b>	<b>64,940</b>	<b>705,047</b>	<b>112,661</b>	<b>198,238</b>	<b>14,383</b>	<b>59,463</b>	<b>1,091</b>	<b>304</b>	<b>494</b>	<b>134,770</b>	<b>155,508</b>	<b>28,855</b>	<b>3,142</b>
<b>Total</b>		<b>20,588,395</b>	<b>1,489,900</b>	<b>57,864,233</b>	<b>5,114,765</b>	<b>37,127,459</b>	<b>452,371</b>	<b>9,973,735</b>	<b>43,662</b>	<b>11,550</b>	<b>307,085</b>	<b>1,509,029</b>	<b>3,255,648</b>	<b>1,581,353</b>	<b>118,699</b>
<b>Net Asset Value (NAV) per Unit:</b>		38.42	32.66	49.58	27.50	28.37	25.54	23.38	20.60	19.94	15.94	19.25	13.01	26.31	25.12
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. In '000)		20,588,395	1,489,900	57,864,233	5,114,765	37,127,459	452,371	9,973,735	43,662	11,550	307,085	1,509,029	3,255,648	1,581,353	118,699
(b) Number of Units outstanding		535,873,679	45,615,706	1,167,064,665	186,023,332	1,308,702,517	17,713,920	426,683,314	2,119,470	579,288	19,261,347	78,398,387	250,318,514	60,105,508	4,725,365
(c) NAV per Unit (a)/(b) (Rs.)		38.42	32.66	49.58	27.50	28.37	25.54	23.38	20.60	19.94	15.94	19.25	13.01	26.31	25.12
Significant accounting policies and notes to the accounts	16														

Funds													
Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Preserver	Lifemaker Pension Maximiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Total
ULF00525/ 11/ OSPENSSECURE104	ULF00825/ 11/ OSPENSSECURE104	ULF01213/ 08/ 07PENSGRWUP104	ULF01815/ 02/ 13PENSPRESER104	ULF01715/ 02/ 13PENSMAXIM104	ULF01912/ 08/ 13PENSDISCON104	ULGF00217/ 04/ 06GRATBALAN104	ULGF00317/ 04/ 06GRATCONSER104	ULGF00117/ 04/ 06GRATGROWTH104	ULGF00707/ 02/ 13GRATPLBOND104	ULGF00523/ 01/ 07SANNBALAN104	ULGF00623/ 01/ 07SANNCONSER104	ULGF00423/ 01/ 07SANNGROWTH104	
1,578,366	225,126	570,769	2,265,625	3,019,803	864,125	134,337	180,382	143,634	8,057	25	(9,052)	(140)	74,630,146
3,915,934	398,423	3,154,850	340,376	367,468	63,801	184,412	282,566	113,963	2,438	105	22,104	285	96,351,060
<b>5,494,300</b>	<b>623,549</b>	<b>3,725,619</b>	<b>2,606,001</b>	<b>3,387,271</b>	<b>927,926</b>	<b>318,749</b>	<b>462,948</b>	<b>257,597</b>	<b>10,495</b>	<b>130</b>	<b>13,052</b>	<b>145</b>	<b>170,981,206</b>
5,438,813	613,286	3,754,701	2,538,195	3,267,505	938,000	318,400	451,933	258,496	10,325	127	12,783	144	167,941,720
63,613	14,839	(13,282)	67,806	119,766	38,923	7,747	11,015	4,378	170	3	269	1	4,504,150
8,126	4,576	15,800	-	-	48,997	7,398	-	5,277	-	-	-	-	1,464,664
<b>55,487</b>	<b>10,263</b>	<b>(29,082)</b>	<b>67,806</b>	<b>119,766</b>	<b>(10,074)</b>	<b>349</b>	<b>11,015</b>	<b>(899)</b>	<b>170</b>	<b>3</b>	<b>269</b>	<b>1</b>	<b>3,039,486</b>
<b>5,494,300</b>	<b>623,549</b>	<b>3,725,619</b>	<b>2,606,001</b>	<b>3,387,271</b>	<b>927,926</b>	<b>318,749</b>	<b>462,948</b>	<b>257,597</b>	<b>10,495</b>	<b>130</b>	<b>13,052</b>	<b>145</b>	<b>170,981,206</b>
32,96	25,22	20,17	15,49	16,01	13,90	30,30	25,74	29,14	14,36	23,30	20,06	23,71	-
5,494,300	623,549	3,725,619	2,606,001	3,387,271	927,926	318,749	462,948	257,597	10,495	130	13,052	145	170,981,206
166,708,981	24,723,424	184,746,452	168,281,117	211,626,246	66,743,613	10,519,388	17,986,641	8,841,115	730,805	5,578	650,773	6,107	-
32,96	25,22	20,17	15,49	16,01	13,90	30,30	25,74	29,14	14,36	23,31	20,06	23,71	-

Funds													
Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Preserver	Lifemaker Pension Maximiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Total
ULF00525/ 11/ OSPENSSECURE104	ULF00825/ 11/ OSPENSSECURE104	ULF01213/ 08/ 07PENSGRWUP104	ULF01815/ 02/ 13PENSPRESER104	ULF01715/ 02/ 13PENSMAXIM104	ULF01912/ 08/ 13PENSDISCON104	ULGF00217/ 04/ 06GRATBALAN104	ULGF00317/ 04/ 06GRATCONSER104	ULGF00117/ 04/ 06GRATGROWTH104	ULGF00707/ 02/ 13GRATPLBOND104	ULGF00523/ 01/ 07SANNBALAN104	ULGF00623/ 01/ 07SANNCONSER104	ULGF00423/ 01/ 07SANNGROWTH104	
2,345,762	304,963	1,433,127	1,750,752	1,862,477	421,538	106,371	291,787	171,469	9,283	26	(7,977)	(69)	71,651,872
3,556,248	374,708	2,744,644	272,980	250,938	28,161	170,799	262,733	96,845	2,071	97	21,620	272	84,257,637
<b>5,902,010</b>	<b>679,671</b>	<b>4,177,771</b>	<b>2,023,732</b>	<b>2,113,415</b>	<b>449,699</b>	<b>277,170</b>	<b>554,520</b>	<b>268,314</b>	<b>11,354</b>	<b>123</b>	<b>13,643</b>	<b>203</b>	<b>155,909,509</b>
5,896,343	661,170	4,178,683	1,958,392	2,031,954	415,061	260,131	539,851	264,531	11,051	118	13,338	196	153,651,476
62,286	29,059	517	65,340	81,461	34,638	22,356	14,669	3,783	303	5	305	7	3,340,450
56,619	10,558	1,429	-	-	-	5,317	-	-	-	-	-	-	1,082,417
<b>5,667</b>	<b>18,501</b>	<b>(912)</b>	<b>65,340</b>	<b>81,461</b>	<b>34,638</b>	<b>17,039</b>	<b>14,669</b>	<b>3,783</b>	<b>303</b>	<b>5</b>	<b>305</b>	<b>7</b>	<b>2,258,033</b>
<b>5,902,010</b>	<b>679,671</b>	<b>4,177,771</b>	<b>2,023,732</b>	<b>2,113,415</b>	<b>449,699</b>	<b>277,170</b>	<b>554,520</b>	<b>268,314</b>	<b>11,354</b>	<b>123</b>	<b>13,643</b>	<b>203</b>	<b>155,909,509</b>
31,04	24,35	18,37	14,99	15,18	13,18	28,92	24,84	27,37	13,89	21,90	19,36	21,84	-
5,902,010	679,671	4,177,771	2,023,732	2,113,415	449,699	277,170	554,520	268,314	11,354	123	13,643	203	155,909,509
190,115,188	27,916,264	227,400,422	135,001,048	139,244,568	34,127,803	9,584,160	22,321,692	9,802,314	817,249	5,631	704,619	9,290	-
31,04	24,35	18,37	14,99	15,18	13,18	28,92	24,84	27,37	13,89	21,90	19,36	21,84	-

## Schedules to Fund Revenue Account

NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED

IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000

Schedule: F-1

POLICYHOLDERS' CONTRIBUTION FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in '000)

Particulars Fund Name	Funds												
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced
SFIN	ULIF00225/06/04LIFE-BALANC104	ULIF00325/06/04LIFE-CONSER104	ULIF00125/06/04LIFEGROWTH104	ULIF00425/06/04LIFESE-CURE104	ULIF01108/02/07LIFEGRW-SUP104	ULIF01311/02/08LIFE-HIGHGR104	ULIF01425/03/08LIFE-DYNOPP104	ULIF01004/10/06AMSR-GUADYN104	ULIF00904/10/06AMSR-GUAINC104	ULIF01528/04/09LIFEM-ONEYM104	ULIF01628/04/09LIFESECP104	ULIF02021/06/13LIFE-ICON104	ULIF00625/11/05PENS-BALANC104
Opening balance	13,948,167	929,825	18,857,941	3,427,994	15,451,448	82,541	5,080,594	22,581	6,491	166,507	1,192,727	3,033,257	739,956
Add: Additions during the year*	14,882,155	978,236	16,306,103	2,985,043	14,717,867	24,913	908,089	4,463	1,895	42,105	5,816,466	8,176,881	118,774
Less: Deductions during the year*	11,729,386	823,194	17,972,189	2,675,194	17,001,634	94,641	2,049,051	10,440	3,586	90,763	4,775,174	4,710,317	325,894
Closing balance	17,100,936	1,084,867	17,191,855	3,737,843	13,167,681	12,813	3,939,632	16,604	4,800	117,849	2,234,019	6,499,821	532,836

\* Additions represents units creation and deductions represent unit cancellations including cancellation for charges

## POLICYHOLDERS' CONTRIBUTION FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in '000)

Particulars Fund Name	Funds												
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced
SFIN	ULIF00225/06/04LIFE-BALANC104	ULIF00325/06/04LIFE-CONSER104	ULIF00125/06/04LIFEGROWTH104	ULIF00425/06/04LIFESE-CURE104	ULIF01108/02/07LIFEGRW-SUP104	ULIF01311/02/08LIFE-HIGHGR104	ULIF01425/03/08LIFE-DYNOPP104	ULIF01004/10/06AMSR-GUADYN104	ULIF00904/10/06AMSR-GUAINC104	ULIF01528/04/09LIFEM-ONEYM104	ULIF01628/04/09LIFESECP104	ULIF02021/06/13LIFE-ICON104	ULIF00625/11/05PENS-BALANC104
Opening balance	10,833,872	728,534	21,627,769	2,901,750	14,703,617	134,061	5,928,081	25,181	7,695	206,113	833,236	958,254	933,894
Add: Additions during the year*	9,050,443	628,695	9,468,903	2,097,139	7,955,290	22,655	1,017,029	4,233	2,380	39,177	3,244,193	3,071,589	146,920
Less: Deductions during the year*	5,936,148	427,404	12,238,731	1,570,895	7,207,459	74,175	1,864,516	6,833	3,584	78,783	2,884,702	996,586	340,858
Closing balance	13,948,167	929,825	18,857,941	3,427,994	15,451,448	82,541	5,080,594	22,581	6,491	166,507	1,192,727	3,033,257	739,956

\* Additions represents units creation and deductions represent unit cancellations including cancellation for charges

(Rs. in '000)

Funds														Total
Pension Conservative	Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Pre-server	Lifemaker Pension Max-imiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	
ULIF00725/11/05PENS-CONSER104	ULIF00525/11/05PENS-GROWTH104	ULIF00825/11/05PENS-SECURE104	ULIF01213/08/07PENS-GRWSUP104	ULIF01815/02/13PEN-SPRESER104	ULIF01715/02/13PENS-MAXIMI104	ULIF01912/08/13PENS-DISCON104	ULGF00217/04/06GRAT-BALANC104	ULGF00317/04/06GRAT-CONSER104	ULGF00117/04/06GRAT-GROWTH104	ULGF00707/02/13GRATPL-BOND104	ULGF00523/01/07SANN-BALANC104	ULGF00623/01/07SANN-CONSER104	ULGF00423/01/07SANN-GROWTH104	
22,334	2,345,762	304,963	1,433,127	1,750,752	1,862,477	421,538	106,371	291,787	171,469	9,283	26	(7,977)	(69)	71,651,872
11,879	418,687	67,691	304,402	1,528,667	2,312,525	903,769	92,789	56,186	18,784	3,200		47	72	70,681,688
26,680	1,186,083	147,528	1,166,760	1,013,794	1,155,199	461,182	64,823	167,591	46,619	4,426	1	1,122	143	67,703,414
<b>7,533</b>	<b>1,578,366</b>	<b>225,126</b>	<b>570,769</b>	<b>2,265,625</b>	<b>3,019,803</b>	<b>864,125</b>	<b>134,337</b>	<b>180,382</b>	<b>143,634</b>	<b>8,057</b>	<b>25</b>	<b>(9,052)</b>	<b>(140)</b>	<b>74,630,146</b>

(Rs. in '000)

Funds														Total
Pension Conservative	Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Pre-server	Lifemaker Pension Max-imiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	
ULIF00725/11/05PENS-CONSER104	ULIF00525/11/05PENS-GROWTH104	ULIF00825/11/05PENS-SECURE104	ULIF01213/08/07PENS-GRWSUP104	ULIF01815/02/13PEN-SPRESER104	ULIF01715/02/13PENS-MAXIMI104	ULIF01912/08/13PENS-DISCON104	ULGF00217/04/06GRAT-BALANC104	ULGF00317/04/06GRAT-CONSER104	ULGF00117/04/06GRAT-GROWTH104	ULGF00707/02/13GRATPL-BOND104	ULGF00523/01/07SANN-BALANC104	ULGF00623/01/07SANN-CONSER104	ULGF00423/01/07SANN-GROWTH104	
53,216	3,177,070	357,220	1,953,344	1,235,864	1,115,059	146,084	80,810	204,659	(20,810)	8,068	27	(7,282)	(68)	68,125,318
10,520	503,403	127,150	340,534	1,104,319	1,221,129	450,743	156,361	116,828	254,321	9,725		117		41,043,796
41,402	1,334,711	179,407	860,751	589,431	473,711	175,289	130,800	29,700	62,042	8,510	1	812	1	37,517,242
<b>22,334</b>	<b>2,345,762</b>	<b>304,963</b>	<b>1,433,127</b>	<b>1,750,752</b>	<b>1,862,477</b>	<b>421,538</b>	<b>106,371</b>	<b>291,787</b>	<b>171,469</b>	<b>9,283</b>	<b>26</b>	<b>(7,977)</b>	<b>(69)</b>	<b>71,651,872</b>

**Schedules to Fund Revenue Account**  
**NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED**  
**IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000**  
**Schedule: F-2**  
**INVESTMENTS AS AT MARCH 31, 2018**

(Rs. in '000)

Particulars	Funds													
	Fund Name	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced
SFIN	ULIF00225/06/04LIFE-BALANCI04	ULIF00325/06/04LIFE-CONSER104	ULIF00125/06/04LIFE-GROWTH104	ULIF00425/06/04LIFESE-CURE104	ULIF01108/02/07LIFEGR-WSUP104	ULIF01311/02/08LIFE-HIGHGR104	ULIF01425/03/08LIFEDY-NOPP104	ULIF01004/10/06AMSR-GUADYN104	ULIF00904/10/06AMSR-GUAINC104	ULIF01528/04/09LIFEMO-NEYM104	ULIF01628/04/09LIFESECP104	ULIF02021/06/13LIFEDIS-CON104	ULIF00625/11/05PENSBALANCI04	
<b>Approved Investments</b>														
Government Bonds	8,021,242	895,967	9,491,662	2,942,915	-	-	1,529,600	21,449	5,650	-	1,530,433	6,671,284	474,664	
Corporate Bonds	3,425,959	161,798	7,632,613	712,653	14,434	-	903,658	3,074	1,278	-	241,685	-	194,549	
Infrastructure Bonds	3,467,595	232,279	6,978,298	1,602,637	-	-	485,474	3,150	-	-	477,438	-	221,269	
Equity	6,554,912	139,934	28,628,403	-	32,646,061	365,668	4,912,870	5,187	564	-	-	-	426,279	
Money Market	1,356,749	47,152	2,853,683	-	-	-	-	-	-	221,965	-	-	-	
Mutual Funds	801,036	-	1,896,575	-	2,202,328	-	1,201,456	-	-	-	-	-	-	
Deposit with Bank	-	-	95,000	-	-	-	-	-	-	-	-	-	-	
Reverse Repo	34,152	162,270	43,635	46,031	6,433	31,429	255,078	5,242	2,486	90,336	48,721	390,977	112,669	
<b>Total</b>	<b>23,661,645</b>	<b>1,639,400</b>	<b>57,619,869</b>	<b>5,304,236</b>	<b>34,869,256</b>	<b>397,097</b>	<b>9,288,136</b>	<b>38,102</b>	<b>9,978</b>	<b>312,301</b>	<b>2,298,277</b>	<b>7,062,261</b>	<b>1,429,430</b>	
<b>Other Investments</b>														
Corporate Bonds	29,982	-	159,849	2,916	-	-	9,981	-	-	-	-	-	-	
Infrastructure Bonds	-	-	52,191	-	-	-	-	-	-	-	-	-	-	
Equity	352,185	6,506	1,879,165	-	3,592,330	58,380	134,568	136	38	-	-	-	23,852	
Money Market	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>382,167</b>	<b>6,506</b>	<b>2,091,205</b>	<b>2,916</b>	<b>3,592,330</b>	<b>58,380</b>	<b>144,549</b>	<b>136</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>23,852</b>	
<b>GRAND TOTAL</b>	<b>24,043,812</b>	<b>1,645,906</b>	<b>59,711,074</b>	<b>5,307,152</b>	<b>38,461,586</b>	<b>455,477</b>	<b>9,432,685</b>	<b>38,238</b>	<b>10,016</b>	<b>312,301</b>	<b>2,298,277</b>	<b>7,062,261</b>	<b>1,453,282</b>	
	98%	100%	96%	100%	91%	87%	98%	100%	100%	100%	100%	100%	98%	
	2%	0%	4%	0%	9%	13%	2%	0%	0%	0%	0%	0%	2%	

**Schedule: F-2**  
**INVESTMENTS AS AT MARCH 31, 2017**

(Rs. in '000)

Particulars	Funds													
	Fund Name	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced
SFIN	ULIF00225/06/04LIFE-BALANCI04	ULIF00325/06/04LIFE-CONSER104	ULIF00125/06/04LIFE-GROWTH104	ULIF00425/06/04LIFESE-CURE104	ULIF01108/02/07LIFEGR-WSUP104	ULIF01311/02/08LIFE-HIGHGR104	ULIF01425/03/08LIFEDY-NOPP104	ULIF01004/10/06AMSR-GUADYN104	ULIF00904/10/06AMSR-GUAINC104	ULIF01528/04/09LIFEMO-NEYM104	ULIF01628/04/09LIFESECP104	ULIF02021/06/13LIFEDIS-CON104	ULIF00625/11/05PENSBALANCI04	
Government Bonds	6,418,131	769,633	10,588,941	2,584,822	-	-	2,512,510	25,233	8,852	-	858,967	2,113,729	514,349	
Corporate Bonds	1,762,789	107,798	4,470,188	690,389	14,905	-	516,176	3,151	1,229	-	113,381	-	159,717	
Infrastructure Bonds	3,948,304	323,694	5,553,105	1,615,385	-	-	980,533	5,333	454	-	343,934	-	332,714	
Equity	4,596,007	109,282	27,679,752	-	30,727,996	379,671	5,118,366	6,672	562	-	-	-	488,411	
Money Market	98,345	-	1,249,526	-	498,403	-	98,345	-	-	298,471	-	-	-	
Mutual Funds	2,450,000	-	5,000,000	-	2,300,000	-	430,000	-	-	-	-	-	400,000	
Deposit with Bank	-	-	95,000	-	-	-	-	-	-	-	-	-	-	
Reverse Repo	379,751	106,527	47,271	108,430	84,199	16,643	7,086	1,988	119	8,120	57,976	586,410	35,847	
<b>Total</b>	<b>19,653,327</b>	<b>1,416,934</b>	<b>54,683,783</b>	<b>4,999,026</b>	<b>33,625,503</b>	<b>396,314</b>	<b>9,663,016</b>	<b>42,377</b>	<b>11,216</b>	<b>306,591</b>	<b>1,374,258</b>	<b>3,100,139</b>	<b>1,531,038</b>	
<b>Other Investments</b>														
Corporate Bonds	19,978	-	289,283	3,079	-	-	-	-	-	-	-	-	-	
Infrastructure Bonds	-	-	53,125	-	-	-	-	-	-	-	-	-	-	
Equity	376,761	8,026	2,132,996	-	3,303,717	41,675	251,256	194	30	-	-	-	21,460	
Money Market	-	-	-	-	-	-	-	-	-	-	-	-	-	
Mutual Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total</b>	<b>396,739</b>	<b>8,026</b>	<b>2,475,404</b>	<b>3,079</b>	<b>3,303,717</b>	<b>41,675</b>	<b>251,256</b>	<b>194</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>21,460</b>	
<b>GRAND TOTAL</b>	<b>20,050,066</b>	<b>1,424,960</b>	<b>57,159,187</b>	<b>5,002,105</b>	<b>36,929,220</b>	<b>437,989</b>	<b>9,914,272</b>	<b>42,571</b>	<b>11,246</b>	<b>306,591</b>	<b>1,374,258</b>	<b>3,100,139</b>	<b>1,552,498</b>	
	98%	99%	96%	100%	91%	90%	97%	100%	100%	100%	100%	0%	99%	
	2%	1%	4%	0%	9%	10%	3%	0%	0%	0%	0%	0%	1%	

(Rs. in '000)

Funds														Total
Pension Conservative	Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Preserver	Lifemaker Pension Maximiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	
ULIF00725/ 11/ 05PENSCONS-ER104	ULIF00525/ 11/ 05PENSGROWTH104	ULIF00825/ 11/ 05PENSECURE104	ULIF01213/ 08/ 07PENSGROWTH-SUP104	ULIF01815/ 02/ 13PENSPRES-ER104	ULIF01715/ 02/ 13PENSMAXI-MI104	ULIF01912/ 08/ 13PENSDIS-CON104	ULGF00217/ 04/ 06GRAT-BALANC104	ULGF00317/ 04/ 06GRAT-CONSER104	ULGF00117/ 04/ 06GRAT-GROWTH104	ULGF00707/ 02/ 13GRAT-PLBOND104	ULGF00523/ 01/ 07SANN-BALANC104	ULGF00623/ 01/ 07SANN-CONSER104	ULGF00423/ 01/ 07SANN-GROWTH104	
58,146	1,041,959	321,906	-	1,330,491	1,008,261	818,116	131,772	310,655	58,602	6,827	46	8,208	38	36,679,893
8,448	712,150	79,561	-	292,327	317,238	-	17,741	69,910	21,887	16	1,091	-	-	14,812,090
28,479	301,552	211,799	-	197,724	233,958	-	52,555	40,911	19,384	230	1,336	3	3	14,556,083
10,782	2,782,314	-	3,274,224	411,868	866,618	-	70,069	-	122,493	-	33	-	74	81,218,353
-	47,154	-	-	173,662	234,347	-	4,668	10,983	9,336	-	-	-	-	4,959,699
-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,101,395
-	-	-	-	-	-	-	-	-	-	-	-	-	-	95,000
1,018	321,910	-	203,859	94,432	547,605	119,884	38,671	19,474	24,391	3,268	19	2,148	26	2,606,164
<b>106,873</b>	<b>5,207,039</b>	<b>613,286</b>	<b>3,478,083</b>	<b>2,500,504</b>	<b>3,208,027</b>	<b>938,000</b>	<b>315,476</b>	<b>451,933</b>	<b>256,093</b>	<b>10,325</b>	<b>126</b>	<b>12,783</b>	<b>141</b>	<b>161,028,677</b>
-	-	-	-	-	-	-	-	-	-	-	-	-	-	202,728
-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,191
72	231,774	-	276,618	37,691	59,478	-	2,924	-	2,403	-	1	-	3	6,658,124
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>72</b>	<b>231,774</b>	-	<b>276,618</b>	<b>37,691</b>	<b>59,478</b>	-	<b>2,924</b>	-	<b>2,403</b>	-	<b>1</b>	-	<b>3</b>	<b>6,913,043</b>
<b>106,945</b>	<b>5,438,813</b>	<b>613,286</b>	<b>3,754,701</b>	<b>2,538,195</b>	<b>3,267,505</b>	<b>938,000</b>	<b>318,400</b>	<b>451,933</b>	<b>258,496</b>	<b>10,325</b>	<b>127</b>	<b>12,783</b>	<b>144</b>	<b>167,941,720</b>
100%	96%	100%	93%	99%	98%	100%	99%	100%	99%	100%	99%	100%	98%	96%
0%	4%	0%	7%	1%	2%	0%	1%	0%	1%	0%	1%	0%	2%	4%

(Rs. in '000)

Funds														Total
Pension Conservative	Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Preserver	Lifemaker Pension Maximiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	
ULIF00725/ 11/ 05PENSCONS-ER104	ULIF00525/ 11/ 05PENSGROWTH104	ULIF00825/ 11/ 05PENSECURE104	ULIF01213/ 08/ 07PENSGROWTH-SUP104	ULIF01815/ 02/ 13PENSPRES-ER104	ULIF01715/ 02/ 13PENSMAXI-MI104	ULIF01912/ 08/ 13PENSDIS-CON104	ULGF00217/ 04/ 06GRAT-BALANC104	ULGF00317/ 04/ 06GRAT-CONSER104	ULGF00117/ 04/ 06GRAT-GROWTH104	ULGF00707/ 02/ 13GRAT-PLBOND104	ULGF00523/ 01/ 07SANN-BALANC104	ULGF00623/ 01/ 07SANN-CONSER104	ULGF00423/ 01/ 07SANN-GROWTH104	
65,309	1,062,592	353,220	-	1,276,471	841,437	296,096	104,371	362,078	69,944	10,715	59	9,769	57	30,847,285
14,714	345,610	96,608	-	156,866	99,233	-	18,174	76,121	17,886	16	1,126	-	-	8,666,077
22,916	605,514	204,046	-	138,773	163,865	-	55,556	88,113	36,229	234	10	1,354	14	14,420,080
12,380	3,349,711	-	3,755,817	235,246	656,019	-	57,573	-	129,280	-	32	-	105	77,302,882
-	350,000	-	-	49,173	49,173	-	-	-	-	-	-	-	-	2,341,436
-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,930,000
-	-	-	-	-	-	-	-	-	-	-	-	-	-	95,000
135	3,432	7,295	126,747	77,815	176,107	118,965	21,007	13,540	2,643	102	1	1,090	14	1,989,260
<b>115,454</b>	<b>5,716,859</b>	<b>661,169</b>	<b>3,882,564</b>	<b>1,934,344</b>	<b>1,985,834</b>	<b>415,061</b>	<b>256,681</b>	<b>539,852</b>	<b>255,982</b>	<b>11,051</b>	<b>118</b>	<b>13,339</b>	<b>190</b>	<b>146,592,020</b>
-	-	-	-	-	-	-	-	-	-	-	-	-	-	312,340
-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,125
102	179,484	-	296,119	24,048	46,120	-	3,448	-	8,549	-	-	-	6	6,693,991
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>102</b>	<b>179,484</b>	-	<b>296,119</b>	<b>24,048</b>	<b>46,120</b>	-	<b>3,448</b>	-	<b>8,549</b>	-	-	-	<b>6</b>	<b>7,059,456</b>
<b>115,556</b>	<b>5,896,343</b>	<b>661,169</b>	<b>4,178,683</b>	<b>1,958,392</b>	<b>2,031,954</b>	<b>415,061</b>	<b>260,129</b>	<b>539,852</b>	<b>264,531</b>	<b>11,051</b>	<b>118</b>	<b>13,339</b>	<b>196</b>	<b>153,651,476</b>
100%	97%	100%	93%	99%	98%	100%	99%	100%	97%	100%	100%	100%	97%	95%
0%	3%	0%	7%	1%	2%	0%	1%	0%	3%	0%	0%	0%	3%	5%

**Schedules to Fund Revenue Account**  
**NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED**  
**IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000**  
**Schedule: F - 3**  
**CURRENT ASSETS AS AT MARCH 31, 2018**

(Rs. In '000)														
Particulars	Funds													
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced	Pension Conservative
<b>SFIN</b>	<b>ULIF00225/06/04LIFE-BALANC104</b>	<b>ULIF00325/06/04LIFE-CONSER104</b>	<b>ULIF00125/06/04LIFE-GROWTH104</b>	<b>ULIF00425/06/04LIFESE-CURE104</b>	<b>ULIF01108/02/07LIFEGR-WSUP104</b>	<b>ULIF01311/02/08LIFE-HIGHGR104</b>	<b>ULIF01425/03/08LIFEDY-NOPP104</b>	<b>ULIF01004/10/06AMSR-GUADYN104</b>	<b>ULIF00904/10/06AMSR-GUAINC104</b>	<b>ULIF01528/04/09LIFEM-ONEYM104</b>	<b>ULIF01628/04/09LIFE-SECLP104</b>	<b>ULIF02021/06/13LIFED-ISON104</b>	<b>ULIF00625/11/05PENSBALANC104</b>	<b>ULIF00725/11/05PENSCONSER104</b>
Accrued Interest	364,540	29,222	714,892	149,499	487	23	76,005	804	139	67	44,688	127,094	20,611	2,453
UL Interest Accr on Appl Money	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash & Bank Balance	220,801	6,232	194,176	(70,217)	119,510	(1,686)	8,437	(8)	(15)	(130)	72,086	19,831	2,628	73
Unit Subscription Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Receivable	343	2	-	-	430	60	194	-	-	-	-	-	7	-
Receivable for Sale of Investments	-	-	74,741	200,312	779,138	-	-	-	-	-	-	-	-	-
Unit Collection A/c	224,309	19,829	216,403	31,883	148,915	-	12,226	103	1	-	198,504	97,946	1,022	76
Other Current Assets (for Investments)	2,676	-	30,078	-	36,151	-	11,311	-	-	-	-	-	-	-
Appropriation (Expropriation) Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>812,669</b>	<b>55,285</b>	<b>1,230,290</b>	<b>311,477</b>	<b>1,084,631</b>	<b>(1,603)</b>	<b>108,173</b>	<b>899</b>	<b>125</b>	<b>(63)</b>	<b>315,278</b>	<b>244,871</b>	<b>24,268</b>	<b>2,602</b>

**CURRENT ASSETS AS AT MARCH 31, 2017**

(Rs. In '000)														
Particulars	Funds													
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced	Pension Conservative
<b>SFIN</b>	<b>ULIF00225/06/04LIFE-BALANC104</b>	<b>ULIF00325/06/04LIFE-CONSER104</b>	<b>ULIF00125/06/04LIFE-GROWTH104</b>	<b>ULIF00425/06/04LIFESE-CURE104</b>	<b>ULIF01108/02/07LIFEGR-WSUP104</b>	<b>ULIF01311/02/08LIFE-HIGHGR104</b>	<b>ULIF01425/03/08LIFEDY-NOPP104</b>	<b>ULIF01004/10/06AMSR-GUADYN104</b>	<b>ULIF00904/10/06AMSR-GUAINC104</b>	<b>ULIF01528/04/09LIFEM-ONEYM104</b>	<b>ULIF01628/04/09LIFE-SECLP104</b>	<b>ULIF02021/06/13LIFED-ISON104</b>	<b>ULIF00625/11/05PENSBALANC104</b>	<b>ULIF00725/11/05PENSCONSER104</b>
Accrued Interest	355,134	33,705	698,723	144,851	497	3	113,378	1,042	261	1	30,852	47,754	30,123	3,454
UL Interest Accr on Appl Money	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash & Bank Balance	1,004	43	13,898	111	2,484	1,902	16,838	3	1	8	34	39	73	2,035
Unit Subscription Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend Receivable	51	2	3,381	-	591	4	593	-	-	-	-	-	8	-
Receivable for Sale of Investments	31,942	14,906	86,816	63,884	-	24,531	76,418	-	8	-	4,752	-	-	-
Unit Collection A/c	357,018	31,065	263,197	68,904	194,667	646	14,322	46	47	485	155,206	107,715	-	-
Other Current Assets (for Investments)	-	-	-	-	-	2,735	23,530	-	-	-	-	-	-	-
Appropriation (Expropriation) Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>745,149</b>	<b>79,721</b>	<b>1,066,015</b>	<b>277,750</b>	<b>198,239</b>	<b>29,821</b>	<b>245,079</b>	<b>1,091</b>	<b>317</b>	<b>494</b>	<b>190,844</b>	<b>155,508</b>	<b>30,204</b>	<b>5,489</b>

**Schedule: F - 4**

**CURRENT LIABILITIES AS AT MARCH 31, 2018**

(Rs. In '000)														
Particulars	Funds													
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced	Pension Conservative
<b>SFIN</b>	<b>ULIF00225/06/04LIFE-BALANC104</b>	<b>ULIF00325/06/04LIFE-CONSER104</b>	<b>ULIF00125/06/04LIFE-GROWTH104</b>	<b>ULIF00425/06/04LIFESE-CURE104</b>	<b>ULIF01108/02/07LIFEGR-WSUP104</b>	<b>ULIF01311/02/08LIFE-HIGHGR104</b>	<b>ULIF01425/03/08LIFEDY-NOPP104</b>	<b>ULIF01004/10/06AMSR-GUADYN104</b>	<b>ULIF00904/10/06AMSR-GUAINC104</b>	<b>ULIF01528/04/09LIFEM-ONEYM104</b>	<b>ULIF01628/04/09LIFE-SECLP104</b>	<b>ULIF02021/06/13LIFED-ISON104</b>	<b>ULIF00625/11/05PENSBALANC104</b>	<b>ULIF00725/11/05PENSCONSER104</b>
Payable for Purchase of Investments	15,105	-	388,435	0	558,472	-	63,833	-	-	39,197	-	303,776	-	-
Unit Redemption Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unit Payable A/c	-	-	-	-	-	5,621	-	-	-	51	-	-	-	-
Appropriation (Expropriation) Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>15,105</b>	<b>-</b>	<b>388,435</b>	<b>0</b>	<b>558,472</b>	<b>5,621</b>	<b>63,833</b>	<b>-</b>	<b>-</b>	<b>39,248</b>	<b>-</b>	<b>303,776</b>	<b>-</b>	<b>-</b>

**CURRENT LIABILITIES AS AT MARCH 31, 2017**

(Rs. In '000)														
Particulars	Funds													
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced	Pension Conservative
<b>SFIN</b>	<b>ULIF00225/06/04LIFE-BALANC104</b>	<b>ULIF00325/06/04LIFE-CONSER104</b>	<b>ULIF00125/06/04LIFE-GROWTH104</b>	<b>ULIF00425/06/04LIFESE-CURE104</b>	<b>ULIF01108/02/07LIFEGR-WSUP104</b>	<b>ULIF01311/02/08LIFE-HIGHGR104</b>	<b>ULIF01425/03/08LIFEDY-NOPP104</b>	<b>ULIF01004/10/06AMSR-GUADYN104</b>	<b>ULIF00904/10/06AMSR-GUAINC104</b>	<b>ULIF01528/04/09LIFEM-ONEYM104</b>	<b>ULIF01628/04/09LIFE-SECLP104</b>	<b>ULIF02021/06/13LIFED-ISON104</b>	<b>ULIF00625/11/05PENSBALANC104</b>	<b>ULIF00725/11/05PENSCONSER104</b>
Payable for Purchase of Investments	206,818	14,781	360,968	165,089	1	15,438	185,616	-	13	-	56,074	-	-	2,152
Unit Redemption Payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unit Payable A/c	-	-	-	-	-	-	-	-	-	-	-	-	1,349	195
Appropriation (Expropriation) Liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>206,818</b>	<b>14,781</b>	<b>360,968</b>	<b>165,089</b>	<b>1</b>	<b>15,438</b>	<b>185,616</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>56,074</b>	<b>-</b>	<b>1,349</b>	<b>2,347</b>



(Rs. In '000)

Funds

Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Preserver	Lifemaker Pension Maximiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Total
ULIF00525/11/05PENS-GROWTH104	ULIF00825/11/05PENSS-CURE104	ULIF01213/08/07PENSGRW-SUP104	ULIF01815/02/13PENSPRES-ER104	ULIF01715/02/13PENSMAXI-MI104	ULIF01912/08/13PENSDIS-CON104	ULGF00217/04/06GRATBAL-ANC104	ULGF00317/04/06GRATCONS-ER104	ULGF00117/04/06GRAT-GROWTH104	ULGF00707/02/13GRAT-PLBOND104	ULGF00523/01/07SANNBAL-ANC104	ULGF00623/01/07SANNCONS-ER104	ULGF00423/01/07SANN-GROWTH104	
59,145	15,248	151	38,130	34,563	17,099	4,901	9,374	2,759	169	3	268	1	1,712,335
4,396	(409)	(13,752)	15,166	35,373	1,897	1,583	1,058	664	1		1		617,696
72		319					3						1,430
			14,510	49,830	19,927		583	20					1,036,087
						1,260		935					82,411
63,613	14,839	(13,282)	67,806	119,766	38,923	7,747	11,015	4,378	170	3	269	1	4,504,150

(Rs. In '000)

Funds

Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Preserver	Lifemaker Pension Maximiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Total
ULIF00525/11/05PENS-GROWTH104	ULIF00825/11/05PENSS-CURE104	ULIF01213/08/07PENSGRW-SUP104	ULIF01815/02/13PENSPRES-ER104	ULIF01715/02/13PENSMAXI-MI104	ULIF01912/08/13PENSDIS-CON104	ULGF00217/04/06GRATBAL-ANC104	ULGF00317/04/06GRATCONS-ER104	ULGF00117/04/06GRAT-GROWTH104	ULGF00707/02/13GRAT-PLBOND104	ULGF00523/01/07SANNBAL-ANC104	ULGF00623/01/07SANNCONS-ER104	ULGF00423/01/07SANN-GROWTH104	
61,775	18,332	22	42,125	29,570	7,302	4,854	12,625	3,649	302	3	303	2	1,640,642
374	16	271	88	111	6	23	41	26	1	2	2		39,434
137		224	9	22		7		16					5,045
	10,647					1,166						5	315,075
	64		23,118	51,758	27,330	16,306	2,003	92					1,313,989
													26,265
62,286	29,059	517	65,340	81,461	34,638	22,356	14,669	3,783	303	5	305	7	3,340,450

(Rs. In '000)

Funds

Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Preserver	Lifemaker Pension Maximiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Total
ULIF00525/11/05PENS-GROWTH104	ULIF00825/11/05PENSS-CURE104	ULIF01213/08/07PENSGRW-SUP104	ULIF01815/02/13PENSPRES-ER104	ULIF01715/02/13PENSMAXI-MI104	ULIF01912/08/13PENSDIS-CON104	ULGF00217/04/06GRATBAL-ANC104	ULGF00317/04/06GRATCONS-ER104	ULGF00117/04/06GRAT-GROWTH104	ULGF00707/02/13GRAT-PLBOND104	ULGF00523/01/07SANNBAL-ANC104	ULGF00623/01/07SANNCONS-ER104	ULGF00423/01/07SANN-GROWTH104	
	0				48,997	7,112	0	5,277					1,430,204
8,126	4,576	15,800				286			0			0	34,460
8,126	4,576	15,800			48,997	7,398		5,277					1,464,664

(Rs. In '000)

Funds

Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Preserver	Lifemaker Pension Maximiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Total
ULIF00525/11/05PENS-GROWTH104	ULIF00825/11/05PENSS-CURE104	ULIF01213/08/07PENSGRW-SUP104	ULIF01815/02/13PENSPRES-ER104	ULIF01715/02/13PENSMAXI-MI104	ULIF01912/08/13PENSDIS-CON104	ULGF00217/04/06GRATBAL-ANC104	ULGF00317/04/06GRATCONS-ER104	ULGF00117/04/06GRAT-GROWTH104	ULGF00707/02/13GRAT-PLBOND104	ULGF00523/01/07SANNBAL-ANC104	ULGF00623/01/07SANNCONS-ER104	ULGF00423/01/07SANN-GROWTH104	
51,514	10,558					5,317							1,074,339
5,105		1,429											8,078
56,619	10,558	1,429				5,317							1,082,417

Schedule: F- 5  
OTHER EXPENSES AS AT MARCH 31, 2018

(Rs. In '000)														
Particulars	Funds													
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Op- portunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced	Pension Conservative
<b>SFIN</b>	<b>ULIF00225/ 06/ 04LIFE- BALANC104</b>	<b>ULIF00325/ 06/ 04LIFE- CONSER104</b>	<b>ULIF00125/ 06/ 04LIFE GROWTH104</b>	<b>ULIF00425/ 06/ 04LIFESE- CURE104</b>	<b>ULIF01108/ 02/ 07LIFEGR- WSUP104</b>	<b>ULIF01311/ 02/ 08LIFE- HIGHGR104</b>	<b>ULIF01425/ 03/ 08LIFEDY- NOPP104</b>	<b>ULIF01004/ 10/ 06AMSR- GUADYN104</b>	<b>ULIF00904/ 10/ 06AMSR- GUAINC104</b>	<b>ULIF01528/ 04/ 09LIFEM- ONEYM104</b>	<b>ULIF01628/ 04/09LIFE SECLPS104</b>	<b>ULIF02021/ 06/ 13LIFED- ISCON104</b>	<b>ULIF00625/ 11/ 05PENS- BALANC104</b>	<b>ULIF00725/ 11/ 05PENS- CONSER104</b>
Policy Administration charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surrender charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rider Premium charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-

OTHER EXPENSES  
AS AT MARCH 31, 2017

(Rs. In '000)														
Particulars	Funds													
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Op- portunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced	Pension Conservative
<b>SFIN</b>	<b>ULIF00225/ 06/ 04LIFE- BALANC104</b>	<b>ULIF00325/ 06/ 04LIFE- CONSER104</b>	<b>ULIF00125/ 06/ 04LIFE GROWTH104</b>	<b>ULIF00425/ 06/ 04LIFESE- CURE104</b>	<b>ULIF01108/ 02/ 07LIFEGR- WSUP104</b>	<b>ULIF01311/ 02/ 08LIFE- HIGHGR104</b>	<b>ULIF01425/ 03/ 08LIFEDY- NOPP104</b>	<b>ULIF01004/ 10/ 06AMSR- GUADYN104</b>	<b>ULIF00904/ 10/ 06AMSR- GUAINC104</b>	<b>ULIF01528/ 04/ 09LIFEM- ONEYM104</b>	<b>ULIF01628/ 04/09LIFE SECLPS104</b>	<b>ULIF02021/ 06/ 13LIFED- ISCON104</b>	<b>ULIF00625/ 11/ 05PENS- BALANC104</b>	<b>ULIF00725/ 11/ 05PENS- CONSER104</b>
Policy Administration charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surrender charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rider Premium charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-

(Rs. In '000)

Funds													Total
Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Preserver	Lifemaker Pension Maximiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Total
ULIF00525/11/05PENS-GROWTH104	ULIF00825/11/05PENSCURE104	ULIF01213/08/07PENSGRWSUP104	ULIF01815/02/13PENSPRESER104	ULIF01715/02/13PENSMAXIMI104	ULIF01912/08/13PENSDISCON104	ULGF00217/04/06GRATBALANCI104	ULGF00317/04/06GRATCONSER104	ULGF00117/04/06GRATGROWTH104	ULGF00707/02/13GRATPLBOND104	ULGF00523/01/07SANNBALANCI104	ULGF00623/01/07SANNCONSER104	ULGF00423/01/07SANNGROWTH104	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-

(Rs. In '000)

Funds													Total
Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Preserver	Lifemaker Pension Maximiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Total
ULIF00525/11/05PENS-GROWTH104	ULIF00825/11/05PENSCURE104	ULIF01213/08/07PENSGRWSUP104	ULIF01815/02/13PENSPRESER104	ULIF01715/02/13PENSMAXIMI104	ULIF01912/08/13PENSDISCON104	ULGF00217/04/06GRATBALANCI104	ULGF00317/04/06GRATCONSER104	ULGF00117/04/06GRATGROWTH104	ULGF00707/02/13GRATPLBOND104	ULGF00523/01/07SANNBALANCI104	ULGF00623/01/07SANNCONSER104	ULGF00423/01/07SANNGROWTH104	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-

**NAME OF THE INSURER: MAX LIFE INSURANCE COMPANY LIMITED**  
**IRDAI REGISTRATION NO. 104 DATED NOVEMBER 15, 2000**  
**Fund Revenue Account for the year ended March 31, 2018**

(Rs. In '000)

Particulars	Funds													
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced	Pension Conservative
<b>SPIN</b>	<b>ULIF00225/06/04 LIFEBAL-ANC104</b>	<b>ULIF00325/06/04 LIFECONSER104</b>	<b>ULIF00125/06/04 LIFEGRWTH104</b>	<b>ULIF00425/06/04 LIFESECURE104</b>	<b>ULIF01108/02/07 LIFEGRW-SUP104</b>	<b>ULIF01311/02/08 LIFEHIGH-GR104</b>	<b>ULIF01425/03/08 LIFEHIGH-NOPP104</b>	<b>ULIF01004/10/06AMS-RGUAINC104</b>	<b>ULIF00904/10/06AMS-RGUAINC104</b>	<b>ULIF01528/04/09 LIFEMON-EYM104</b>	<b>ULIF01628/04/09 LIFESEPLS104</b>	<b>ULIF02021/06/13 LIFECONCON104</b>	<b>ULIF00625/11/05PENSBAL-ANC104</b>	<b>ULIF00725/11/05PENSCONSER104</b>
<b>Income from investments</b>														
Interest income	1,052,963	103,114	1,731,285	396,384	3,154	1,859	294,990	2,557	686	4,585	116,072	321,484	76,528	7,856
Dividend income	87,627	1,452	419,590	-	466,369	5,854	74,897	85	8	-	-	-	5,825	162
Dividend On ETF	-	-	-	-	12,968	-	-	-	-	-	-	-	-	-
Profit on sale of investment	1,085,951	16,195	5,189,047	66,105	4,719,796	138,667	941,768	1,394	125	-	13,446	33,637	67,385	2,074
Loss on sale of investment	(519,862)	(39,476)	(1,307,667)	(177,644)	(597,484)	(6,176)	(255,602)	(1,006)	(233)	-	(48,841)	(371)	(31,676)	(2,814)
Profit on inter fund transfer/ sale of investment	-	-	-	3	-	-	127	1	2	8	308	-	208	31
Loss on inter fund transfer/ sale of investment	-	-	-	(55)	-	-	-	-	-	-	(317)	-	-	(55)
Miscellaneous Income	1	1	-	-	1	-	1	1	1	-	-	-	1	1
Unrealised Gain/loss*	(329,375)	(8,826)	(821,827)	(34,436)	106,655	(67,762)	(266,592)	(750)	(114)	-	(763)	(45,289)	5,196	(370)
Amortisation of discount/ (premium)	11,775	329	25,525	-	1,942	-	978	3	-	13,028	-	2,041	-	-
Appropriation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>1,389,080</b>	<b>72,789</b>	<b>5,235,953</b>	<b>250,357</b>	<b>4,713,401</b>	<b>72,442</b>	<b>790,567</b>	<b>2,285</b>	<b>475</b>	<b>17,621</b>	<b>79,905</b>	<b>311,502</b>	<b>123,467</b>	<b>6,885</b>
Fund management expenses	246,266	14,103	751,390	48,043	485,485	5,826	124,792	711	165	2,609	14,209	25,842	17,186	1,054
Service tax/GST on FMC	42,602	2,437	129,781	8,299	83,863	1,006	21,523	122	28	449	2,462	4,516	2,964	182
Fund administration expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other charges:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expropriation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>288,868</b>	<b>16,540</b>	<b>881,171</b>	<b>56,342</b>	<b>569,348</b>	<b>6,832</b>	<b>146,315</b>	<b>833</b>	<b>193</b>	<b>3,058</b>	<b>16,671</b>	<b>30,358</b>	<b>20,150</b>	<b>1,236</b>
<b>Net Income for the year (A-B)</b>	<b>1,100,212</b>	<b>56,249</b>	<b>4,354,782</b>	<b>194,015</b>	<b>4,144,053</b>	<b>65,610</b>	<b>644,252</b>	<b>1,452</b>	<b>282</b>	<b>14,563</b>	<b>63,234</b>	<b>281,144</b>	<b>103,317</b>	<b>5,649</b>
Add: Fund revenue account at the beginning of the year	6,640,228	560,075	39,006,292	1,686,771	21,676,011	369,830	4,893,141	21,081	5,059	140,578	316,302	222,391	841,397	96,365
<b>Fund revenue account at the end of the year 31-Mar-18</b>	<b>7,740,440</b>	<b>616,324</b>	<b>43,361,074</b>	<b>1,880,786</b>	<b>25,820,064</b>	<b>435,440</b>	<b>5,537,393</b>	<b>22,533</b>	<b>5,341</b>	<b>155,141</b>	<b>379,536</b>	<b>503,535</b>	<b>944,714</b>	<b>102,014</b>

\* Net change in mark to market value of investments  
 Significant accounting policies and notes to the accounts 16  
 The Schedules referred to above form an integral part of the Fund Revenue Account.  
**Fund Revenue Account for the year ended March 31, 2017**

(Rs. In '000)

Particulars	Funds													
	Balanced	Conservative	Growth	Secured	Growth Super	High Growth	Dynamic Opportunities	Guaranteed Fund Dynamic	Guaranteed Fund Income	Money Market	Secure Plus	Discontinued Individual	Pension Balanced	Pension Conservative
<b>SPIN</b>	<b>ULIF00225/06/04 LIFEBAL-ANC104</b>	<b>ULIF00325/06/04 LIFECONSER104</b>	<b>ULIF00125/06/04 LIFEGRWTH104</b>	<b>ULIF00425/06/04 LIFESECURE104</b>	<b>ULIF01108/02/07 LIFEGRW-SUP104</b>	<b>ULIF01311/02/08 LIFEHIGH-GR104</b>	<b>ULIF01425/03/08 LIFEHIGH-NOPP104</b>	<b>ULIF01004/10/06AMS-RGUAINC104</b>	<b>ULIF00904/10/06AMS-RGUAINC104</b>	<b>ULIF01528/04/09 LIFEMON-EYM104</b>	<b>ULIF01628/04/09 LIFESEPLS104</b>	<b>ULIF02021/06/13 LIFECONCON104</b>	<b>ULIF00625/11/05PENSBAL-ANC104</b>	<b>ULIF00725/11/05PENSCONSER104</b>
<b>Income from investments</b>														
Interest income	893,095	86,821	1,678,593	345,141	38,561	826	326,617	2,722	778	1,100	81,734	144,355	83,195	8,523
Dividend income	61,586	1,650	393,025	-	417,139	5,445	77,430	110	12	-	-	-	6,383	242
Dividend On ETF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit on sale of investment	522,575	39,319	4,116,205	171,397	3,635,901	43,721	824,697	2,008	435	3	37,259	8,713	44,746	7,319
Loss on sale of investment	(137,322)	(5,254)	(1,760,414)	(24,186)	(879,808)	(12,332)	(180,506)	(433)	(77)	-	(4,322)	-	(6,024)	(889)
Profit on inter fund transfer/ sale of investment	-	31	-	300	-	-	-	7	16	-	1,435	-	219	317
Loss on inter fund transfer/ sale of investment	-	-	(1)	(32)	-	-	-	-	-	-	(6)	-	-	(35)
Miscellaneous Income	-	-	-	-	2	-	-	-	-	-	-	-	-	1
Unrealised Gain/loss*	1,054,952	29,725	3,854,609	24,072	3,399,277	60,964	537,616	860	102	-	10,740	22,978	104,228	(45)
Amortisation of discount/ (premium)	4,053	-	23,324	-	8,050	-	4,053	-	-	19,554	-	2,992	-	-
Appropriation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (A)</b>	<b>2,398,939</b>	<b>152,292</b>	<b>8,305,341</b>	<b>516,692</b>	<b>6,619,122</b>	<b>98,624</b>	<b>1,589,907</b>	<b>5,274</b>	<b>1,266</b>	<b>20,657</b>	<b>126,840</b>	<b>179,038</b>	<b>232,747</b>	<b>15,433</b>
Fund management expenses	190,555	11,386	687,029	40,875	409,788	5,356	121,087	743	180	2,860	9,718	11,412	17,263	1,128
Service tax on FMC	28,441	1,699	102,499	6,100	61,151	799	18,066	111	27	427	1,450	1,707	2,575	168
Fund administration expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other charges:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expropriation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total (B)</b>	<b>218,996</b>	<b>13,085</b>	<b>789,528</b>	<b>46,975</b>	<b>470,939</b>	<b>6,155</b>	<b>139,153</b>	<b>854</b>	<b>207</b>	<b>3,287</b>	<b>11,168</b>	<b>13,119</b>	<b>19,838</b>	<b>1,296</b>
<b>Net Income for the year (A-B)</b>	<b>2,179,943</b>	<b>139,207</b>	<b>7,515,813</b>	<b>469,717</b>	<b>6,148,183</b>	<b>92,469</b>	<b>1,450,754</b>	<b>4,420</b>	<b>1,059</b>	<b>17,370</b>	<b>115,672</b>	<b>165,919</b>	<b>212,909</b>	<b>14,137</b>
Add: Fund revenue account at the beginning of the year	4,460,285	420,868	31,490,479	1,217,054	15,527,828	277,361	3,442,387	16,661	4,000	123,208	200,630	56,472	628,488	82,228
<b>Fund revenue account at the end of the year 31-Mar-17</b>	<b>6,640,228</b>	<b>560,075</b>	<b>39,006,292</b>	<b>1,686,771</b>	<b>21,676,011</b>	<b>369,830</b>	<b>4,893,141</b>	<b>21,081</b>	<b>5,059</b>	<b>140,578</b>	<b>316,302</b>	<b>222,391</b>	<b>841,397</b>	<b>96,365</b>

(Rs. In '000)

Funds													Total
Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Pre-server	Lifemaker Pension Maximiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Total
ULIF00525/11/ 05PENS-GROWTH104	ULIF00825/11/ 05PENS-SECURE104	ULIF01213/08/ 07PENS-GRWUP104	ULIF01815/02/ 13PEN-SPRESER104	ULIF01715/02/ 13PEN-MAXIMI104	ULIF01912/08/ 13PEN-DISCON104	ULGF00217/04/ 06GRAT-BALANC104	ULGF00317/04/ 06GRAT-CONSER104	ULGF00117/04/ 06GRAT-GROWTH104	ULGF00707/02/ 13GRAT-PLBOND104	ULGF00523/01/ 07SANN-BALANC104	ULGF00623/01/ 07SANN-CONSER104	ULGF00423/01/ 07SANN-GROWTH104	Total
-	-	-	-	-	-	-	-	-	-	-	-	-	-
163,672	49,795	6,971	131,501	115,432	46,360	16,316	39,862	9,406	795	7	985	5	4,694,624
42,742	-	52,876	3,502	7,890	-	862	-	1,905	-	-	-	1	1,171,647
-	-	-	-	-	-	-	-	-	-	-	-	-	12,968
767,223	8,547	656,696	58,144	77,699	-	7,070	3,659	9,394	88	2	115	13	13,864,240
(147,904)	(23,180)	(72,122)	(47,617)	(54,375)	-	(6,128)	(13,132)	(4,918)	(287)	(2)	(257)	(2)	(3,358,776)
-	35	22	-	-	-	43	154	173	6	-	13	2	1,136
(124)	(4)	-	-	-	-	(19)	(108)	(43)	(4)	-	-	-	(729)
-	-	1	1	1	-	-	-	-	-	-	-	1	12
(380,547)	(4,487)	(173,009)	(40,685)	19,101	(7,158)	(3,052)	(8,119)	2,739	(179)	2	(256)	(6)	(2,059,909)
152	-	1,023	1,241	-	379	33	31	31	-	-	-	-	58,511
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>445,214</b>	<b>30,706</b>	<b>471,413</b>	<b>105,891</b>	<b>166,989</b>	<b>39,581</b>	<b>15,125</b>	<b>22,347</b>	<b>18,687</b>	<b>419</b>	<b>9</b>	<b>600</b>	<b>14</b>	<b>14,383,724</b>
72,948	5,963	52,203	32,813	42,991	3,355	1,289	2,145	1,338	44	1	99	1	1,952,871
12,580	1,028	9,004	5,682	7,468	586	223	369	231	8	-	17	-	337,430
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>85,528</b>	<b>6,991</b>	<b>61,207</b>	<b>38,495</b>	<b>50,459</b>	<b>3,941</b>	<b>1,512</b>	<b>2,514</b>	<b>1,569</b>	<b>52</b>	<b>1</b>	<b>116</b>	<b>1</b>	<b>2,290,301</b>
<b>359,686</b>	<b>23,715</b>	<b>410,206</b>	<b>67,396</b>	<b>116,530</b>	<b>35,640</b>	<b>13,613</b>	<b>19,833</b>	<b>17,118</b>	<b>367</b>	<b>8</b>	<b>484</b>	<b>13</b>	<b>12,093,423</b>
3,556,248	374,708	2,744,644	272,980	250,938	28,161	170,799	262,733	96,845	2,071	97	21,620	272	84,257,637
<b>3,915,934</b>	<b>398,423</b>	<b>3,154,850</b>	<b>340,376</b>	<b>367,468</b>	<b>63,801</b>	<b>184,412</b>	<b>282,566</b>	<b>113,963</b>	<b>2,438</b>	<b>105</b>	<b>22,104</b>	<b>285</b>	<b>96,351,060</b>

(Rs. In '000)

Funds													Total
Pension Growth	Pension Secured	Pension Growth Super	Lifemaker Pension Pre-server	Lifemaker Pension Maximiser	Discontinued Pension	Group Gratuity Balanced	Group Gratuity Conservative	Group Gratuity Growth	Group Gratuity Bond	Group Superannuation Balanced	Group Superannuation Conservative	Group Superannuation Growth	Total
ULIF00525/11/ 05PENS-GROWTH104	ULIF00825/11/ 05PENS-SECURE104	ULIF01213/08/ 07PENS-GRWUP104	ULIF01815/02/ 13PEN-SPRESER104	ULIF01715/02/ 13PEN-MAXIMI104	ULIF01912/08/ 13PEN-DISCON104	ULGF00217/04/ 06GRAT-BALANC104	ULGF00317/04/ 06GRAT-CONSER104	ULGF00117/04/ 06GRAT-GROWTH104	ULGF00707/02/ 13GRAT-PLBOND104	ULGF00523/01/ 07SANN-BALANC104	ULGF00623/01/ 07SANN-CONSER104	ULGF00423/01/ 07SANN-GROWTH104	Total
174,139	52,258	6,055	96,531	68,072	19,753	13,026	35,270	4,975	721	6	1,050	8	4,163,925
45,152	-	59,660	2,484	5,472	-	954	-	978	-	1	-	1	1,077,724
-	-	-	-	-	-	-	-	-	-	-	-	-	-
313,427	25,139	350,645	44,344	35,853	45	15,565	10,639	11,893	195	6	258	24	10,262,331
(53,641)	(3,057)	(69,056)	(5,261)	(9,405)	-	(4,638)	(2,282)	(2,703)	(43)	(3)	(72)	(3)	(3,161,731)
581	124	-	-	-	143	572	33	430	4	-	-	-	4,212
-	(35)	-	-	-	-	(227)	-	(55)	-	-	-	-	(391)
-	-	1	-	-	-	-	-	-	-	-	-	-	4
530,461	3,966	523,367	65,804	131,664	2,763	7,343	7,165	2,038	130	3	226	3	10,375,011
-	-	3,046	3,046	-	-	-	-	-	-	-	-	-	68,118
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>1,010,119</b>	<b>78,395</b>	<b>870,672</b>	<b>206,948</b>	<b>234,702</b>	<b>22,704</b>	<b>32,595</b>	<b>50,825</b>	<b>17,556</b>	<b>1,007</b>	<b>13</b>	<b>1,462</b>	<b>33</b>	<b>22,789,203</b>
72,432	6,160	49,899	23,387	25,302	1,420	1,051	1,849	651	40	1	104	2	1,691,678
10,805	919	7,444	3,492	3,779	212	157	276	97	6	-	15	-	252,422
-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>83,237</b>	<b>7,079</b>	<b>57,343</b>	<b>26,879</b>	<b>29,081</b>	<b>1,632</b>	<b>1,208</b>	<b>2,125</b>	<b>748</b>	<b>46</b>	<b>1</b>	<b>119</b>	<b>2</b>	<b>1,944,100</b>
<b>926,882</b>	<b>71,316</b>	<b>813,329</b>	<b>180,069</b>	<b>205,621</b>	<b>21,072</b>	<b>31,387</b>	<b>48,700</b>	<b>16,808</b>	<b>961</b>	<b>12</b>	<b>1,343</b>	<b>31</b>	<b>20,845,103</b>
2,629,366	303,392	1,931,315	92,911	45,317	7,089	139,412	214,033	80,037	1,110	85	20,277	241	63,412,534
<b>3,556,248</b>	<b>374,708</b>	<b>2,744,644</b>	<b>272,980</b>	<b>250,938</b>	<b>28,161</b>	<b>170,799</b>	<b>262,733</b>	<b>96,845</b>	<b>2,071</b>	<b>97</b>	<b>21,620</b>	<b>272</b>	<b>84,257,637</b>

**Schedule 16: Significant Accounting Policies and Notes to Accounts****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 license from the Insurance Regulatory and Development Authority of India ('IRDAI') for carrying on life insurance business on November 15, 2000. The license has been renewed regularly and is in force as at March 31, 2018. The 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.

On April 12, 2012 Japan's Mitsui Sumitomo Insurance Company Limited (a MS & AD insurance group Company) signed a definitive tripartite agreement with New York Life Enterprises ('NYLE') and Max India Limited to acquire 26% stake in Max New York Life Insurance Company Limited. Accordingly the stake of NYLE had been transferred to Mitsui Sumitomo Insurance Company Limited on June 27, 2012. Consequently, the name of the Company had been changed to Max Life Insurance Company Limited from erstwhile Max New York Life Insurance Company Limited w.e.f. July 6, 2012.

Pursuant to order of Hon'ble High Court of Punjab and Haryana dated December 14, 2015 for approval of Max India's Composite Scheme of Arrangement, Max India Limited the holding company has demerged into three separate companies on January 15, 2016 – Max Financial Services Limited (MFS), Max India Limited & Max Ventures and Industries (MVIL). As a result of which, Max Financial Services Limited (MFS) becomes holding company of Max Life Insurance Company Limited, through its 68% shareholding in Max Life Insurance Company Limited.

**I Significant Accounting Policies****Basis of preparation**

The accompanying 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 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 not inconsistent 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.

**Use of estimates**

The preparation of the 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 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 recognised prospectively in current and future periods.

**1) Revenue Recognition****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

*(All Amounts in Thousands of Indian Rupees, unless otherwise stated)*

when such policies are reinstated. Top-up premiums are recognised as single premium.

### **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.

### **Income earned on investments**

#### **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 maturity period on its intrinsic yield. 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, 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.

#### **Linked Business**

Interest income from investments is recognised on an accrual basis. Amortisation of premium/accretion of discount on debt securities with a residual maturity upto 182 days and money market instruments is recognised uniformly over the remaining maturity period. Dividend income is recognised on the ex-dividend date.

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.

#### **Income earned on loans**

Interest income on loans is recognised on an accrual basis. Fees and charges also include policy reinstatement fees and loan processing fees which are recognised on receipt basis.

#### **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.

### 2) **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. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

### 3) **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

*(All Amounts in Thousands of Indian Rupees, unless otherwise stated)*

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.

#### 4) **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. 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.

#### 5) **Investments**

Investments are made in accordance with the provision of the Insurance Act, 1938 and the Insurance Regulatory & Development Authority (Investment) Regulations, 2000 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.

##### **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.

##### **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 their intrinsic yield.

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 (NSE) and in case the same is not available, then on the Bombay Stock Exchange Ltd (BSE). Unlisted equity shares (including awaiting listing) are stated at historical cost subject to diminution, if any, determined separately for each individual investment. 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.

Infrastructure Investment Trusts are valued at Market Value or latest NAV published by trust, in case the market value is not available for last 30 days.

Money market instruments like Commercial Papers, Certificate of Deposit, Treasury Bills (T-Bills) and



*(All Amounts in Thousands of Indian Rupees, unless otherwise stated)*

Collateralised Borrowing and Lending Obligation (CBLO) 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 on an annual basis. The change in the carrying amount of the investment property shall be taken to Revaluation Reserve. The depreciation charge shall be ignored for the valuation of Investment Property.

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'.

### **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 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. 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 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.

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'.

### **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.

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

*(All Amounts in Thousands of Indian Rupees, unless otherwise stated)*

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 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 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 obtained from quoted market prices. 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.

### **Transfer of Investments**

Investments in debt securities are transferred from shareholders to policyholders at the lower of the market price and net amortized cost. Investments other than debt securities are transferred from shareholders to 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 policyholders' funds.

### **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.

## **6) Fixed Assets - Property, Plant & Equipment, Intangibles, Depreciation/Amortisation and Impairment**

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.

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.

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.

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

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 'Advance and other assets' in Balance Sheet.

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:

<b>Assets</b>	<b>Estimated Useful life</b>
Furniture and Fixtures	10 years
Laptop and Desktop	3 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 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.:

<b>Assets</b>	<b>Estimated Useful life</b>
Vehicles	5 years
Handheld devices	1 year
IT equipment including servers and networks	4 years

Leasehold land is amortised over the renewable period of respective leases subject to a maximum of 10 years.

Intangible assets are amortised over their estimated useful life on straight line method as follows:

<b>Assets</b>	<b>Estimated Useful life</b>
Software (excluding Policy Administration System and Satellite systems)	4 years
Policy Administration & Satellite systems (Hardware and Software)	6 years

#### **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.

#### **7) Liability for Policies**

The actuarial liability for policies in-force as at the valuation date is determined using appropriate methods

*(All Amounts in Thousands of Indian Rupees, unless otherwise stated)*

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 attached to a non-linked 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 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).

## 8) **Employees' Benefits**

### a) **Short Term Employee Benefits**

All employees' benefits payable within twelve months including salaries & 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.

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

**b) Post-Employment Benefits**

**Defined contribution plans**

The Company's contributions towards Provident Fund, a defined contribution plan, which is administered through a trust, is at the rate as notified and charged to the Revenue Account.

**Defined benefit plans**

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. Actuarial gains / losses related thereof are recognised in the Revenue Account. The discount rate used for actuarial valuation is based on the yield of Government Securities. Actuarial gains or losses, if any, due to experience adjustment and the effects of changes in actuarial assumptions are accounted for in the Revenue Account or the Profit and Loss Account, as the case may be, in the period in which they arise.

**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 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.

**9) Employee Stock Options Plans**

The options are accounted for on an 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, 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.

**10) Segmental 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, Group business, 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

*(All Amounts in Thousands of Indian Rupees, unless otherwise stated)*

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;
- Subsequent year premium;
- Total premium;
- Weighted combination of sum assured, first year premium, renewal premium income and total number of policies in force;
- Sum assured; and
- First year commission.

### 11) **Contribution to Policyholders' Account (Technical Account)**

Contribution to Policyholders' Account (Technical Account), if any, is made as decided by the Board of Directors.

### 12) **Taxation**

#### **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.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and tax laws enacted or substantially enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets and unrecognised deferred tax asset are reviewed at each reporting date. The Company writes up / down the carrying amount of deferred tax asset and recognises the unrecognised deferred tax asset to the extent it becomes reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realised.

#### **Indirect Taxes**

The Company claims credit of service tax on input services, which is set off against tax on output services. As a matter of judgement, unutilised credits towards service tax on input services are carried forward under Advances & Other Assets wherever there is reasonable certainty of utilisation.

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.

### 13) **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.

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#### 14) **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.

#### 15) **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.

#### 16) **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.

#### 17) **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.

Unit-Linked:- The FFA in the linked segment represents an amount that is estimated by the Appointed Actuary in respect of lapsed unit linked policies and is set aside in the Balance Sheet. This amount is required to be held within the policyholder fund till the time policyholder are eligible for revival of their policies and this amount is not made available for distribution to Shareholders until the expiry of the maximum revival period. After expiry of the revival period, the Company may appropriate FFA amount as a surplus on the Appointed Actuary's recommendation.

#### 18) **Cash and cash equivalents**

Cash and cash equivalents for the purpose of Receipts and Payments account 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.

#### 19) **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.

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

**II NOTES TO ACCOUNTS****1) Contingent Liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017
Partly paid-up investment	77,967	-
Claims, other than against policies, not acknowledged as debts by the Company	123,617	110,425
Underwriting commitments outstanding (in respect of shares and securities)	-	-
Guarantees issued by or on behalf of the Company	-	-
Statutory demands/ liabilities in dispute, not provided for (Refer Note a)*	2,620,149	4,373,294
Reinsurance obligations to the extent not provided for in accounts	-	-
Others (Refer Note b)	187,276	103,430
<b>Total</b>	<b>3,009,009</b>	<b>4,587,149</b>

\*Inclusive of Interest and penalty of Rs 920,627 and Rs 837,553 as at March 31, 2018 (Rs 1,339,374 and Rs 772,753 as at March 31, 2017).

**Notes**

- a) Above contingent liability includes SCN cum demand notices received from Service Tax Authorities vide SCN dated April 22, 2013 and April 16, 2014 with demand of Rs 854,759. Company is in appeal with CESTAT against raised issues.
- b) Represents potential liability in respect of repudiated Policyholders' claims Rs. 175,856 (Mar 31, 2017 Rs. 103,430) and amounts transferred to the Senior Citizens Welfare Fund Rs. 11,420 (Mar 31, 2017 Nil).

**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:

- **Interest rate**

It is based upon the current and projected yields on the fund basis the projected yields on 10 year government bonds. A valuation rate of interest of 7.05% (March 31, 2017: 6.8%) for participating business and 7.35% (March 31, 2017: 7.1%) for non-participating, health business and riders has been used.

The valuation rate of interest rate was reduced by margin for adverse deviation (MAD) of 1.65% (March 31, 2017: 1.40%) for the participating business and 1.65% (March 31, 2017: 1.40%) for the major non-participating products.

For linked products, unit growth rate of 7.35% (March 31, 2017: 7.1%) has been used which was further reduced by MAD of 1.65% (March 31, 2017: 1.40%). For unit-linked products where there is a premium related bonus payable, the MAD for unit growth rate has been used as 2.35% (March 31, 2017: 2.10%).

- **Mortality**

Mortality assumptions for valuation purposes in general are set at levels above the current experience. These rates were further increased/reduced by MAD of 10% (March 31, 2017: 10%) for participating business and 20% (March 31, 2017: 20%) for the non-participating, unit linked and health business.



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- **Morbidity**

The IAI has recommended the CIBT93 study of UK for morbidity incident rates, due to lack of any published Indian experience.

Proportions of 100% (March 31, 2017: 100%) of these tables or reinsurance rates have been used which were further increased by MAD of 20% (March 31, 2017: 20%)

- **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 were increased by MAD of 10% (March 31, 2017: 10%) for participating business and 10% (March 31, 2017: 10%) for non-participating, health and unit-linked business.

- **Inflation**

An assumption of 6.00% pa (March 31, 2017: 6.00% pa) for expense inflation has been used.

- **Commission**

It is based on the current practice of the Company.

- **Lapses**

Lapse assumptions for valuation purposes in general are set at levels below the current experience. Further, MAD of 20% (March 31, 2017: 20%) for participating business, 50% (March 31, 2017: 50%) for non-participating and unit-linked business and 20% (March 31, 2017: 20%) for health business is applied.

- **Free look cancellation**

Provisions are made for the strain that may arise in the event of cancellation during the free look period. The free look cancellation assumption is 7.0% (March 31, 2017: 7.0%) for participating business, 4.0% (March 31, 2017: 4.0%) for non participating business and 7.5% (March 31, 2017: 7.5%) for the unit linked business. The assumptions were increased by MAD of 20.0% (March 31, 2017: 20.0%) for participating and non-participating business and 20.0% (March 31, 2017: 20.0%) for unit linked business.

- **Future bonuses**

Provision is made for future bonuses based on expected bonus payouts consistent with the valuation assumptions and policyholders' reasonable expectations.

- **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) **Restructured Assets**

The total of loan assets, standard assets, sub-standard assets and doubtful assets which are subject to restructuring is Rs Nil (March 31, 2017:Rs. Nil).

### 4) **Encumbrances**

The assets of the Company are free from all encumbrances, except for Fixed Deposits kept with bank amounting to Rs.5,196 (March 31, 2017: Rs.2,419).

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

**5) Capital and other commitments**

Particulars	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on PPE (net of advances)	55,295	62,013
Commitments made and outstanding for investments and loans	165,097	75,595
<b>Total</b>	<b>220,392</b>	<b>137,608</b>

**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. 875,455 (March 31, 2017: Rs 1,082,900).

**7) Value of unsettled contracts relating to investment**

Value of contracts in relation to investments, for:

Particulars	As at March 31, 2018			As at March 31, 2017		
	Shareholders Fund	Policyholders Funds	Total	Shareholders Fund	Policyholders Funds	Total
(a) Purchases where deliveries are pending*	-	2,580,966	2,580,966	219,141	2,618,757	2,837,898
(b) Sales where payments are overdue	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2,58,0966</b>	<b>2,58,0966</b>	<b>219,141</b>	<b>2,618,757</b>	<b>2,837,898</b>

\* The above amount does not include the Primary market transaction where allotment is pending.

**8) Managerial Remuneration**

Managerial remuneration details are as below:

Particulars	2017-18	2016-17
Salary and allowances	(144,687)	748,341
Contribution to provident fund	1,720	1,593
Value of perquisites	1,579	263
<b>Total</b>	<b>(141,388)</b>	<b>750,197</b>

**Notes:**

- The above figures do not include provision for employee benefits, which are actuarially determined for the Company as a whole.
- 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, 2017: Rs 15,000) has been charged to Policyholders Revenue Account and the balance, in excess, as required has been debited to Shareholder Account.
- All perquisites, except amount received by the employees on cancellation/settlement of EPSP plan during

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the previous year, which has not been included above, in accordance with approved Employee Phantom Stock Plans, have been computed in accordance with Income Tax Act, 1961.

- (iv) Remuneration to independent directors Rs 7,500 (March 31, 2017:Rs 7,500) is included under Schedule 3.
- (v) The total remuneration paid to MD & CEO for the year ended March 31, 2018 is Rs 699,833 (March 31, 2017:Rs 69,757).

## 9) Employee Phantom Stock Plan

During the year ended March 31, 2013, the Company had issued Employee Phantom Stock Plan (EPOP) w.e.f. August 1, 2012.

During the year ended March 31, 2015, the Company had issued Employee Phantom Stock Plan (EPOP) w.e.f. July 01, 2014, September 25, 2014 and December 01, 2014. Further, during the year ended March 31, 2016, the Company issued Employee Phantom Stock Plan (EPOP) w.e.f. October 30, 2015 and January 1, 2016. Accordingly Rs (488,135) (March 31, 2017: Rs 818,173) has been accrued as expense in the Revenue account/Profit & Loss account as applicable. The details of the scheme are as under:

Type of arrangement	EPOP 2012	EPOP 2012	EPOP 2012	EPOP 2014	EPOP 2014	EPOP 2014
Date of Grant	1-Aug-12	1-Jul-14	25-Sep-14	1-Dec-14	30-Oct-15	1-Jan-16
No. of options outstanding (No. in '000)	3,181	-	-	564	2,232	6,325
Exercise Price (Rs.)	29.97	29.97	29.97	43.3	43.3	53.64
Graded Vesting Period						
1st Year	10%	10%	10%	-	-	-
2nd Year	20%	20%	20%	-	-	20%
3rd Year	30%	30%	30%	50%	50%	30%
4th Year	40%	40%	40%	50%	50%	50%
Mode of Settlement	Cash	Cash	Cash	Cash	Cash	Cash

A summary of status of Company's Employee Phantom Stock Option Plans is as given below:

Particulars	As At March 31, 2018 (No.) in '000	As At March 31, 2017 (No.) in '000
Outstanding at the beginning of the year	23,916	34,681
Add: Granted during the year	-	-
Less: Forfeited/lapsed during the year	1,163	2,896
Exercised during the year	10,452	7,869
<b>Outstanding at the end of the year</b>	<b>12,301</b>	<b>23,916</b>

Had the Company used the fair value of the options to value its Employee Phantom Stock Plan, the profit in profit and loss account (Shareholders' Account) would have been lower by Rs. 34,639 (March 31, 2017: Rs 84,244) and basic earnings per share and diluted earnings per share would have been Rs. 2.73 (March 31, 2017: Rs 3.40) and Rs. 2.73 (March 31, 2017: Rs 3.40) respectively.

The key assumptions used to estimate fair value of options are:

Particulars	March 31, 2018	March 31, 2017
Risk-free interest rate	6.63%-7.31%	6.44%-6.85%
Expected life	1.00-3.68 Years	1.25-4.67 Years
Expected Volatility	29.21%	36.82%
Expected dividend yield	1.64%	1.22%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

**10) Percentage of Business sector-wise :****a) Rural Sector**

Particulars	Policy Nos.	
	2017-18	2016-17
Total number of policies	561,841	503,450
Total number of Rural policies	133,360	109,130
% of Rural policies to Total policies	23.74%	21.68%
Prescribed Requirement	20.00%	20.00%

**b) Social Sector**

Particulars	No of lives covered	
	2017-18	2016-17
Total number of lives	3,194,113	1,770,093
Total number of Social lives	905,829	136,280
% of Social lives to Total lives*	39.84%	7.70%
Prescribed Requirement (lives)*	113,658	95,147

\* As per Insurance Regulatory and Development Authority of India (Obligations of Insurers to Rural and Social Sectors) Regulations, 2015 for financial year 2017-18, prescribed requirement for social lives is computed at 5% of total lives covered in the preceding financial year.

**11) Percentage of risk-retained and risk-reinsured**

The extent of risk retained and reinsured is given below:

Particulars	Premium		Sum Assured	
	2017-18	2016-17	2017-18	2016-17
<b>Individual Business :</b>				
Risk retained	99.30%	99.33%	57.29%	63.36%
Risk reinsured	0.70%	0.67%	42.71%	36.64%
<b>Group Business :</b>				
Risk retained	91.15%	92.30%	62.41%	63.04%
Risk reinsured	8.85%	7.70%	37.59%	36.96%

**12) Lease**

The Company has leased office premises under various agreements with various expiry dates extending upto 10 years. Lease payments made under operating lease agreements have been fully recognised in the books of account. The lease rentals charged to Revenue Account is Rs 591,245 (March 31, 2017: Rs 544,302). The minimum future lease rentals payable under non-cancellable operating leases for specified duration in respect of such leases amount to the following:

Lease obligations for non-cancelable lease	2017-18	2016-17
Not later than 1 year	1,909	6,170
Later than 1 year but not later than 5 years	-	1,909
Later than 5 years	-	-

*(All Amounts in Thousands of Indian Rupees, unless otherwise stated)***13) 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. 286,879 (March 31, 2017: Rs 94,122).

The claims settlement experience for the Company for FY 2017-18 has been as follows:

S. No.	Claims Experience	Death	Maturity	Survival Benefit	Annuities/Pension	Surrender	Other Benefits
1	Claims O/S at the beginning of the period	3	59	-	-	-	-
2	Claims reported during the period	18,340	68,681	24,733	2,047	328,487	289
3	Claims Settled during the period	18,084	68,584	24,733	2,047	328,487	243
4	Claims Repudiated during the period	257	-	-	-	-	2
5	Claims Rejected	-	-	-	-	-	44
6	Claims Written Back	-	-	-	-	-	-
7	Claims O/S at End of the period	2	156	-	-	-	-
	Less than 3months	2	114	-	-	-	-
	3 months to 6 months	-	27	-	-	-	-
	6 months to 1 year	-	2	-	-	-	-
	1 year and above	-	13	-	-	-	-

The claims settlement experience for the Company for FY 2016-17 has been as follows:

S. No.	Claims Experience	Death	Maturity	Survival Benefit	Annuities/Pension	Surrender	Other Benefits
1	Claims O/S at the beginning of the period	4	8,698	-	-	30	1
2	Claims reported during the period	14,493	55,248	20,787	1,752	252,508	137
3	Claims Settled during the period	14,246	63,887	20,760	1,752	252,538	134
4	Claims Repudiated during the period	220	-	-	-	-	1
5	Claims Rejected	28	-	27	-	-	3
6	Claims Written Back	-	-	-	-	-	-
7	Claims O/S at End of the period	3	59	-	-	-	-
	Less than 3months	3	23	-	-	-	-
	3 months to 6 months	-	5	-	-	-	-
	6 months to 1 year	-	17	-	-	-	-
	1 year and above	-	14	-	-	-	-

**14) Interim/Final Dividend**

For the period ended September 30, 2017 Board has proposed an interim dividend of Rs 0.85 (September 30, 2016: Rs 0.73) per equity share aggregating to Rs. 1,630,991 (September 30, 2016: Rs 1,400,733). The total appropriation due to dividend for the period ended September 30, 2017 Rs.1,963,022. (September 30, 2016: Rs 1,685,889) including dividend distribution tax of Rs. 332,031 (September 30, 2016: Rs 285,156). The interim dividend for the period ended September 30, 2017 was paid on November 14, 2017.

The Board of Directors, in their meeting dated May 18, 2017, recommended to the shareholders for approval of final dividend for the year ended March 31, 2017 of Rs 0.64 (March 31, 2016: Rs 0.95) per equity share amounting to Rs 1,478,040 (March 31, 2016: Rs 2,194,873) including dividend distribution tax of Rs 250,000 (March 31, 2016: 372,001). The final dividend for the year ended March 31, 2017 was paid on May 29, 2017.

The Board of Directors, in their meeting dated May 18, 2018, recommended the final dividend for the year ended March 31, 2018 of Rs 0.85 per equity share, subject to approval from the shareholders. On approval, the total dividend outgo would be Rs 1,630,991 excluding dividend distribution tax of Rs 335,255.

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

**15) 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 9 May 2016, provided that the insurer shall be deemed to be compliant with these Regulations if for FY 2016-17 and FY 2017-18 the overall percentage of expense of management to allowable expenses is upto 120% and 110% respectively 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. 91,467 (Nil for FY 2016-17).

During the year the Company has transferred the net surplus of Rs. 3,991,670 (March 31, 2017: Rs 5,551,160) from Revenue account to Profit & loss account in accordance with Insurance Regulatory and Development Authority (Distribution of Surplus) Regulations, 2002 as amended from time to time.

**16) 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	2017-2018			2016-2017		
	Participating Individual Life	Participating Individual pension	Total	Participating Individual Life	Participating Individual pension	Total
Bonus to Policyholders (Refer Schedule 4)	8,747,748	13,361	8,761,109	7,943,722	13,255	7,956,977
Interim Bonuses Paid (Refer Form A-RA)	10,309	-	10,309	6,920	-	6,920
Special Bonus for Policyholders (Refer Form A-RA)	-	-	-	-	-	-
Reversionary Bonus	39,682	-	39,682	125,639	-	125,639
Dividend on Deposit	50,066	-	50,066	54,336	-	54,336
<b>Total</b>	<b>8,847,805</b>	<b>13,361</b>	<b>8,861,166</b>	<b>8,130,617</b>	<b>13,255</b>	<b>8,143,872</b>
<b>Transfer to Shareholders' Account (1/9<sup>th</sup>)</b>	<b>983,089</b>	<b>1,485</b>	<b>984,574</b>	<b>903,402</b>	<b>1,473</b>	<b>904,875</b>

**17) 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.

**18) Policy Liabilities**

The movement of policy liabilities (forming part of Policyholders funds) for the year ended March 31, 2018 is as follows:

Particulars	Participating Policies		Non-Participating Policies				Linked Policies			Total
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual Linked	Linked Pension	Linked Group	
At start of Year	203,540,554	430,231	30,678,503	1,098,001	72,593	6,706,720	142,733,921	17,258,544	1,127,580	403,646,647
Add : Change in valuation of liability against life policies in force, Net	42,159,014	(22,761)	10,184,427	223,506	45,956	1,318,158	13,003,691	1,348,195	(62,336)	68,197,850
Add : Policyholder Bonus provided	10,830,798	14,035	-	-	-	-	-	-	-	10,844,833
<b>At end of Year</b>	<b>256,530,366</b>	<b>421,505</b>	<b>40,862,930</b>	<b>1,321,507</b>	<b>118,549</b>	<b>8,024,878</b>	<b>155,737,612</b>	<b>18,606,739</b>	<b>1,065,244</b>	<b>482,689,330</b>

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

The movement of policy liabilities (forming part of Policyholders funds) for the year ended March 31, 2017 is as follows:

Particulars	Participating Policies		Non-Participating Policies				Linked Policies			Total
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual Linked	Linked Pension	Linked Group	
At start of Year	157,727,721	430,597	21,866,784	865,307	16,723	5,578,680	122,854,458	14,891,191	722,041	324,953,502
Add : Change in valuation of liability against life policies in force, Net	37,290,124	(13,919)	8,811,719	232,694	55,870	1,128,040	19,879,463	2,367,353	405,539	70,156,883
Add : Policyholder Bonus provided	8,522,709	13,553	-	-	-	-	-	-	-	8,536,262
<b>At end of Year</b>	<b>203,540,554</b>	<b>430,231</b>	<b>30,678,503</b>	<b>1,098,001</b>	<b>72,593</b>	<b>6,706,720</b>	<b>142,733,921</b>	<b>17,258,544</b>	<b>1,127,580</b>	<b>403,646,647</b>

## 19. (i) Segmental Reporting

### 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, Group business, 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, 2018 is given below:

Particulars	Participating Policies		Non-Participating Policies				Linked Policies			Share-holders' Funds	Total
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual Life	Pension	Group		
Segment Revenue (excluding contribution from the Shareholder's account)	91,019,533	100,841	15,459,627	314,146	272,404	4,143,247	45,730,548	4,357,878	225,598	2,183,829	163,807,651
Segment Results-Surplus/Deficit (net of contribution from the Shareholder's account)	4,042,259	30,846	752,088	938	17,156	1,139,664	917,913	85,891	4,066	1,376,084	8,366,905
Depreciation/Amortisation	394,046	145	60,914	168	4,938	15,278	122,182	10,780	91	-	608,542
Significant non-cash expenses*	53,003,053	(8,723)	10,186,721	223,508	46,086	1,318,584	13,006,561	1,348,355	(62,336)	-	79,061,809

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

**The segmental results for the year ended March 31, 2017 is given below :**

Particulars	Participating Policies		Non-Participating Policies				Linked Policies			Shareholders' Funds	Total
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual Life	Pension	Group		
Segment Revenue (excluding contribution from the Shareholder's account)	81,686,114	132,768	12,917,621	289,584	149,056	3,630,435	44,490,596	5,188,837	613,463	3,094,111	152,192,585
Segment Results-Surplus/Deficit (net of contribution from the Shareholder's account)	1,754,228	69,188	662,953	(2,398)	27,536	861,381	2,970,069	206,525	1,274	1,050,509	7,601,265
Depreciation/Amortisation	421,367	146	55,461	121	266	19,859	101,928	6,513	48	-	605,709
Significant non-cash expenses*	45,815,167	(364)	8,812,549	232,695	55,872	1,128,368	19,880,409	2,367,389	405,539	-	78,697,624

\*Comprises of change in valuation of policy liabilities, provision for doubtful debts and bad debts written off.

**Segmental Balance Sheet as at March 31, 2018**

Particulars	Participating Policies		Non-Participating Policies				Linked Policies			Shareholders' Funds	Total
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual Life	Pension	Group		
<b>Segment assets</b>											
Investments	264,844,306	855,157	39,259,484	1,308,091	108,337	7,849,648	156,322,075	18,609,414	1,063,116	32,145,857	522,365,485
Loan	2,232,576	-	-	-	-	-	-	-	-	-	2,232,576
Net Fixed Assets	994,566	221	181,204	358	13,510	34,712	335,409	21,730	122	-	1,581,831
Advances and Other Assets	12,866,121	15,332	2,114,840	22,880	81,151	389,710	1,333,724	72,773	749	1,574,244	18,471,525
<b>Total Segment Assets</b>	<b>280,937,569</b>	<b>870,710</b>	<b>41,555,528</b>	<b>1,331,329</b>	<b>202,998</b>	<b>8,274,070</b>	<b>157,991,208</b>	<b>18,703,917</b>	<b>1,063,987</b>	<b>33,720,101</b>	<b>544,651,417</b>
Debit Balance In Profit And Loss Account (Shareholders' Account)	-	-	-	-	-	-	-	-	-	-	-
Deficit In The Revenue Account (Policyholders' Account)	-	-	-	-	-	-	-	-	-	-	-
<b>Unallocated Assets</b>											
Cash and Bank Balances	-	-	-	-	-	-	-	-	-	-	4,405,018
Advances and Other Assets	-	-	-	-	-	-	-	-	-	-	571,953
<b>Total Assets</b>											<b>549,628,388</b>
<b>Segment Liabilities</b>											
Policy Liabilities	256,530,366	421,505	40,862,930	1,321,507	118,549	8,024,878	155,737,612	18,606,739	1,065,244	-	482,689,330
Current Liabilities	8,890,089	(10,737)	2,758,536	13,586	153,364	1,218,601	4,293,606	252,782	17,684	-	17,587,511
Fair Value Change Account	3,691,662	-	(250,553)	12,142	-	851	-	-	-	98,322	3,552,424
<b>Total Segment Liabilities</b>	<b>269,112,117</b>	<b>410,768</b>	<b>43,370,913</b>	<b>1,347,235</b>	<b>271,913</b>	<b>9,244,330</b>	<b>160,031,218</b>	<b>18,859,521</b>	<b>1,082,928</b>	<b>98,322</b>	<b>503,829,265</b>
Segment Reserves	-	-	-	-	-	-	-	-	-	-	-
Reserves and Surplus	-	-	-	-	-	-	-	-	-	-	7,702,393
Equity Capital	-	-	-	-	-	-	-	-	-	-	19,188,129



(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Particulars	Participating Policies		Non-Participating Policies				Linked Policies			Shareholders' Funds	Total
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual Life	Pension	Group		
Funds For Future Appropriations	18,193,964	375,938	-	-	-	-	79,445	6,095	-	-	18,655,442
<b>Unallocated Liabilities</b>											
Current Liabilities	-	-	-	-	-	-	-	-	-	-	243,528
Provisions	-	-	-	-	-	-	-	-	-	-	9,631
Deferred Expenditure	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>											<b>549,628,388</b>
<b>Other Information</b>											
Capital Expenditure during the year	359,750	80	65,544	130	4,887	12,556	121,324	7,860	44	-	572,173

**Segmental Balance Sheet as at March 31, 2017**

Particulars	Participating Policies		Non-Participating Policies				Linked Policies			Shareholders' Funds	Total
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual Life	Pension	Group		
<b>Segment assets</b>											
Investments	210,999,622	815,559	30,109,518	1,194,056	48,661	6,762,509	143,062,112	17,274,650	1,125,328	32,303,071	443,695,086
Loan	1,333,172	-	-	-	-	-	-	-	-	-	1,333,172
Net Fixed Assets	1,161,067	203	190,960	174	214	42,830	221,070	6,176	53	-	1,622,746
Advances and Other Assets	9,844,528	15,450	1,547,319	18,304	13,129	400,746	954,489	28,079	364	1,313,346	14,135,755
<b>Total Segment Assets</b>	<b>223,338,389</b>	<b>831,211</b>	<b>31,847,798</b>	<b>1,212,533</b>	<b>62,005</b>	<b>7,206,085</b>	<b>144,237,671</b>	<b>17,308,906</b>	<b>1,125,745</b>	<b>33,616,417</b>	<b>460,786,759</b>
Debit Balance In Profit And Loss Account (Shareholders' Account)	-	-	-	-	-	-	-	-	-	-	-
Deficit In The Revenue Account (Policyholders' Account)	-	-	-	-	-	-	-	-	-	-	-
<b>Unallocated Assets</b>											
Cash and Bank Balances	-	-	-	-	-	-	-	-	-	-	3,464,490
Advances and Other Assets	-	-	-	-	-	-	-	-	-	-	323,741
<b>Total Assets</b>											<b>464,574,990</b>
<b>Segment Liabilities</b>											
Policy Liabilities	203,540,554	430,231	30,678,503	1,098,001	72,593	6,706,720	142,733,921	17,258,544	1,127,580	-	403,646,647
Current Liabilities	9,574,204	(12,881)	2,549,678	113,359	59,042	1,077,622	2,750,647	144,868	3,927	219,140	16,565,471
Fair Value Change Account	3,112,776	-	(74,275)	6,753	-	-	-	-	-	38,070	3,083,324
<b>Total Segment Liabilities</b>	<b>216,227,534</b>	<b>417,350</b>	<b>33,153,906</b>	<b>1,218,113</b>	<b>131,635</b>	<b>7,784,342</b>	<b>145,484,568</b>	<b>17,403,412</b>	<b>1,131,507</b>	<b>257,210</b>	<b>423,295,442</b>
Segment Reserves	-	-	-	-	-	-	-	-	-	-	-
Reserves and Surplus	-	-	-	-	-	-	-	-	-	-	5,867,168
Equity Capital	-	-	-	-	-	-	-	-	-	-	19,188,129
Funds For Future Appropriations	15,134,794	346,577	-	-	-	-	78,340	5,113	-	-	15,564,824
<b>Unallocated Liabilities</b>											

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Particulars	Participating Policies		Non-Participating Policies				Linked Policies			Shareholders' Funds	Total
	Individual Life	Pension	Individual Life	Annuity	Health	Group	Individual Life	Pension	Group		
Current Liabilities	-	-	-	-	-	-	-	-	-	-	349,207
Provisions	-	-	-	-	-	-	-	-	-	-	310,220
Deferred Expenditure	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>											<b>464,574,990</b>
<b>Other Information</b>											
Capital Expenditure during the year	398,768	70	65,585	60	73	14,710	75,926	2,121	18	-	557,331

## 20) The ratios as prescribed by IRDAI are given below:

Ratios	2017 – 2018	2016 – 2017
(a) New Business Premium Income Growth (segment wise) (Current Year New Business Premium as a % of Previous Year New Business Premium)		
Individual Life – Participating	102.03%	122.91%
Pension – Participating	101.25%	96.34%
Individual Life - Non Participating	123.37%	114.62%
Individual Life – Annuity	104.62%	94.59%
Health Insurance	115.91%	NC
Group	113.22%	119.18%
Individual Linked	167.05%	149.47%
Linked Pension	156.91%	82.47%
Linked Group	33.02%	475.72%
(b) Net Retention Ratio (Net premium as a % of gross premium)	99.03%	99.07%
(c) Ratio of Expenses of Management (Expenses of Management as a % of Gross Premium) ( Refer Note 1 below)	20.02%	23.45%
(d) Commission Ratio (Gross Commission as a % of Gross Premium)	7.14%	8.69%
(e) Ratio of Policy holders' liabilities to shareholders' funds (Policyholders' Liability as a % of Shareholders' Fund)	1870.40%	1682.74%
(f) Growth rate of Shareholders' Fund (Increase/ (Decrease) in Shareholders' Fund over previous year as a % of Shareholders' Funds of Previous year) ( Refer Note 2 below)	7.55%	23.99%
(g) Ratio of Policyholders' Surplus to Policyholders' liability (Policyholders' Surplus as a % of Policyholders' Liability) ( Refer Note 3 below)	1.40%	1.55%
(h) Change in net worth ( over previous year) (In Lakhs)	18,955	48,547

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

<b>Ratios</b>	<b>2017 – 2018</b>	<b>2016 – 2017</b>
(CY shareholders' funds - PY shareholders' funds)		
(i) Profit after tax / Total Income ( Refer Note 5 below)	3.22%	4.34%
(j) (Total Real Estate+Loans)/ Cash & Invested assets	0.47%	0.35%
(k) Total Investments/(Capital + Surplus) ( Refer Note 4 below)	1942.56%	1776.18%
(l) Total Affiliated Investments/(Capital + Surplus)	NA	NA
(m) <b>Conservation Ratio</b>		
Individual Life-Participating Policies	90.49%	90.51%
Pension -Participating Policies	109.88%	82.01%
Individual Life Non-Participating Policies	91.91%	90.01%
Health Non-Participating Policies	75.03%	84.62%
Individual Linked	87.08%	83.55%
Linked Pension	84.56%	83.52%
(n) <b>Persistency Ratio</b>		
<b>By Premium</b>		
for 13th month	81%	80%
for 25th month	72%	70%
for 37th month	62%	60%
for 49th Month	57%	55%
for 61st month	53%	53%
<b>By Count</b>		
for 13th month	77%	77%
for 25th month	69%	67%
for 37th month	58%	55%
for 49th Month	52%	49%
for 61st month	47%	46%
(o) <b>NPA Ratio</b>	NA	NA
(p) <b>Yield on Investments</b>		
<b>With realized gains</b>		
Policyholders' Funds:		
<b>Non-Linked:</b>		
Par	8.51%	8.67%
Non-Par	7.94%	9.07%
Sub-Total	8.42%	8.74%
<b>Linked:</b>		

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

<b>Ratios</b>	<b>2017 – 2018</b>	<b>2016 – 2017</b>
Non-Par	10.36%	8.48%
Sub-Total	10.36%	8.48%
<b>Grand Total</b>	<b>9.06%</b>	<b>8.65%</b>
<b>Shareholders' Funds</b>	<b>8.39%</b>	<b>14.53%</b>
<b>Without Realized Gains</b>		
Policyholders' Funds:		
<b>Non-Linked:</b>		
Par	7.44%	7.47%
Non-Par	7.54%	8.09%
Sub-Total	7.46%	7.58%
<b>Linked:</b>		
Non-Par	2.67%	2.74%
Sub-Total	2.67%	2.74%
<b>Grand Total</b>	<b>5.88%</b>	<b>5.85%</b>
<b>Shareholders' Funds</b>	<b>6.56%</b>	<b>6.08%</b>
(q) <b>Solvency Ratio (Required 150%)</b>	275%	309%

**Notes for calculation of above Ratios**

- Expenses of Management include operating expenses and commission, other than those directly related to insurance business.
- Shareholders funds = share capital + reserves and surplus + credit/(debit) fair value change account - miscellaneous expenditure - debit balance in Profit and Loss Account or shareholders' account.
- Policyholders' surplus is the surplus/deficit as shown in Revenue Account.
- Surplus = Reserves and surplus as per Schedule 6
- Profit after tax and total income are as disclosed in the Profit and Loss Account (Non - Technical).

**21) Related Parties Disclosures**

During the year ended March 31, 2018, 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 had transactions, nature of the relationship, transactions with them and balances at year end, are as below:

**List of related parties**

<b>Description of relationship</b>	<b>Name</b>
<b>(a) Holding Company</b>	Max Financial Services Limited (Erstwhile Max India Limited)
<b>(b) Shareholder with significant influence</b>	Mitsui Sumitomo Insurance Company Limited
<b>(c) Key Management Personnel</b>	Rahul Khosla (Chariman) Rajesh Sud (Executive Vice Chairman and Managing Director)
<b>(d) Enterprises over which Key Management Personnel have significant Influence (KMP)</b>	Aitsaya Partners LLP

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

The details of significant related party transactions as per Accounting Standard 18 are given below:

S. No.	Name of the related party	Nature of relationship with Company	Description of transaction	Amount		Balance outstanding at year end	
				2017-18	2016-17	2017-18	2016-17
1.	Max Financial Services Limited (Erstwhile Max India Limited)	Holding Company	Expense - Allocated Cost on Group Expenses	100,165	87,990	38,770	24,138
			Expense - Allocated cost of salary	1,542	1,344		
			Expense - Stay Expenses in Guest House	923	1,140		
			Expenses - D&O Insurance Policy	384	560		
			Receipt - Insurance Premium	989	(829)		
			Receipt - Cost allocation of Disaster Recovery Site/ Procurement services	459	-		
			Recovery of HRMS implementation cost	20	(54)		
			Interim dividend	1,141,856	966,674		
			Final dividend	859,751	-		
			2.	Mitsui Sumitomo Insurance Company Ltd	Shareholders with Significant Influence		
Final dividend	307,010	-				-	-
3.	Key management personnel	Key management personnel	Managerial remuneration and welfare benefits (Refer Note 8 of schedule II)	(141,388)	750,197	-	-
			Insurance Premium	923	947	-	-

## 22) Summary of Financial Statements forming part of Notes to Accounts (Rs in 'Lakhs) is given below:

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
<b>POLICYHOLDERS' A/C</b>					
1 Gross Premium Income	1,250,089	1,078,040	921,616	817,162	727,854
2 Net Premium Income (Net of Re-insurance ceded)	1,237,955	1,068,024	913,893	810,515	721,181
3 Income from Investments (Net of losses)	375,743	421,069	128,988	410,574	216,216
4 Other Income (Miscellaneous Income)	2,540	1,892	1,467	1,458	1,773
5 Contribution from the Shareholders' a/c	915	24	187	4,406	1,311
<b>6 Total Income ( 2+3+4+5)</b>	<b>1,617,153</b>	<b>1,491,009</b>	<b>1,044,535</b>	<b>1,226,953</b>	<b>940,481</b>
7 Commission	89,288	93,643	82,101	74,863	68,281
8 Brokerage	-	-	-	-	-
9 Operating Expenses related to Insurance Business	171,951	167,153	132,586	130,457	126,668
10 Provision for Tax	-	-	-	-	-
<b>11 Total Expenses (7+8+9+10)</b>	<b>261,239</b>	<b>260,796</b>	<b>214,687</b>	<b>205,320</b>	<b>194,949</b>
12 Payments to Policyholders (includes Bonus to Policyholders)	494,665	377,750	314,643	348,883	293,137
13 Increase in Actuarial Liability	790,427	786,931	468,880	611,392	390,897
14 Surplus/Deficit from Operations	70,823	65,532	46,325	61,358	61,498

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Particulars		2017-18	2016-17	2015-16	2014-15	2013-14
<b>SHAREHOLDERS' A/C</b>						
15	Total Income under Shareholders' Account	21,838	30,941	21,924	27,060	24,153
16	Profit/(loss) before Tax	61,517	76,822	51,094	47,760	50,307
17	Provision for Tax	8,755	10,829	7,183	6,335	6,716
18	Profit/ loss after tax	52,763	65,993	43,911	41,424	43,591
19	Interim and proposed final dividend (including dividend distribution tax)	34,411	16,859	43,897	23,954	30,943
20	Transfer to Reserves	-	-	-	(1,715)	2,186
21	<b>Profit/ loss carried to Balance Sheet</b>	67,627	49,275	141	127	(16,470)
<b>MISCELLANEOUS</b>						
22	<b>Policyholders' account:</b>					
	Total Funds	5,047,989	4,222,567	3,396,165	2,931,250	2,271,212
	Total Investments (Including Linked)	4,902,196	4,113,920	3,343,220	2,859,753	2,194,057
	Yield on Investments (%) (Controlled Funds)	8.39%	8.77%	8.64%	24.42%	3.90%
	Yield on Investments (%) (Unit Linked Funds)	9.21%	17.22%	-1.34%	-0.55%	12.67%
	<b>Shareholders' account:</b>					
	Total Funds	269,888	250,934	202,386	205,525	202,633
	Total Investments	321,459	323,031	239,182	262,269	277,509
	Yield on Investments (%)	7.00%	11.63%	9.12%	9.37%	5.38%
23	Yield on Total Investments	8.57%	11.94%	4.60%	8.40%	8.23%
24	Paid up Equity capital (including share premium and reserves)	268,905	250,553	201,419	201,406	212,696
25	Weighted Average Number of Shares(in thousands)	1,918,813	1,918,813	1,918,813	1,936,821	1,944,691
26	Net Worth	269,888	250,934	202,386	205,525	202,633
27	Total Assets	5,496,284	4,644,337	3,763,391	3,273,209	2,473,845
28	Earnings per share - Basic (Face Value : Rs 10 each) in Rs.	2.75	3.44	2.29	2.14	2.24
29	Earnings per share - Diluted (Face Value : Rs 10 each) in Rs.	2.75	3.44	2.29	2.14	2.24
30	Book Value per Share: Rs 10 Paid up	14.07	13.08	10.55	10.70	10.42

## 23) Earnings per equity share

Particulars		2017-18	2016-17
1	Net Profit as per Profit & Loss Account available for equity shareholders for both basic and diluted earnings per equity share of Rs 10	5,276,287	6,599,271
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	<b>Earning per equity share</b>		
	a) Basic (in Rs.)	2.75	3.44
	b) Diluted (in Rs.)	2.75	3.44

*(All Amounts in Thousands of Indian Rupees, unless otherwise stated)***24) Employee Benefits - Disclosures as per AS 15 (Revised)****i. Defined Contribution Plan****a. Employee State Insurance**

During the year, the Company has recognised the following amounts in the Revenue account / Profit and Loss Account:

<b>Employee State Insurance</b>	<b>2017-18</b>	<b>2016-17</b>
Employers Contribution to Employee State Insurance	53,389	15,306

**b. Provident Fund**

The Company contributes to the employee provident trust "Max India Limited Employees Provident Fund Trust" which is managed by the holding company and as per guidance note on 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, needs to be treated as defined benefit plan.

The above mentioned contributions and shortfall, if any, is charged to Revenue Account / 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 (previous year: 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 (previous year: Rs Nil).

During the year, the Company has recognised the following amounts in the Revenue Account / Profit and Loss Account:

<b>Provident Fund</b>	<b>2017-18</b>	<b>2016-17</b>
Employers Contribution to Provident Fund	198,626	186,574

**ii. Defined Benefit Plans**

The assumptions used in valuing the defined benefit obligations of interest rate guarantee are as follows:

<b>Particulars</b>	<b>2017-18</b>	<b>2016-17</b>
Discount rate for the term of the Obligation	7.60%	7.40%
Rate of return on plan assets	8.70%	8.70%
Salary increase rate	7.50%	7.50%

**a. 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 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.

The following table sets out the status of the Gratuity Scheme:

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

<b>Change in Defined Benefit Obligation</b>	<b>2017-18</b>	<b>2016-17</b>
Opening Present value obligation	325,152	302,846
Interest cost	23,417	20,871
Past Service cost	-	-
Current service cost	52,148	49,008
Benefits Paid	(40,302)	(44,978)
Net Transfer in/(out)	2,086	(14,649)
Actuarial (gain)/ loss on Obligations	(9,198)	12,055
<b>Closing Present value obligation</b>	<b>353,303</b>	<b>325,152</b>
<b>Changes in the Fair value of Plan Assets</b>	<b>2017-18</b>	<b>2016-17</b>
Opening Fair value of Plan Assets	261,936	105,477
Expected return on Plan Assets	21,127	15,168
Contributions	20	197,374
Benefits Paid	(40,302)	(44,978)
Net Transfer in/(out)	2,086	(14,649)
Actuarial gain/ (loss) on Obligations	(3,875)	3,545
<b>Closing Fair value of Plan Assets</b>	<b>240,992</b>	<b>261,936</b>
<b>Expenses Recognised</b>		
Current service cost	52,148	49,008
Past Service cost	-	-
Interest cost	23,417	20,870
Expected return on Plan Assets	(21,127)	(15,168)
Net Actuarial (gain)/ loss recognised during the year	(5,323)	8,510
<b>Total Expense recognised</b>	<b>49,115</b>	<b>63,220</b>
<b>Reconciliation of Present value of Defined Benefit Obligation and Fair value of Assets</b>		
Closing Present value obligation	353,304	325,152
Closing Fair value of Plan Assets	240,992	261,936
<b>Net asset/ (liability) recognised in Balance Sheet</b>	<b>(112,312)</b>	<b>(63,216)</b>
<b>Major categories of plan assets:</b>		
Insurer Managed Funds	240,992	261,936
Estimate towards contribution for next year	112,312	63,216
<b>Actuarial Assumptions:</b>		
Discount Rate (per annum)	7.60%	7.40%
Rate of increase in compensation levels *	7.50%	7.50%
Rate of return on plan assets **	8.70%	8.70%
Attrition rate:		
For service 4 years and below	25% p.a.	25% p.a.
For service 5 years and above	5% p.a.	5% 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, unless otherwise stated)

**Investment details of plan assets:**

Particulars	2017-18	2016-17
The plan assets are invested in insurer managed funds	100%	100%
Asset allocation:		
Government securities	22.75%	26.07%
Corporate Debt	16.02%	20.17%
Equity shares	48.49%	51.37%
Net Current Assets including Money Market Items	-0.35%	1.41%
Reverse Repo	13.09%	0.98%
Total	100%	100%

**Experience adjustments on gratuity provisioning**

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Defined benefit obligation	353,303	325,152	302,846	246,271	192,677
Plan assets	240,992	261,936	105,477	150,205	(160,572)
Surplus/(deficit)	<b>(112,311)</b>	<b>(63,216)</b>	<b>(197,369)</b>	<b>(96,066)</b>	<b>(32,105)</b>
Experience Adjustments					
-on plan liabilities (gains)/ losses	17,649	8,659	28,499	16,858	14,728
-on plan assets (losses)/ gains	(3,875)	3,545	(8,047)	15,372	3,455

**iii. Other long term benefits**

During the year, the Company has recognised the following expense in the Revenue Account and Profit and Loss Account:

- Deferred compensation (Long Term Incentive Plan): Rs 294,522 (March 31, 2017 - Rs 304,178)

**25) Disclosures For ULIP Business****a) Performance of the Fund (Absolute Growth % )**

Fund Name	SFIN	Year of Inception	Year			Since inception
			2017-18	2016-17	2015-16	
Group Gratuity Growth	ULGF00117/04/06GRATGROWTH104	2006-07	6.44%	18.93%	-0.49%	191.36%
Group Gratuity Balanced	ULGF00217/04/06GRATBALANC104	2006-07	4.78%	14.42%	3.11%	203.01%
Group Gratuity Conservative	ULGF00317/04/06GRATCONSER104	2006-07	3.61%	11.27%	7.04%	157.38%
Group Superannuation Growth	ULGF00423/01/07SANNGROWTH104	2007-08	8.57%	17.79%	-2.98%	137.11%
Group Superannuation Balanced	ULGF00523/01/07SANNBALANC104	2007-08	6.41%	11.70%	1.83%	133.05%
Group Superannuation Conservative	ULGF00623/01/07SANNCONSER104	2007-08	3.58%	10.38%	6.53%	100.56%
Group Gratuity Bond	ULGF00707/02/13GRATPLBOND104	2013-14	3.37%	11.19%	7.16%	43.61%
Growth	ULIF00125/06/04LIFEGROWTH104	2004-05	7.65%	14.61%	-2.46%	433.72%
Balanced	ULIF00225/06/04LIFEBALANC104	2004-05	5.32%	13.68%	1.97%	304.66%
Conservative	ULIF00325/06/04LIFECONSER104	2004-05	3.73%	11.96%	4.49%	238.79%
Secured	ULIF00425/06/04LIFESECURE104	2004-05	3.70%	11.23%	6.73%	185.11%
Pension Growth	ULIF00525/11/05PENSGROWTH104	2005-06	6.16%	17.31%	-2.09%	229.57%
Pension Balanced	ULIF00625/11/05PENSBALANC104	2005-06	6.71%	14.57%	1.29%	180.74%
Pension Conservative	ULIF00725/11/05PENSCONSER104	2005-06	4.88%	11.99%	4.08%	163.46%
Pension Secured	ULIF00825/11/05PENSSECURE104	2005-06	3.59%	11.20%	7.37%	152.21%
Guaranteed Fund Income	ULIF00904/10/06AMSRGUAINC104	2006-07	2.36%	9.28%	3.64%	104.10%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Fund Name	SFIN	Year of Inception	Year			Since inception
			2017-18	2016-17	2015-16	
Guaranteed Fund Dynamic Growth Super	ULIF01004/10/06AMSRGUADYN104	2006-07	3.35%	10.71%	1.04%	112.91%
Pension Growth Super	ULIF01108/02/07LIFEGRWSUP104	2007-08	11.33%	20.23%	-8.20%	215.85%
High Growth	ULIF01213/08/07PENSGRWSUP104	2007-08	9.77%	22.39%	-6.94%	101.66%
Dynamic Opportunities	ULIF01311/02/08LIFEHIGHGR104	2007-08	15.15%	23.98%	-3.91%	194.07%
Money Market	ULIF01425/03/08LIFEDYNOPP104	2008-09	6.50%	16.15%	0.18%	148.95%
Secure Plus	ULIF01528/04/09LIFEMONEYM104	2009-10	5.15%	5.61%	6.68%	67.65%
Pension Maximiser	ULIF01628/04/09LIFESECP104	2009-10	3.86%	11.49%	6.65%	99.92%
Pension Preserver	ULIF01715/02/13PENSMAXIMI104	2013-14	5.46%	14.90%	-0.02%	60.06%
Discontinuance Policy Fund Pension	ULIF01815/02/13PENSPRESER104	2013-14	3.31%	12.41%	3.24%	54.86%
Discontinuance Policy Fund Life	ULIF01912/08/13PENSDISCON104	2013-14	5.51%	8.13%	7.91%	39.03%
	ULIF02021/06/13LIFEDISCON104	2013-14	5.65%	7.93%	7.88%	37.41%

**b) Investment Management**

- o Activities outsourced : None
- o Fee paid for various activities charged to Policyholders' Account : Nil
- o Basis of payment of fees : Nil

**c) Related party transactions – Fund wise details**

- o Brokerage, custodian fee or any other payments and receipts made to/from related parties (as defined in AS 18 issued by ICAI) : Nil
- o Company-wise details of investments held in the Promoter Group along with its percentage to funds under management. This information is required to be given fund-wise and also for total funds under ULIPs. : Nil

**d) Provision for doubtful debts on assets of the respective Fund** : Nil**e) Unclaimed redemptions of units :** Nil**f) Net Asset Value (NAV) : Highest, Lowest and Closing at the end of the March 31, 2018**

Fund Name	SFIN	Highest NAV	Lowest NAV	Closing NAV
Group Gratuity Growth	ULGF00117/04/06GRATGROWTH104	30.46	27.36	29.14
Group Gratuity Balanced	ULGF00217/04/06GRATBALANC104	30.84	28.79	30.30
Group Gratuity Conservative	ULGF00317/04/06GRATCONSER104	25.93	24.66	25.74
Group Superannuation Growth	ULGF00423/01/07SANNNGROWTH104	25.09	21.91	23.71
Group Superannuation Balanced	ULGF00523/01/07SANNBALANC104	23.79	21.84	23.3
Group Superannuation Conservative	ULGF00623/01/07SANNCONSER104	20.22	19.20	20.06
Group Gratuity Bond	ULGF00707/02/13GRATPLBOND104	14.47	13.79	14.36
Growth	ULIF00125/06/04LIFEGROWTH104	56.15	49.65	53.37
Balanced	ULIF00225/06/04LIFEBALANC104	41.45	38.31	40.47
Conservative	ULIF00325/06/04LIFECONSER104	34.11	32.50	33.88
Secured	ULIF00425/06/04LIFESECURE104	28.66	27.30	28.51
Pension Growth	ULIF00525/11/05PENSGROWTH104	34.61	30.88	32.96
Pension Balanced	ULIF00625/11/05PENSBALANC104	28.78	26.26	28.07
Pension Conservative	ULIF00725/11/05PENSCONSER104	26.45	25.00	26.35
Pension Secured	ULIF00825/11/05PENSSECURE104	25.42	24.17	25.22
Guaranteed Fund Income	ULIF00904/10/06AMSRGUAINC104	20.63	19.84	20.41

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Fund Name	SFIN	Highest NAV	Lowest NAV	Closing NAV
Guaranteed Fund Dynamic	ULIF01004/10/06AMSRGUADYN104	21.58	20.51	21.29
Growth Super	ULIF01108/02/07LIFEGRWSUP104	34.6	28.36	31.58
Pension Growth Super	ULIF01213/08/07PENSGRWSUP104	21.98	18.32	20.17
High Growth	ULIF01311/02/08LIFEHIGHGR104	30.72	25.27	29.41
Dynamic Opportunities	ULIF01425/03/08LIFEDYNOPP104	26.14	23.37	24.89
Money Market	ULIF01528/04/09LIFEMONEYM104	16.76	15.95	16.76
Secure Plus	ULIF01628/04/09LIFESECP104	20.06	19.12	19.99
Pension Maximiser	ULIF01715/02/13PENSMAXIMI104	16.37	15.14	16.01
Pension Preserver	ULIF01815/02/13PENSPRESER104	15.71	14.90	15.49
Discontinuance Policy Fund Pension	ULIF01912/08/13PENSDISCON104	13.90	13.17	13.90
Discontinuance Policy Fund Life	ULIF02021/06/13LIFEDISCON104	13.74	13.00	13.74

**Net Asset Value (NAV) : Highest, Lowest and Closing at the end of the March 31, 2017**

Fund Name	SFIN	Highest NAV	Lowest NAV	Closing NAV
Group Gratuity Growth	ULGF00117/04/06GRATGROWTH104	27.37	22.65	27.37
Group Gratuity Balanced	ULGF00217/04/06GRATBALANC104	28.92	25.10	28.92
Group Gratuity Conservative	ULGF00317/04/06GRATCONSER104	25.35	22.33	24.84
Group Superannuation Growth	ULGF00423/01/07SANNNGROWTH104	21.84	18.30	21.84
Group Superannuation Balanced	ULGF00523/01/07SANNBALANC104	21.90	19.49	21.90
Group Superannuation Conservative	ULGF00623/01/07SANNCONSER104	19.79	17.54	19.36
Group Gratuity Bond	ULGF00707/02/13GRATPLBOND104	14.03	12.50	13.89
Growth	ULIF00125/06/04LIFEGROWTH104	49.58	42.55	49.58
Balanced	ULIF00225/06/04LIFEBALANC104	38.42	33.65	38.42
Conservative	ULIF00325/06/04LIFECONSER104	32.84	29.17	32.66
Secured	ULIF00425/06/04LIFESECURE104	28.07	24.72	27.50
Pension Growth	ULIF00525/11/05PENSGROWTH104	31.04	26.04	31.04
Pension Balanced	ULIF00625/11/05PENSBALANC104	26.31	22.88	26.31
Pension Conservative	ULIF00725/11/05PENSCONSER104	25.17	22.43	25.12
Pension Secured	ULIF00825/11/05PENSSECURE104	24.84	21.90	24.35
Guaranteed Fund Income	ULIF00904/10/06AMSRGUAINC104	20.11	18.25	19.94
Guaranteed Fund Dynamic	ULIF01004/10/06AMSRGUADYN104	20.60	18.56	20.60
Growth Super	ULIF01108/02/07LIFEGRWSUP104	28.37	22.89	28.37
Pension Growth Super	ULIF01213/08/07PENSGRWSUP104	18.37	14.57	18.37
High Growth	ULIF01311/02/08LIFEHIGHGR104	25.56	20.06	25.54
Dynamic Opportunities	ULIF01425/03/08LIFEDYNOPP104	23.38	19.84	23.38
Money Market	ULIF01528/04/09LIFEMONEYM104	15.94	15.10	15.94
Secure Plus	ULIF01628/04/09LIFESECP104	19.66	17.27	19.25
Pension Maximiser	ULIF01715/02/13PENSMAXIMI104	15.18	13.14	15.18
Pension Preserver	ULIF01815/02/13PENSPRESER104	15.04	13.31	14.99
Discontinuance Policy Fund Pension	ULIF01912/08/13PENSDISCON104	13.18	12.19	13.18
Discontinuance Policy Fund Life	ULIF02021/06/13LIFEDISCON104	13.01	12.05	13.01

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

**g) Expenses Charged to Fund %: Annualized expense ratio to average daily assets of the Fund**

Fund Name	SFIN	Ratios as at March 31, 2018	Ratios as at March 31, 2017
Group Gratuity Growth	ULGF00117/04/06GRATGROWTH104	0.59%	0.57%
Group Gratuity Balanced	ULGF00217/04/06GRATBALANC104	0.53%	0.52%
Group Gratuity Conservative	ULGF00317/04/06GRATCONSER104	0.47%	0.46%
Group Superannuation Growth	ULGF00423/01/07SANNNGROWTH104	1.11%	1.09%
Group Superannuation Balanced	ULGF00523/01/07SANNBALANC104	1.00%	0.98%
Group Superannuation Conservative	ULGF00623/01/07SANNCONSER104	0.88%	0.86%
Group Gratuity Bond	ULGF00707/02/13GRATPLBOND104	0.47%	0.46%
Growth	ULIF00125/06/04LIFEGROWTH104	1.46%	1.43%
Balanced	ULIF00225/06/04LIFEBALANC104	1.29%	1.26%
Conservative	ULIF00325/06/04LIFECONSER104	1.05%	1.03%
Secured	ULIF00425/06/04LIFESECURE104	1.05%	1.03%
Pension Growth	ULIF00525/11/05PENSGROWTH104	1.46%	1.44%
Pension Balanced	ULIF00625/11/05PENSBALANC104	1.29%	1.26%
Pension Conservative	ULIF00725/11/05PENSCONSER104	1.06%	1.03%
Pension Secured	ULIF00825/11/05PENSSECURE104	1.06%	1.03%
Guaranteed Fund Income	ULIF00904/10/06AMSRGUAINC104	1.76%	1.72%
Guaranteed Fund Dynamic	ULIF01004/10/06AMSRGUADYN104	1.99%	1.95%
Growth Super	ULIF01108/02/07LIFEGRWSUP104	1.45%	1.43%
Pension Growth Super	ULIF01213/08/07PENSGRWSUP104	1.46%	1.43%
High Growth	ULIF01311/02/08LIFEHIGHGR104	1.47%	1.44%
Dynamic Opportunities	ULIF01425/03/08LIFEDYNOPP104	1.46%	1.44%
Money Market	ULIF01528/04/09LIFEMONEYM104	1.05%	1.03%
Secure Plus	ULIF01628/04/09LIFESECP104	1.06%	1.03%
Pension Maximiser	ULIF01715/02/13PENSMAXIM104	1.93%	1.90%
Pension Preserver	ULIF01815/02/13PENSPRESER104	1.70%	1.67%
Discontinuance Policy Fund Pension	ULIF01912/08/13PENSDISCON104	0.59%	0.57%
Discontinuance Policy Fund Life	ULIF02021/06/13LIFEDISCON104	0.59%	0.57%

**h) Ratio of gross income (including unrealized gains) to average daily net assets**

Fund Name	SFIN	Ratios as at March 31, 2018	Ratios as at March 31, 2017
Group Gratuity Growth	ULGF00117/04/06GRATGROWTH104	6.39%	13.48%
Group Gratuity Balanced	ULGF00217/04/06GRATBALANC104	4.75%	13.95%
Group Gratuity Conservative	ULGF00317/04/06GRATCONSER104	3.70%	10.99%
Group Superannuation Growth	ULGF00423/01/07SANNNGROWTH104	8.62%	17.47%
Group Superannuation Balanced	ULGF00523/01/07SANNBALANC104	6.11%	11.98%
Group Superannuation Conservative	ULGF00623/01/07SANNCONSER104	3.65%	10.57%
Group Gratuity Bond	ULGF00707/02/13GRATPLBOND104	3.32%	10.19%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Fund Name	SFIN	Ratios as at March 31, 2018	Ratios as at March 31, 2017
Growth	ULIF00125/06/04LIFEGROWTH104	7.23%	15.09%
Balanced	ULIF00225/06/04LIFEBALANC104	4.91%	13.84%
Conservative	ULIF00325/06/04LIFECONSER104	3.59%	12.04%
Secured	ULIF00425/06/04LIFESECURE104	3.63%	11.38%
Pension Growth	ULIF00525/11/05PENSGROWTH104	6.16%	17.43%
Pension Balanced	ULIF00625/11/05PENSBALANC104	6.61%	14.83%
Pension Conservative	ULIF00725/11/05PENSCONSER104	4.82%	12.31%
Pension Secured	ULIF00825/11/05PENSSECURE104	3.58%	11.45%
Guaranteed Fund Income	ULIF00904/10/06AMSRGUAINC104	2.57%	10.58%
Guaranteed Fund Dynamic	ULIF01004/10/06AMSRGUADYN104	3.47%	12.06%
Growth Super	ULIF01108/02/07LIFEGRWSUP104	10.58%	20.12%
Pension Growth Super	ULIF01213/08/07PENSGRWSUP104	9.80%	21.78%
High Growth	ULIF01311/02/08LIFEHIGHGR104	14.08%	23.02%
Dynamic Opportunities	ULIF01425/03/08LIFEDYNOPP104	6.45%	16.41%
Money Market	ULIF01528/04/09LIFEMONEYM104	5.02%	6.50%
Secure Plus	ULIF01628/04/09LIFESECP104	4.00%	11.74%
Pension Maximiser	ULIF01715/02/13PENSMAXIMI104	4.47%	15.30%
Pension Preserver	ULIF01815/02/13PENSPRESER104	2.98%	12.83%
Discontinuance Policy Fund Pension	ULIF01912/08/13PENSDISCON104	5.31%	7.99%
Discontinuance Policy Fund Life	ULIF02021/06/13LIFEDISCON104	5.44%	7.84%

## i) Fund-wise disclosure of appreciation and/or (depreciation) in value of investments segregated class-wise

Fund Name	SFIN	Bonds	Equity	Government Securities	Mutual Funds	Money Market	Total
Group Gratuity Growth	ULGF00117/04/06GRATGROWTH104	(254)	16,525	(924)	-	-	15,347
Group Gratuity Balanced	ULGF00217/04/06GRATBALANC104	1,477	10,535	(1,039)	-	-	10,973
Group Gratuity Conservative	ULGF00317/04/06GRATCONSER104	2,834	-	734	-	-	3,568
Group Superannuation Growth	ULGF00423/01/07SANNGROWTH104	-	21	(1)	-	-	20
Group Superannuation Balanced	ULGF00523/01/07SANNBALANC104	-	7	-	-	-	7
Group Superannuation Conservative	ULGF00623/01/07SANNCONSER104	128	-	15	-	-	143
Group Gratuity Bond	ULGF00707/02/13GRATPLBOND104	11	-	(37)	-	-	(26)
Growth	ULIF00125/06/04LIFEGROWTH104	330,449	5,103,481	32,088	1,793	-	5,467,811
Balanced	ULIF00225/06/04LIFEBALANC104	57,422	1,239,428	(57,237)	1,036	-	1,240,649
Conservative	ULIF00325/06/04LIFECONSER104	2,825	40,725	(4,692)	-	-	38,858
Secured	ULIF00425/06/04LIFESECURE104	38,523	-	15,632	-	-	54,155
Pension Growth	ULIF00525/11/05PENSGROWTH104	26,803	710,753	98	-	-	737,654
Pension Balanced	ULIF00625/11/05PENSBALANC104	9,607	200,536	(1,354)	-	-	208,789
Pension Conservative	ULIF00725/11/05PENSCONSER104	1,250	3,309	(355)	-	-	4,204
Pension Secured	ULIF00825/11/05PENSSECURE104	7,198	-	2,144	-	-	9,342
Guaranteed Fund Income	ULIF00904/10/06AMSRGUAINC104	317	97	(99)	-	-	315
Guaranteed Fund Dynamic	ULIF01004/10/06AMSRGUADYN104	225	1,368	(287)	-	-	1,306
Growth Super	ULIF01108/02/07LIFEGRWSUP104	(735)	5,421,380	-	591,364	-	6,012,009

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Fund Name	SFIN	Bonds	Equity	Government Securities	Mutual Funds	Money Market	Total
Pension Growth Super	ULIF01213/08/07PENSGRWSUP104	-	975,535	-	21,445	-	996,980
High Growth	ULIF01311/02/08LIFEHIGHGR104	-	41,699	-	-	-	41,699
Dynamic Opportunities	ULIF01425/03/08LIFEDYNOPP104	18,718	884,299	(23,864)	1,456	-	880,609
Money Market	ULIF01528/04/09LIFEMONEYM104	-	-	-	-	-	-
Secure Plus	ULIF01628/04/09LIFESECP104	13,642	-	9,131	-	-	22,773
Pension Maximiser	ULIF01715/02/13PENSMAXIMI104	(248)	160,312	(7,946)	-	-	152,118
Pension Preserver	ULIF01815/02/13PENSPRESER104	5,710	47,540	(13,302)	-	-	39,948
Discontinuance Policy	ULIF01912/08/13PENSDISCON104	-	-	(3,821)	-	-	(3,821)
Fund Pension							
Discontinuance Policy	ULIF02021/06/13LIFEDISCON104	-	-	(17,246)	-	-	(17,246)
Fund Life							
<b>Total</b>		<b>515,902</b>	<b>14,857,550</b>	<b>(72,362)</b>	<b>617,094</b>	<b>-</b>	<b>15,918,184</b>

## j) Statement of Industry Wise Disclosure of Investments (with exposure of 5% and above)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
<b>GROUP GRATUITY GROWTH FUND</b>	<b>ULGF00117/04/06GRATGROWTH104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	3,430.00	1.33%
	6.68 GOI 17 SEP 2031	8,474.00	3.29%
	6.79 GOI 15 MAY 2027	1,210.00	0.47%
	6.84 GOI 19 DEC 2022	1,041.00	0.40%
	7.17 GOI 08 JAN 2028	13,320.00	5.17%
	7.35 GOI 22 JUN 2024	23,323.00	9.05%
	7.68 GOI 15 DEC 2023	5,884.00	2.28%
	8.15 GOI 11 JUN 2022	24,391.00	9.47%
	8.15 GOI 24 NOV 2026	1,092.00	0.42%
	6.57 GOI 05 DEC 2033	270.00	0.10%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>82,435.00</b>	<b>32.00%</b>
OTHERS		61,106.00	23.72%
<b>OTHERS TOTAL</b>		<b>61,106.00</b>	<b>23.72%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	10,081.00	3.91%
	STATE BANK OF INDIA	4,634.00	1.80%
	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	1,091.00	0.42%
	AXIS BANK LIMITED	1,907.00	0.74%
	BANDHAN BANK LIMITED	1,173.00	0.46%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	9,128.00	3.54%
	ICICI BANK LIMITED	7,042.00	2.73%
	INDUSIND BANK CD 19 MAR 2019	9,336.00	3.62%
	KOTAK MAHINDRA BANK LIMITED	4,191.00	1.63%
	YES BANK LIMITED	956.00	0.37%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>49,539.00</b>	<b>19.23%</b>
TELECOMMUNICATIONS	8.95 INFOTEL BROADBAND SERVICES 15 SEP 2020	15,443.00	6.00%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	BHARTI AIRTEL LIMITED	4,864.00	1.89%
<b>TELECOMMUNICATIONS TOTAL</b>		<b>20,307.00</b>	<b>7.88%</b>
INVESTMENT IN HOUSING SECTOR	8.50 LIC HOUSING FINANCE 5 JAN 2021(Option II)	5,111.00	1.98%
	9.15 DEWAN HOUSING FINANCE CORPORATION 09 SEP 2021	209.00	0.08%
	7.90 HOUSING DEVELOPMENT FINANCE CORPORATION 24 AUG 2026	9,904.00	3.84%
<b>INVESTMENT IN HOUSING SECTOR TOTAL</b>		<b>15,224.00</b>	<b>5.91%</b>
MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	MARUTI SUZUKI INDIA LIMITED	6,309.00	2.45%
	TATA MOTORS LIMITED	1,231.00	0.48%
	EICHER MOTORS LIMITED	2,100.00	0.82%
	HERO MOTOCORP LIMITED	4,924.00	1.91%
<b>MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS TOTAL</b>		<b>14,564.00</b>	<b>5.65%</b>
CIVIL ENGINEERING	SADBHAV ENGINEERING LIMITED	2,726.00	1.06%
	9.15 LARSEN & TOUBRO 11 MAY 2020	2,061.00	0.80%
	LARSEN & TOUBRO LIMITED	9,635.00	3.74%
<b>CIVIL ENGINEERING TOTAL</b>		<b>14,422.00</b>	<b>5.60%</b>
<b>FUND TOTAL</b>		<b>257,597.00</b>	<b>100.00%</b>
<b>GROUP GRATUITY BALANCED FUND</b>	<b>ULGF00217/04/06GRATBALANC104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	1,017.00	0.32%
	6.35 GOI 2 JAN 2020	401.00	0.13%
	6.68 GOI 17 SEP 2031	16,512.00	5.18%
	6.79 GOI 15 MAY 2027	2,135.00	0.67%
	6.84 GOI 19 DEC 2022	25,354.00	7.95%
	7.17 GOI 08 JAN 2028	10,553.00	3.31%
	7.35 GOI 22 JUN 2024	13,453.00	4.22%
	7.68 GOI 15 DEC 2023	15,494.00	4.86%
	7.73 GOI 19 DEC 2034	2,781.00	0.87%
	8.15 GOI 11 JUN 2022	38,671.00	12.13%
	8.15 GOI 24 NOV 2026	31,547.00	9.90%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>157,918.00</b>	<b>49.54%</b>
OTHERS		84,871.00	26.63%
<b>OTHERS TOTAL</b>		<b>84,871.00</b>	<b>26.63%</b>

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	4,900.00	1.54%
	STATE BANK OF INDIA	1,719.00	0.54%
	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	4,363.00	1.37%
	8.65 POWER FINANCE CORPORATION 28 DEC 2024	1,030.00	0.32%
	8.85 AXIS BANK 05 DEC 2024	8,319.00	2.61%
	8.85 SHRIRAM TRANSPORT FINANCE 03 AUG 2021	1,028.00	0.32%
	8.90 BAJAJ FINANCE LIMITED 23 MAR 2026	6,292.00	1.97%
	AXIS BANK LIMITED	1,787.00	0.56%
	BAJAJ FINSERV LIMITED	2,431.00	0.76%
	BANDHAN BANK LIMITED	1,407.00	0.44%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	2,388.00	0.75%
	ICICI BANK LIMITED	3,521.00	1.10%
	INDUSIND BANK CD 19 MAR 2019	4,668.00	1.46%
	KOTAK MAHINDRA BANK LIMITED	2,377.00	0.75%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>46,230.00</b>	<b>14.50%</b>
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	INDRAPRASTHA GAS LIMITED	2,096.00	0.66%
	7.52 NHPC 06 JUN 2023	988.00	0.31%
	7.52 NHPC 06 JUN 2024	975.00	0.31%
	9.1 EAST NORTH INTERCONNECTION COMPANY LIMITED 28 JUN 2024	4,199.00	1.32%
	9.30 POWER GRID CORPORATION 4 SEP 2019	21,472.00	6.74%
<b>ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY TOTAL</b>		<b>29,730.00</b>	<b>9.33%</b>
<b>FUND TOTAL</b>		<b>318,749.00</b>	<b>100.00%</b>
<b>GROUP GRATUITY CONSERVATIVE FUND</b>	<b>ULGF00317/04/06GRATCONSER104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	19,076.00	4.12%
	6.84 GOI 19 DEC 2022	80,918.00	17.48%
	7.17 GOI 08 JAN 2028	65,819.00	14.22%
	7.35 GOI 22 JUN 2024	1,379.00	0.30%
	7.68 GOI 15 DEC 2023	1,851.00	0.40%
	8.15 GOI 11 JUN 2022	19,474.00	4.21%
	8.15 GOI 24 NOV 2026	95,971.00	20.73%
	7.28 GOI 3 JUN 2019	8,062.00	1.74%
	364 DAYS TBILL 26 APR 2018	2,988.00	0.65%
	7.88 GOI 19 MAR 2030	8,556.00	1.85%
91 DAY TBILL 05 APR 2018	7,995.00	1.73%	



(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>312,089.00</b>	<b>67.41%</b>
FINANCIAL AND INSURANCE ACTIVITIES	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	7,635.00	1.65%
	8.85 SHRIRAM TRANSPORT FINANCE 03 AUG 2021	5,140.00	1.11%
	8.90 BAJAJ FINANCE LIMITED 23 MAR 2026	12,583.00	2.72%
	10.15 IL&FS FINANCIAL SERVICES LIMITED 29 JUN 2022	2,164.00	0.47%
	7.75 POWER FINANCE CORPORATION 22 MAR 2027	2,981.00	0.64%
	7.8 YES BANK 01 OCT 2027	12,541.00	2.71%
	8.85 BAJAJ FINANCE LIMITED 21 JUL 2026	10,464.00	2.26%
	9.30 SHRIRAM TRANSPORT FINANCE 18 MAR 2026	5,259.00	1.14%
	9.69 TATA SONS LIMITED 12 JUN 2022	3,196.00	0.69%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>61,963.00</b>	<b>13.38%</b>
OTHERS		34,268.00	7.40%
<b>OTHERS TOTAL</b>		<b>34,268.00</b>	<b>7.40%</b>
INVESTMENT IN HOUSING SECTOR	8.50 LIC HOUSING FINANCE 5 JAN 2021(Option II)	15,333.00	3.31%
	8.75 HOUSING DEVELOPMENT FINANCE CORPORATION 04 MAR 2021	10,300.00	2.22%
	9.15 DEWAN HOUSING FINANCE CORPORATION 09 SEP 2021	4,183.00	0.90%
	9.25 LIC HOUSING FINANCE 1 JAN 2023	1,056.00	0.23%
<b>INVESTMENT IN HOUSING SECTOR TOTAL</b>		<b>30,872.00</b>	<b>6.67%</b>
STATE GOVERNMENT	7.67 TAMILNADU SDL 22 MAR 2023	902.00	0.19%
	8.03 UTTAR PRADESH SDL 02 JUN 2020	631.00	0.14%
	8.14 HARYANA SDL 27 MAR 2028	20,316.00	4.39%
	8.15 UTTAR PRADESH SDL 02 JUN 2021	635.00	0.14%
	8.25 UTTAR PRADESH SDL 02 JUN 2023	635.00	0.14%
	8.26 UTTAR PRADESH SDL 02 JUN 2022	637.00	0.14%
<b>STATE GOVERNMENT TOTAL</b>		<b>23,756.00</b>	<b>5.13%</b>
<b>FUND TOTAL</b>		<b>462,948.00</b>	<b>100.00%</b>
<b>GROUP SUPERANNUATION GROWTH FUND</b>	<b>ULGF00423/01/07SANNGROWTH104</b>		

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	1.00	0.98%
	6.68 GOI 17 SEP 2031	3.00	2.36%
	6.79 GOI 15 MAY 2027	0.00	0.07%
	6.84 GOI 19 DEC 2022	8.00	5.56%
	7.17 GOI 08 JAN 2028	4.00	2.58%
	7.35 GOI 22 JUN 2024	4.00	2.95%
	7.68 GOI 15 DEC 2023	6.00	4.35%
	8.15 GOI 11 JUN 2022	27.00	17.91%
	8.15 GOI 24 NOV 2026	9.00	6.12%
	7.28 GOI 3 JUN 2019	2.00	1.04%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>64.00</b>	<b>43.92%</b>
OTHERS		32.00	22.19%
<b>OTHERS TOTAL</b>		<b>32.00</b>	<b>22.19%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	9.00	6.51%
	STATE BANK OF INDIA	2.00	1.38%
	AXIS BANK LIMITED	1.00	0.71%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	4.00	2.52%
	ICICI BANK LIMITED	5.00	3.65%
	YES BANK LIMITED	2.00	1.05%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>23.00</b>	<b>15.83%</b>
MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS	INDIAN OIL CORPORATION LIMITED	4.00	2.93%
	RELIANCE INDUSTRIES LIMITED	11.00	7.32%
<b>MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS TOTAL</b>		<b>15.00</b>	<b>10.24%</b>
MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	MARUTI SUZUKI INDIA LIMITED	9.00	6.12%
	TATA MOTORS LIMITED	1.00	0.68%
	MAHINDRA & MAHINDRA LIMITED	1.00	1.02%
<b>MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS TOTAL</b>		<b>11.00</b>	<b>7.82%</b>
<b>FUND TOTAL</b>		<b>145.00</b>	<b>100.00%</b>
<b>GROUP SUPERANNUATION BALANCED FUND</b>	<b>ULGF00523/01/07SANNBALANC104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	3.00	2.49%
	6.68 GOI 17 SEP 2031	4.00	3.27%
	6.79 GOI 15 MAY 2027	2.00	1.61%
	6.84 GOI 19 DEC 2022	10.00	7.85%
	7.17 GOI 08 JAN 2028	6.00	4.85%
	7.35 GOI 22 JUN 2024	1.00	0.69%
	7.68 GOI 15 DEC 2023	0.00	0.31%
	8.15 GOI 11 JUN 2022	20.00	14.93%
	8.15 GOI 24 NOV 2026	17.00	12.69%
	7.28 GOI 3 JUN 2019	2.00	1.55%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>65.00</b>	<b>50.23%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	4.00	2.90%
	AXIS BANK LIMITED	2.00	1.57%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	4.00	2.81%
	ICICI BANK LIMITED	2.00	1.50%
	9.00 M&M FINANCIAL SERVICES 06 JUN 2026 CAT III & IV SERIES III	5.00	4.06%
	9.50 STATE BANK OF INDIA 04 NOV 2025	11.00	8.04%
	9.55 IL&FS LIMITED 13 AUG 2024	5.00	4.12%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>33.00</b>	<b>25.00%</b>
OTHERS		32.00	24.77%
<b>OTHERS TOTAL</b>		<b>32.00</b>	<b>24.77%</b>
<b>FUND TOTAL</b>		<b>130.00</b>	<b>100.00%</b>
<b>GROUP SUPERANNUATION CONSERVATIVE FUND</b>	<b>ULGF00623/01/07SANNCONSER104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	150.00	1.15%
	6.35 GOI 2 JAN 2020	77.00	0.59%
	6.68 GOI 17 SEP 2031	824.00	6.31%
	6.79 GOI 15 MAY 2027	116.00	0.89%
	6.84 GOI 19 DEC 2022	2,555.00	19.58%
	7.17 GOI 08 JAN 2028	339.00	2.60%
	7.68 GOI 15 DEC 2023	28.00	0.21%
	8.15 GOI 11 JUN 2022	2,149.00	16.47%
	8.15 GOI 24 NOV 2026	3,928.00	30.10%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>10,166.00</b>	<b>77.89%</b>
INVESTMENT IN HOUSING SECTOR	8.50 LIC HOUSING FINANCE 5 JAN 2021(Option II)	1,022.00	7.83%
	9.15 DEWAN HOUSING FINANCE CORPORATION 09 SEP 2021	314.00	2.40%
<b>INVESTMENT IN HOUSING SECTOR TOTAL</b>		<b>1,336.00</b>	<b>10.24%</b>
FINANCIAL AND INSURANCE ACTIVITIES	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	1,091.00	8.36%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>1,091.00</b>	<b>8.36%</b>
OTHERS		459.00	3.52%
<b>OTHERS TOTAL</b>		<b>459.00</b>	<b>3.52%</b>
<b>FUND TOTAL</b>		<b>13,052.00</b>	<b>100.00%</b>
<b>GROUP GRATUITY BOND FUND</b>	<b>ULGF00707/02/13GRATPLBOND104</b>		

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	819.00	7.80%
	6.68 GOI 17 SEP 2031	519.00	4.95%
	6.79 GOI 15 MAY 2027	410.00	3.91%
	6.84 GOI 19 DEC 2022	1,020.00	9.72%
	7.17 GOI 08 JAN 2028	982.00	9.36%
	7.68 GOI 15 DEC 2023	64.00	0.61%
	8.15 GOI 11 JUN 2022	3,268.00	31.14%
	8.15 GOI 24 NOV 2026	2,994.00	28.52%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>10,076.00</b>	<b>96.01%</b>
OTHERS		419.00	3.99%
<b>OTHERS TOTAL</b>		<b>419.00</b>	<b>3.99%</b>
<b>FUND TOTAL</b>		<b>10,495.00</b>	<b>100.00%</b>
<b>GROWTH FUND</b>	<b>ULIF00125/06/04LIFEGROWTH104</b>		
OTHERS		18,547,358.00	30.63%
<b>OTHERS TOTAL</b>		<b>18,547,358.00</b>	<b>30.63%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	2,546,233.00	4.20%
	STATE BANK OF INDIA	167,933.00	0.28%
	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	297,795.00	0.49%
	LAKSHMI VILAS BANK LIMITED	580,309.00	0.96%
	10.75 ASPIRE HOME FINANCE CORPORATION LIMITED 08 JUNE 2020	52,191.00	0.09%
	8.51 INDIA INFRADEBT LIMITED 05 MAY 2026	207,293.00	0.34%
	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	1,091.00	0.00%
	8.85 SHRIRAM TRANSPORT FINANCE 03 AUG 2021	18,503.00	0.03%
	8.90 BAJAJ FINANCE LIMITED 23 MAR 2026	327,158.00	0.54%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	1,150,128.00	1.90%
	ICICI BANK LIMITED	851,751.00	1.41%
	KOTAK MAHINDRA BANK LIMITED	1,414,530.00	2.34%
	9.00 M&M FINANCIAL SERVICES 06 JUN 2026 CAT III & IV SERIES III	1,050.00	0.00%
	9.50 STATE BANK OF INDIA 04 NOV 2025	31.00	0.00%
	9.55 IL&FS LIMITED 13 AUG 2024	219,257.00	0.36%
	7.75 POWER FINANCE CORPORATION 22 MAR 2027	26,832.00	0.04%
	7.8 YES BANK 01 OCT 2027	307,746.00	0.51%
	8.85 BAJAJ FINANCE LIMITED 21 JUL 2026	1,046.00	0.00%
	9.30 SHRIRAM TRANSPORT FINANCE 18 MAR 2026	283,992.00	0.47%
	9.69 TATA SONS LIMITED 12 JUN 2022	33,025.00	0.05%
	YES BANK LIMITED	466,421.00	0.77%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	10.00 SHRIRAM TRANSPORT FINANCE 13 NOV 2024	151,121.00	0.25%
	7.80 YES BANK 29 SEP 2027	2,320,162.00	3.83%
	8.0874 CHOLAMANDALAM INVESTMENT & FINANCE COMPANY LIMITED 08 APR 2021	151,049.00	0.25%
	8.20 NABARD 16 MAR 2028	128,033.00	0.21%
	9 SHRIRAM TRANSPORT FINANCE CO. LIMITED 28 MAR 2028	354,811.00	0.59%
	9.15 CHOLAMANDALAM INVESTMENT & FINANCE COMPANY LIMITED 24 NOV 2023	84,579.00	0.14%
	7.95 HOUSING DEVELOPMENT FINANCE CORPORATION BANK 21 SEP 2026	11,919.00	0.02%
	9.95 AXIS BANK 28 MAR 2019	44,025.00	0.07%
	9.25 INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY 13 SEP 2019	8,128.00	0.01%
	8.35 INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY 10 MAY 2018	2,003.00	0.00%
	0 NABARD 01 JAN 2019	57.00	0.00%
	0 IDFC 05 APR 2018	380,276.00	0.63%
	10.30 YES BANK 25 JUL 2021	6,412.00	0.01%
	11.00 POWER FINANCE CORPORATION 15 SEP 2018	1,015.00	0.00%
	7.74 INDIAN RAILWAY FINANCE CORPORATION 22 DEC 2020	2,016.00	0.00%
	8.4 POWER FINANCE CORPORATION 19 JUN 2018	501,538.00	0.83%
	8.55 INDIAN RAILWAY FINANCE CORPORATION 15 JAN 2019	1,010.00	0.00%
	8.69 IL&FS LIMITED 25 AUG 2025	51,694.00	0.09%
	8.75 BAJAJ FINANCE LIMITED 14 AUG 2026	260,173.00	0.43%
	8.90 POWER FINANCE CORPORATION 18 MAR 2023	9,388.00	0.02%
	9.05 CHOLAMANDALAM INVESTMENT & FINANCE COMPANY LIMITED 24 MAR 2028	680,434.00	1.12%
	9.15 YES BANK 30 JUN 2025	156,064.00	0.26%
	9.50 CANARA BANK FD 28 APR 2019	95,000.00	0.16%
	9.61 POWER FINANCE CORPORATION 29 JUN 2021	6,339.00	0.01%
	9.67 TATA SONS LIMITED 13 SEP 2022	266,914.00	0.44%
	NEW INDIA ASSURANCE COMPANY LIMITED	558,162.00	0.92%
	POWER FINANCE CORPORATION CP 25 JUN 2018	984,212.00	1.63%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>16,170,849.00</b>	<b>26.71%</b>
GOVERNMENT OF INDIA	7.16 GOI 20 MAY 2023	198.00	0.00%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	7.72 GOI 25 MAY 2025	374,661.00	0.62%
	6.35 GOI 2 JAN 2020	9,444.00	0.02%
	6.68 GOI 17 SEP 2031	2,133,118.00	3.52%
	6.79 GOI 15 MAY 2027	48,426.00	0.08%
	6.84 GOI 19 DEC 2022	49,403.00	0.08%
	7.17 GOI 08 JAN 2028	3,624,962.00	5.99%
	7.35 GOI 22 JUN 2024	176,342.00	0.29%
	7.68 GOI 15 DEC 2023	53,575.00	0.09%
	7.73 GOI 19 DEC 2034	373,968.00	0.62%
	8.15 GOI 11 JUN 2022	43,635.00	0.07%
	8.15 GOI 24 NOV 2026	1,027,568.00	1.70%
	7.28 GOI 3 JUN 2019	2,520.00	0.00%
	7.88 GOI 19 MAR 2030	316,630.00	0.52%
	6.57 GOI 05 DEC 2033	79,732.00	0.13%
	6.62 GOI 28 NOV 2051	113,575.00	0.19%
	8.40 GOI 28 JUL 2024	21,555.00	0.04%
	8.19 CGL 16 JAN 2020	20.00	0.00%
	8.27 GOI 9 JUN 2020	9.00	0.00%
	12.60 GOI 23 NOV 2018	104.00	0.00%
	8.13 GOI 21 SEP 2022	5.00	0.00%
	8.20 GOI 24 SEP 2025	36,260.00	0.06%
	8.30 GOI 31 DEC 2042	42.00	0.00%
	8.60 CGL 2 JUN 2028	529,292.00	0.87%
	8.83 GOI 25 NOV 2023	15,162.00	0.03%
	8.97 GOI 05 DEC 2030	17,654.00	0.03%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>9,047,860.00</b>	<b>14.94%</b>
INVESTMENT IN HOUSING SECTOR	8.50 LIC HOUSING FINANCE 5 JAN 2021(Option II)	259,628.00	0.43%
	8.75 HOUSING DEVELOPMENT FINANCE CORPORATION 04 MAR 2021	381,105.00	0.63%
	9.15 DEWAN HOUSING FINANCE CORPORATION 09 SEP 2021	366,055.00	0.60%
	9.25 LIC HOUSING FINANCE 1 JAN 2023	3,167.00	0.01%
	0 LIC HOUSING FINANCE 25 FEB 2020	252,121.00	0.42%
	11.15 HOUSING DEVELOPMENT FINANCE CORPORATION 06 AUG 2018	23,250.00	0.04%
	7.49 HOUSING DEVELOPMENT FINANCE CORPORATION 25 JAN 2019	750,520.00	1.24%
	7.95 LIC HOUSING FINANCE LIMITED 29 JAN 2028(PUT DATE 27 AUG 2021)	116,322.00	0.19%
	8.45 HOUSING DEVELOPMENT FINANCE CORPORATION 18 MAY 2026	214,796.00	0.35%
	9.00 INDIABULLS HOUSING FINANCE 8TH FEB 2021 - OPTION I	207,090.00	0.34%
	9.25 DEWAN HOUSING FINANCE CORPORATION 08 SEP 2023	76,977.00	0.13%
	9.44 LIC HOUSING FINANCE 30 AUG 2019	51,213.00	0.08%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	9.45 HOUSING DEVELOPMENT FINANCE CORPORATION 21 AUG 2019	208,859.00	0.34%
	8.90 HOUSING DEVELOPMENT FINANCE CORPORATION 18 AUG 2020	35,979.00	0.06%
	9.10 DEWAN HOUSING FINANCE CORPORATION LIMITED 16 AUG 2021	219,117.00	0.36%
	9.43 LIC HOUSING FINANCE 10 FEB 2022	143,152.00	0.24%
	9.05 DEWAN HOUSING FINANCE CORPORATION LIMITED 09 SEP 2021	8,343.00	0.01%
	9.75 ICICI HOME FINANCE COMPANY LIMITED 24 APR 2019	113,608.00	0.19%
	8.65 HOUSING DEVELOPMENT FINANCE CORPORATION 18 SEP 2020	153,459.00	0.25%
	8.95 LIC HOUSING FINANCE 15 SEP 2020	55,595.00	0.09%
	8.98 HOUSING DEVELOPMENT FINANCE CORPORATION 26 NOV 2020	36,132.00	0.06%
	9.05 DEWAN HOUSING FINANCE CORPORATION LIMITED 09 SEP 2019	254,853.00	0.42%
	9.3 LIC HOUSING FINANCE 14 SEP 2022	158,134.00	0.26%
	9.34 HOUSING DEVELOPMENT FINANCE CORPORATION 28 AUG 2024	53,116.00	0.09%
	9.40 HOUSING DEVELOPMENT FINANCE CORPORATION 26 AUG 2019	51,170.00	0.08%
	9.51 LIC HOUSING FINANCE 24 JUL 2019	613,992.00	1.01%
	9.65 HOUSING DEVELOPMENT FINANCE CORPORATION 19 JAN 2019	50,843.00	0.08%
	9.90 LIC HOUSING FINANCE 11 NOV 2021	107,086.00	0.18%
<b>INVESTMENT IN HOUSING SECTOR TOTAL</b>		<b>4,965,682.00</b>	<b>8.20%</b>
MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS	BHARAT PETROLEUM CORPORATION LIMITED	538,587.00	0.89%
	RELIANCE INDUSTRIES LIMITED	1,112,202.00	1.84%
	10.75 RELIANCE INDUSTRIES LIMITED 08 DEC 2018	4,085.00	0.01%
	8.12 ONGC MANGALORE PETROCHEMICALS LIMITED 10 JUN 2019	511,603.00	0.84%
	8.75 RELIANCE INDUSTRIES LIMITED 07 MAY 2020	6,137.00	0.01%
	RELIANCE INDUSTRIES CP 01 MAR 2019	1,869,471.00	3.09%
<b>MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS TOTAL</b>		<b>4,042,085.00</b>	<b>6.68%</b>

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES	INFOSYS LIMITED	2,072,892.00	3.42%
	HCL TECHNOLOGIES LIMITED	871,740.00	1.44%
	TATA CONSULTANCY SERVICES LIMITED	1,025,694.00	1.69%
<b>COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES TOTAL</b>		<b>3,970,326.00</b>	<b>6.56%</b>
MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	MARUTI SUZUKI INDIA LIMITED	1,794,372.00	2.96%
	MOTHERSON SUMI SYSTEMS LIMITED	167,913.00	0.28%
	TATA MOTORS LIMITED	873,374.00	1.44%
	MAHINDRA & MAHINDRA LIMITED	665,010.00	1.10%
	BOSCH LIMITED	308,100.00	0.51%
<b>MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS TOTAL</b>		<b>3,808,769.00</b>	<b>6.29%</b>
<b>FUND TOTAL</b>		<b>60,552,929.00</b>	<b>100.00%</b>
<b>BALANCED FUND</b>	<b>ULIF00225/06/04LIFEBALANC104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	430,599.00	1.73%
	6.35 GOI 2 JAN 2020	323.00	0.00%
	6.68 GOI 17 SEP 2031	1,282,154.00	5.16%
	6.79 GOI 15 MAY 2027	833,933.00	3.36%
	6.84 GOI 19 DEC 2022	233,107.00	0.94%
	7.17 GOI 08 JAN 2028	2,828,323.00	11.39%
	7.35 GOI 22 JUN 2024	12,619.00	0.05%
	7.68 GOI 15 DEC 2023	81,593.00	0.33%
	7.73 GOI 19 DEC 2034	419,857.00	1.69%
	8.15 GOI 11 JUN 2022	34,152.00	0.14%
	8.15 GOI 24 NOV 2026	845,945.00	3.41%
	7.28 GOI 3 JUN 2019	50,390.00	0.20%
	7.88 GOI 19 MAR 2030	309,831.00	1.25%
	6.57 GOI 05 DEC 2033	48,187.00	0.19%
	6.62 GOI 28 NOV 2051	16,356.00	0.07%
	7.80 GOI 11 APR 2021	28,535.00	0.11%
	9.23 GOI 23 DEC 2043	372,786.00	1.50%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>7,828,690.00</b>	<b>31.51%</b>
OTHERS		7,531,645.00	30.32%
<b>OTHERS TOTAL</b>		<b>7,531,645.00</b>	<b>30.32%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	523,951.00	2.11%
	INDUSIND BANK LIMITED	114,701.00	0.46%
	STATE BANK OF INDIA	10,245.00	0.04%
	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	21,762.00	0.09%
	LAKSHMI VILAS BANK LIMITED	78,426.00	0.32%



(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	103,615.00	0.42%
	8.65 POWER FINANCE CORPORATION 28 DEC 2024	51,507.00	0.21%
	8.85 SHRIRAM TRANSPORT FINANCE 03 AUG 2021	66,818.00	0.27%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	389,972.00	1.57%
	ICICI BANK LIMITED	346,393.00	1.39%
	INDUSIND BANK CD 19 MAR 2019	233,404.00	0.94%
	KOTAK MAHINDRA BANK LIMITED	83,830.00	0.34%
	9.55 IL&FS LIMITED 13 AUG 2024	29,271.00	0.12%
	10.15 IL&FS FINANCIAL SERVICES LIMITED 29 JUN 2022	23,640.00	0.10%
	7.75 POWER FINANCE CORPORATION 22 MAR 2027	37,763.00	0.15%
	7.8 YES BANK 01 OCT 2027	321,252.00	1.29%
	8.85 BAJAJ FINANCE LIMITED 21 JUL 2026	101,502.00	0.41%
	YES BANK LIMITED	201,293.00	0.81%
	10.00 SHRIRAM TRANSPORT FINANCE 13 NOV 2024	53,972.00	0.22%
	7.60 ICICI BANK 07 OCT 2023	147,038.00	0.59%
	7.80 YES BANK 29 SEP 2027	786,251.00	3.17%
	8.03 KOTAK MAHINDRA PRIME LIMITED 14 FEB 2019	251,318.00	1.01%
	8.06 RURAL ELECTRIFICATION CORPORATION LIMITED 27 MAR 2028	20,296.00	0.08%
	8.0874 CHOLAMANDALAM INVESTMENT & FINANCE COMPANY LIMITED 08 APR 2021	100,699.00	0.41%
	8.20 NABARD 16 MAR 2028	128,033.00	0.52%
	8.39 POWER FINANCE CORPORATION 28 MAY 2018	50,100.00	0.20%
	8.70 POWER FINANCE CORPORATION 14 MAY 2020	102,203.00	0.41%
	8.72 SHRIRAM TRANSPORT FINANCE CO. LIMITED 27 MAR 2023	423,684.00	1.71%
	8.90 INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY 19 NOV 2025	1,046.00	0.00%
	9 SHRIRAM TRANSPORT FINANCE CO. LIMITED 28 MAR 2028	104,356.00	0.42%
	9.15 CHOLAMANDALAM INVESTMENT & FINANCE COMPANY LIMITED 24 NOV 2023	58,084.00	0.23%
	9.70 EXIM BANK 21 NOV 2018	50,674.00	0.20%
	AXIS BANK CD 25 JAN 2019	188,610.00	0.76%
	SBI LIFE INSURANCE COMPANY LIMITED	79,652.00	0.32%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>5,285,361.00</b>	<b>21.28%</b>

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
INVESTMENT IN HOUSING SECTOR	8.50 LIC HOUSING FINANCE 5 JAN 2021(Option II)	204,432.00	0.82%
	8.75 HOUSING DEVELOPMENT FINANCE CORPORATION 04 MAR 2021	51,501.00	0.21%
	9.15 DEWAN HOUSING FINANCE CORPORATION 09 SEP 2021	158,219.00	0.64%
	7.90 HOUSING DEVELOPMENT FINANCE CORPORATION 24 AUG 2026	29,711.00	0.12%
	0 LIC HOUSING FINANCE 25 FEB 2020	252,121.00	1.01%
	11.15 HOUSING DEVELOPMENT FINANCE CORPORATION 06 AUG 2018	10,109.00	0.04%
	7.085 LIC HOUSING FINANCE LIMITED 23 APR 2019	249,242.00	1.00%
	7.49 HOUSING DEVELOPMENT FINANCE CORPORATION 25 JAN 2019	200,139.00	0.81%
	7.95 LIC HOUSING FINANCE LIMITED 29 JAN 2028(PUT DATE 27 AUG 2021)	101,150.00	0.41%
	8.45 HOUSING DEVELOPMENT FINANCE CORPORATION 18 MAY 2026	102,284.00	0.41%
	8.49 HOUSING DEVELOPMENT FINANCE CORPORATION 27 APR 2020	152,669.00	0.61%
	8.95 HOUSING DEVELOPMENT FINANCE CORPORATION 19 OCT 2020	82,433.00	0.33%
	9.00 INDIABULLS HOUSING FINANCE 8TH FEB 2021 - OPTION I	103,545.00	0.42%
	9.05 DEWAN HOUSING FINANCE CORPORATION LIMITED 09 SEP 2023	9,409.00	0.04%
	9.24 HOUSING DEVELOPMENT FINANCE CORPORATION 24 JUN 2024	52,822.00	0.21%
	9.25 DEWAN HOUSING FINANCE CORPORATION 08 SEP 2023	31,638.00	0.13%
	9.44 LIC HOUSING FINANCE 30 AUG 2019	204,853.00	0.82%
	9.45 HOUSING DEVELOPMENT FINANCE CORPORATION 21 AUG 2019	82,929.00	0.33%
	9.60 LIC HOUSING FINANCE 22 JAN 2019	50,833.00	0.20%
	9.65 HOUSING DEVELOPMENT FINANCE CORPORATION 17 JAN 2019	254,179.00	1.02%
<b>INVESTMENT IN HOUSING SECTOR TOTAL</b>		<b>2,384,218.00</b>	<b>9.60%</b>
MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS	BHARAT PETROLEUM CORPORATION LIMITED	92,560.00	0.37%
	HINDUSTAN PETROLEUM CORPORATION LIMITED	79,103.00	0.32%
	RELIANCE INDUSTRIES LIMITED	309,814.00	1.25%
	10.75 RELIANCE INDUSTRIES LIMITED 08 DEC 2018	22,468.00	0.09%
	8.12 ONGC MANGALORE PETROCHEMICALS LIMITED 10 JUN 2019	362,554.00	1.46%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	8.75 RELIANCE INDUSTRIES LIMITED 07 MAY 2020	10,228.00	0.04%
	RELIANCE INDUSTRIES CP 01 MAR 2019	934,735.00	3.76%
<b>MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS TOTAL</b>		<b>1,811,462.00</b>	<b>7.29%</b>
<b>FUND TOTAL</b>		<b>24,841,376.00</b>	<b>100.00%</b>
<b>CONSERVATIVE FUND</b>	<b>ULIF00325/06/04LIFECONSER104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	34,986.00	2.06%
	6.35 GOI 2 JAN 2020	9,252.00	0.54%
	6.68 GOI 17 SEP 2031	78,786.00	4.63%
	6.79 GOI 15 MAY 2027	13,205.00	0.78%
	6.84 GOI 19 DEC 2022	217,195.00	12.77%
	7.17 GOI 08 JAN 2028	201,237.00	11.83%
	7.35 GOI 22 JUN 2024	105,983.00	6.23%
	7.68 GOI 15 DEC 2023	90,161.00	5.30%
	8.15 GOI 11 JUN 2022	162,269.00	9.54%
	8.15 GOI 24 NOV 2026	42,902.00	2.52%
	7.28 GOI 3 JUN 2019	40,312.00	2.37%
	6.62 GOI 28 NOV 2051	1,145.00	0.07%
	8.40 GOI 28 JUL 2024	13,364.00	0.79%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>1,010,797.00</b>	<b>59.42%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	14,457.00	0.85%
	INDUSIND BANK LIMITED	3,594.00	0.21%
	STATE BANK OF INDIA	2,296.00	0.13%
	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	8,726.00	0.51%
	8.85 SHRIRAM TRANSPORT FINANCE 03 AUG 2021	6,168.00	0.36%
	AXIS BANK LIMITED	2,487.00	0.15%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	4,988.00	0.29%
	ICICI BANK LIMITED	7,811.00	0.46%
	KOTAK MAHINDRA BANK LIMITED	733.00	0.04%
	7.75 POWER FINANCE CORPORATION 22 MAR 2027	1,988.00	0.12%
	7.8 YES BANK 01 OCT 2027	11,577.00	0.68%
	YES BANK LIMITED	4,420.00	0.26%
	7.80 YES BANK 29 SEP 2027	75,249.00	4.42%
	AXIS BANK CD 25 JAN 2019	47,152.00	2.77%
	7.95 HOUSING DEVELOPMENT FINANCE CORPORATION BANK 21 SEP 2026	24,831.00	1.46%
	8.09 RURAL ELECTRIFICATION CORPORATION LIMITED 21 MAR 2028	50,840.00	2.99%
	8.65 INDIA INFRADEBT LIMITED 22 MAR 2026	20,876.00	1.23%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>288,193.00</b>	<b>16.94%</b>
OTHERS		283,535.00	16.67%
<b>OTHERS TOTAL</b>		<b>283,535.00</b>	<b>16.67%</b>
INVESTMENT IN HOUSING SECTOR	8.50 LIC HOUSING FINANCE 5 JAN 2021(Option II)	10,222.00	0.60%
	8.75 HOUSING DEVELOPMENT FINANCE CORPORATION 04 MAR 2021	10,300.00	0.61%
	9.15 DEWAN HOUSING FINANCE CORPORATION 09 SEP 2021	5,229.00	0.31%
	9.25 LIC HOUSING FINANCE 1 JAN 2023	2,111.00	0.12%
	8.45 HOUSING DEVELOPMENT FINANCE CORPORATION 18 MAY 2026	10,228.00	0.60%
	9.05 DEWAN HOUSING FINANCE CORPORATION LIMITED 09 SEP 2023	31,362.00	1.84%
	9.25 DEWAN HOUSING FINANCE CORPORATION 08 SEP 2023	14,764.00	0.87%
	8.90 HOUSING DEVELOPMENT FINANCE CORPORATION 18 AUG 2020	8,224.00	0.48%
	9.10 DEWAN HOUSING FINANCE CORPORATION LIMITED 16 AUG 2021	10,437.00	0.61%
	9.43 LIC HOUSING FINANCE 10 FEB 2022	15,789.00	0.93%
<b>INVESTMENT IN HOUSING SECTOR TOTAL</b>		<b>118,666.00</b>	<b>6.98%</b>
<b>FUND TOTAL</b>		<b>1,701,191.00</b>	<b>100.00%</b>
<b>SECURED FUND</b>	<b>ULIF00425/06/04LIFESECURE104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	135,936.00	2.42%
	6.68 GOI 17 SEP 2031	187,766.00	3.34%
	6.79 GOI 15 MAY 2027	280,990.00	5.00%
	6.84 GOI 19 DEC 2022	131,691.00	2.34%
	7.17 GOI 08 JAN 2028	1,394,409.00	24.82%
	7.68 GOI 15 DEC 2023	147,801.00	2.63%
	8.15 GOI 11 JUN 2022	46,031.00	0.82%
	8.15 GOI 24 NOV 2026	285,611.00	5.08%
	7.28 GOI 3 JUN 2019	121,114.00	2.16%
	6.05 GOI 02 FEB 2019	17,443.00	0.31%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>2,748,792.00</b>	<b>48.92%</b>
FINANCIAL AND INSURANCE ACTIVITIES	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	31,630.00	0.56%
	8.90 BAJAJ FINANCE LIMITED 23 MAR 2026	125,830.00	2.24%
	10.15 IL&FS FINANCIAL SERVICES LIMITED 29 JUN 2022	11,901.00	0.21%
	7.75 POWER FINANCE CORPORATION 22 MAR 2027	29,813.00	0.53%
	7.8 YES BANK 01 OCT 2027	144,709.00	2.58%
	9.30 SHRIRAM TRANSPORT FINANCE 18 MAR 2026	99,923.00	1.78%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	9.69 TATA SONS LIMITED 12 JUN 2022	10,653.00	0.19%
	10.00 SHRIRAM TRANSPORT FINANCE 13 NOV 2024	42,098.00	0.75%
	7.80 YES BANK 29 SEP 2027	35,695.00	0.64%
	8.06 RURAL ELECTRIFICATION CORPORATION LIMITED 27 MAR 2028	202,956.00	3.61%
	8.72 SHRIRAM TRANSPORT FINANCE CO. LIMITED 27 MAR 2023	102,092.00	1.82%
	9 SHRIRAM TRANSPORT FINANCE CO. LIMITED 28 MAR 2028	20,871.00	0.37%
	8.09 RURAL ELECTRIFICATION CORPORATION LIMITED 21 MAR 2028	10,168.00	0.18%
	8.65 INDIA INFRADEBT LIMITED 22 MAR 2026	182,661.00	3.25%
	8.03 POWER FINANCE CORPORATION 02 MAY 2026	273,318.00	4.86%
	9.05 OBC 31 DEC PERPETUAL BOND	2,916.00	0.05%
	9.95 AXIS BANK 28 MAR 2019	7,167.00	0.13%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>1,334,401.00</b>	<b>23.75%</b>
OTHERS		657,300.00	11.70%
<b>OTHERS TOTAL</b>		<b>657,300.00</b>	<b>11.70%</b>
INVESTMENT IN HOUSING SECTOR	8.75 HOUSING DEVELOPMENT FINANCE CORPORATION 04 MAR 2021	30,900.00	0.55%
	9.15 DEWAN HOUSING FINANCE CORPORATION 09 SEP 2021	10,459.00	0.19%
	9.25 LIC HOUSING FINANCE 1 JAN 2023	7,389.00	0.13%
	7.95 LIC HOUSING FINANCE LIMITED 29 JAN 2028(PUT DATE 27 AUG 2021)	50,575.00	0.90%
	8.45 HOUSING DEVELOPMENT FINANCE CORPORATION 18 MAY 2026	51,142.00	0.91%
	8.49 HOUSING DEVELOPMENT FINANCE CORPORATION 27 APR 2020	40,712.00	0.72%
	9.05 DEWAN HOUSING FINANCE CORPORATION LIMITED 09 SEP 2023	156,812.00	2.79%
	9.25 DEWAN HOUSING FINANCE CORPORATION 08 SEP 2023	63,276.00	1.13%
	9.10 DEWAN HOUSING FINANCE CORPORATION LIMITED 16 AUG 2021	49,053.00	0.87%
	9.05 DEWAN HOUSING FINANCE CORPORATION LIMITED 09 SEP 2021	104,293.00	1.86%
	9.75 ICICI HOME FINANCE COMPPANY LIMITED 24 APR 2019	2,047.00	0.04%
<b>INVESTMENT IN HOUSING SECTOR TOTAL</b>		<b>566,658.00</b>	<b>10.09%</b>
NET CURRENT ASSETS		311,478.00	5.54%
<b>NET CURRENT ASSETS TOTAL</b>		<b>311,478.00</b>	<b>5.54%</b>
<b>FUND TOTAL</b>		<b>5,618,629.00</b>	<b>100.00%</b>

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
<b>PENSION GROWTH FUND</b>	<b>ULIF00525/11/05PENSGROWTH104</b>		
OTHERS		1,832,431.00	33.35%
<b>OTHERS TOTAL</b>		<b>1,832,431.00</b>	<b>33.35%</b>
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	47,456.00	0.86%
	6.68 GOI 17 SEP 2031	173,658.00	3.16%
	6.79 GOI 15 MAY 2027	275,633.00	5.02%
	6.84 GOI 19 DEC 2022	42,245.00	0.77%
	7.17 GOI 08 JAN 2028	250,047.00	4.55%
	7.68 GOI 15 DEC 2023	6,050.00	0.11%
	8.15 GOI 11 JUN 2022	321,910.00	5.86%
	8.15 GOI 24 NOV 2026	187,655.00	3.42%
	6.57 GOI 05 DEC 2033	6,517.00	0.12%
	6.62 GOI 28 NOV 2051	16,410.00	0.30%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>1,327,581.00</b>	<b>24.16%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	356,473.00	6.49%
	LAKSHMI VILAS BANK LIMITED	47,733.00	0.87%
	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	65,441.00	1.19%
	8.85 SHRIRAM TRANSPORT FINANCE 03 AUG 2021	12,336.00	0.22%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	98,582.00	1.79%
	ICICI BANK LIMITED	75,155.00	1.37%
	KOTAK MAHINDRA BANK LIMITED	47,151.00	0.86%
	9.55 IL&FS LIMITED 13 AUG 2024	19,514.00	0.36%
	7.8 YES BANK 01 OCT 2027	48,236.00	0.88%
	YES BANK LIMITED	54,873.00	1.00%
	10.00 SHRIRAM TRANSPORT FINANCE 13 NOV 2024	53,972.00	0.98%
	7.80 YES BANK 29 SEP 2027	112,873.00	2.05%
	8.03 KOTAK MAHINDRA PRIME LIMITED 14 FEB 2019	50,264.00	0.91%
	8.72 SHRIRAM TRANSPORT FINANCE CO. LIMITED 27 MAR 2023	153,139.00	2.79%
	9.15 CHOLAMANDALAM INVESTMENT & FINANCE COMPANY LIMITED 24 NOV 2023	7,133.00	0.13%
	AXIS BANK CD 25 JAN 2019	47,152.00	0.86%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>1,250,027.00</b>	<b>22.75%</b>
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES	INFOSYS LIMITED	346,331.00	6.30%
	CYIENT LIMITED	8,130.00	0.15%
	HCL TECHNOLOGIES LIMITED	104,609.00	1.90%
<b>COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES TOTAL</b>		<b>459,070.00</b>	<b>8.36%</b>

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	MARUTI SUZUKI INDIA LIMITED	135,575.00	2.47%
	TATA MOTORS LIMITED	58,833.00	1.07%
	MAHINDRA & MAHINDRA LIMITED	79,801.00	1.45%
	BOSCH LIMITED	40,539.00	0.74%
	WABCO INDIA LTD	15,862.00	0.29%
<b>MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS TOTAL</b>		<b>330,610.00</b>	<b>6.02%</b>
MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS	RELIANCE INDUSTRIES LIMITED	198,608.00	3.61%
	10.75 RELIANCE INDUSTRIES LIMITED 08 DEC 2018	10,213.00	0.19%
	8.12 ONGC MANGALORE PETROCHEMICALS LIMITED 10 JUN 2019	75,532.00	1.37%
	8.75 RELIANCE INDUSTRIES LIMITED 07 MAY 2020	10,228.00	0.19%
<b>MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS TOTAL</b>		<b>294,581.00</b>	<b>5.36%</b>
<b>FUND TOTAL</b>		<b>5,494,300.00</b>	<b>100.00%</b>
<b>PENSION BALANCED FUND</b>	<b>ULIF00625/11/05PENSBALANC104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	29,609.00	2.00%
	6.68 GOI 17 SEP 2031	93,371.00	6.32%
	6.79 GOI 15 MAY 2027	42,240.00	2.86%
	6.84 GOI 19 DEC 2022	51,607.00	3.49%
	7.17 GOI 08 JAN 2028	166,382.00	11.26%
	7.68 GOI 15 DEC 2023	3,432.00	0.23%
	8.15 GOI 11 JUN 2022	112,669.00	7.63%
	8.15 GOI 24 NOV 2026	8,965.00	0.61%
	7.28 GOI 3 JUN 2019	34,769.00	2.35%
	7.88 GOI 19 MAR 2030	8,541.00	0.58%
	6.57 GOI 05 DEC 2033	5,900.00	0.40%
	6.62 GOI 28 NOV 2051	1,052.00	0.07%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>558,537.00</b>	<b>37.80%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	42,277.00	2.86%
	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	17,451.00	1.18%
	8.65 POWER FINANCE CORPORATION 28 DEC 2024	50,477.00	3.42%
	8.85 AXIS BANK 05 DEC 2024	43,677.00	2.96%
	8.85 SHRIRAM TRANSPORT FINANCE 03 AUG 2021	6,168.00	0.42%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	37,438.00	2.53%
	ICICI BANK LIMITED	19,504.00	1.32%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	KOTAK MAHINDRA BANK LIMITED	11,526.00	0.78%
	10.15 IL&FS FINANCIAL SERVICES LIMITED 29 JUN 2022	10,819.00	0.73%
	7.8 YES BANK 01 OCT 2027	10,612.00	0.72%
	YES BANK LIMITED	22,015.00	1.49%
	10.00 SHRIRAM TRANSPORT FINANCE 13 NOV 2024	5,397.00	0.37%
	7.80 YES BANK 29 SEP 2027	24,118.00	1.63%
	8.72 SHRIRAM TRANSPORT FINANCE CO. LIMITED 27 MAR 2023	35,732.00	2.42%
	9.15 CHOLAMANDALAM INVESTMENT & FINANCE COMPANY LIMITED 24 NOV 2023	3,057.00	0.21%
	7.95 HOUSING DEVELOPMENT FINANCE CORPORATION BANK 21 SEP 2026	30,791.00	2.08%
	9.25 INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY 13 SEP 2019	12,192.00	0.83%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>383,251.00</b>	<b>25.94%</b>
OTHERS		363,107.00	24.57%
<b>OTHERS TOTAL</b>		<b>363,107.00</b>	<b>24.57%</b>
INVESTMENT IN HOUSING SECTOR	9.15 DEWAN HOUSING FINANCE CORPORATION 09 SEP 2021	20,917.00	1.42%
	11.15 HOUSING DEVELOPMENT FINANCE CORPORATION 06 AUG 2018	3,033.00	0.21%
	7.95 LIC HOUSING FINANCE LIMITED 29 JAN 2028(PUT DATE 27 AUG 2021)	24,276.00	1.64%
	8.45 HOUSING DEVELOPMENT FINANCE CORPORATION 18 MAY 2026	10,228.00	0.69%
	9.45 HOUSING DEVELOPMENT FINANCE CORPORATION 21 AUG 2019	15,357.00	1.04%
	9.43 LIC HOUSING FINANCE 10 FEB 2022	15,789.00	1.07%
<b>INVESTMENT IN HOUSING SECTOR TOTAL</b>		<b>89,600.00</b>	<b>6.06%</b>
MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS	BHARAT PETROLEUM CORPORATION LIMITED	9,009.00	0.61%
	HINDUSTAN PETROLEUM CORPORATION LIMITED	7,759.00	0.53%
	RELIANCE INDUSTRIES LIMITED	32,046.00	2.17%
	8.12 ONGC MANGALORE PETROCHEMICALS LIMITED 10 JUN 2019	34,241.00	2.32%
<b>MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS TOTAL</b>		<b>83,055.00</b>	<b>5.62%</b>
<b>FUND TOTAL</b>		<b>1,477,550.00</b>	<b>100.00%</b>



(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
<b>PENSION CONSERVATIVE FUND</b>	<b>ULIF00725/11/05PENSCONSER104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	3,922.00	3.58%
	6.68 GOI 17 SEP 2031	6,909.00	6.31%
	6.79 GOI 15 MAY 2027	2,411.00	2.20%
	6.84 GOI 19 DEC 2022	6,280.00	5.73%
	7.17 GOI 08 JAN 2028	20,782.00	18.97%
	7.35 GOI 22 JUN 2024	526.00	0.48%
	7.68 GOI 15 DEC 2023	6,762.00	6.17%
	8.15 GOI 11 JUN 2022	1,017.00	0.93%
	8.15 GOI 24 NOV 2026	5,421.00	4.95%
	7.28 GOI 3 JUN 2019	1,209.00	1.10%
	6.05 GOI 02 FEB 2019	1,993.00	1.82%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>57,232.00</b>	<b>52.24%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	1,184.00	1.08%
	STATE BANK OF INDIA	552.00	0.50%
	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	2,181.00	1.99%
	8.85 SHRIRAM TRANSPORT FINANCE 03 AUG 2021	1,028.00	0.94%
	AXIS BANK LIMITED	369.00	0.34%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	343.00	0.31%
	ICICI BANK LIMITED	767.00	0.70%
	10.15 IL&FS FINANCIAL SERVICES LIMITED 29 JUN 2022	703.00	0.64%
	8.85 BAJAJ FINANCE LIMITED 21 JUL 2026	2,093.00	1.91%
	9.69 TATA SONS LIMITED 12 JUN 2022	1,065.00	0.97%
	10.00 SHRIRAM TRANSPORT FINANCE 13 NOV 2024	1,079.00	0.99%
	8.09 RURAL ELECTRIFICATION CORPORATION LIMITED 21 MAR 2028	7,118.00	6.50%
	8.35 INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY 10 MAY 2018	1,001.00	0.91%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>19,483.00</b>	<b>17.79%</b>
INVESTMENT IN HOUSING SECTOR	8.50 LIC HOUSING FINANCE 5 JAN 2021(Option II)	8,177.00	7.46%
	9.15 DEWAN HOUSING FINANCE CORPORATION 09 SEP 2021	2,092.00	1.91%
	9.25 LIC HOUSING FINANCE 1 JAN 2023	1,056.00	0.96%
	9.05 DEWAN HOUSING FINANCE CORPORATION LIMITED 09 SEP 2023	1,045.00	0.95%
	8.90 HOUSING DEVELOPMENT FINANCE CORPORATION 18 AUG 2020	2,056.00	1.88%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
<b>INVESTMENT IN HOUSING SECTOR TOTAL</b>		<b>14,426.00</b>	<b>13.17%</b>
OTHERS		11,824.00	10.79%
<b>OTHERS TOTAL</b>		<b>11,824.00</b>	<b>10.79%</b>
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	GAIL (INDIA) LIMITED	350.00	0.32%
	7.52 NHPC 06 JUN 2023	988.00	0.90%
	9.1 EAST NORTH INTERCONNECTION COMPANY LIMITED 28 JUN 2024	4,199.00	3.83%
	9.10 EAST NORTH INTERCONNECTION COMPANY LIMITED 30 JUN 2022	1,045.00	0.95%
<b>ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY TOTAL</b>		<b>6,582.00</b>	<b>6.01%</b>
<b>FUND TOTAL</b>		<b>109,547.00</b>	<b>100.00%</b>
<b>PENSION SECURED FUND</b>	<b>ULIF00825/11/05PENSSECURE104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	13,554.00	2.17%
	6.68 GOI 17 SEP 2031	112,715.00	18.08%
	6.84 GOI 19 DEC 2022	14,355.00	2.30%
	7.17 GOI 08 JAN 2028	39,010.00	6.26%
	7.68 GOI 15 DEC 2023	3,273.00	0.52%
	8.15 GOI 24 NOV 2026	108,662.00	17.43%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>291,569.00</b>	<b>46.76%</b>
FINANCIAL AND INSURANCE ACTIVITIES	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	7,635.00	1.22%
	8.90 BAJAJ FINANCE LIMITED 23 MAR 2026	20,972.00	3.36%
	10.15 IL&FS FINANCIAL SERVICES LIMITED 29 JUN 2022	2,705.00	0.43%
	7.8 YES BANK 01 OCT 2027	26,047.00	4.18%
	9.30 SHRIRAM TRANSPORT FINANCE 18 MAR 2026	16,829.00	2.70%
	9.69 TATA SONS LIMITED 12 JUN 2022	3,196.00	0.51%
	10.00 SHRIRAM TRANSPORT FINANCE 13 NOV 2024	1,079.00	0.17%
	8.06 RURAL ELECTRIFICATION CORPORATION LIMITED 27 MAR 2028	50,740.00	8.14%
	8.03 POWER FINANCE CORPORATION 02 MAY 2026	28,344.00	4.55%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>157,547.00</b>	<b>25.27%</b>
INVESTMENT IN HOUSING SECTOR	8.75 HOUSING DEVELOPMENT FINANCE CORPORATION 04 MAR 2021	10,300.00	1.65%
	9.15 DEWAN HOUSING FINANCE CORPORATION 09 SEP 2021	5,229.00	0.84%
	9.25 LIC HOUSING FINANCE 1 JAN 2023	9,500.00	1.52%
	7.95 LIC HOUSING FINANCE LIMITED 29 JAN 2028(PUT DATE 27 AUG 2021)	1,011.00	0.16%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	8.45 HOUSING DEVELOPMENT FINANCE CORPORATION 18 MAY 2026	10,228.00	1.64%
	8.49 HOUSING DEVELOPMENT FINANCE CORPORATION 27 APR 2020	15,267.00	2.45%
	9.05 DEWAN HOUSING FINANCE CORPORATION LIMITED 09 SEP 2023	12,545.00	2.01%
	9.25 DEWAN HOUSING FINANCE CORPORATION 08 SEP 2023	10,546.00	1.69%
	9.10 DEWAN HOUSING FINANCE CORPORATION LIMITED 16 AUG 2021	10,437.00	1.67%
<b>INVESTMENT IN HOUSING SECTOR TOTAL</b>		<b>85,063.00</b>	<b>13.64%</b>
OTHERS		57,571.00	9.23%
<b>OTHERS TOTAL</b>		<b>57,571.00</b>	<b>9.23%</b>
LAND TRANSPORT AND TRANSPORT VIA PIPELINES	9.08 KONKAN RAILWAY CORPORATION LIMITED 25 SEP 2024	31,799.00	5.10%
<b>LAND TRANSPORT AND TRANSPORT VIA PIPELINES TOTAL</b>		<b>31,799.00</b>	<b>5.10%</b>
<b>FUND TOTAL</b>		<b>623,549.00</b>	<b>100.00%</b>
<b>GUARANTEED FUND INCOME FUND</b>	<b>ULIF00904/10/06AMSRGUAINC104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	463.00	4.57%
	6.35 GOI 2 JAN 2020	78.00	0.77%
	6.68 GOI 17 SEP 2031	581.00	5.73%
	6.79 GOI 15 MAY 2027	324.00	3.19%
	6.84 GOI 19 DEC 2022	377.00	3.72%
	7.17 GOI 08 JAN 2028	791.00	7.80%
	7.35 GOI 22 JUN 2024	1,242.00	12.25%
	7.68 GOI 15 DEC 2023	1,024.00	10.09%
	8.15 GOI 11 JUN 2022	2,487.00	24.52%
	8.15 GOI 24 NOV 2026	84.00	0.83%
	7.88 GOI 19 MAR 2030	300.00	2.96%
	6.57 GOI 05 DEC 2033	58.00	0.57%
	8.40 GOI 28 JUL 2024	233.00	2.30%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>8,042.00</b>	<b>79.31%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	11.00	0.11%
	STATE BANK OF INDIA	38.00	0.37%
	AXIS BANK LIMITED	27.00	0.27%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	62.00	0.61%
	ICICI BANK LIMITED	46.00	0.45%
	9.50 STATE BANK OF INDIA 04 NOV 2025	387.00	3.81%
	0 NABARD 01 JAN 2019	891.00	8.79%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>1,462.00</b>	<b>14.42%</b>
OTHERS		637.00	6.28%
<b>OTHERS TOTAL</b>		<b>637.00</b>	<b>6.28%</b>

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
<b>FUND TOTAL</b>		<b>10,141.00</b>	<b>100.00%</b>
<b>GUARANTEED FUND</b>	<b>ULIF01004/10/06AMSRGUADYN104</b>		
<b>DYNAMIC FUND</b>			
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	2,740.00	7.00%
	6.35 GOI 2 JAN 2020	43.00	0.11%
	6.68 GOI 17 SEP 2031	2,094.00	5.35%
	6.79 GOI 15 MAY 2027	3,227.00	8.24%
	6.84 GOI 19 DEC 2022	1,654.00	4.23%
	7.17 GOI 08 JAN 2028	2,383.00	6.09%
	7.35 GOI 22 JUN 2024	212.00	0.54%
	7.68 GOI 15 DEC 2023	3,107.00	7.94%
	7.73 GOI 19 DEC 2034	815.00	2.08%
	8.15 GOI 11 JUN 2022	5,242.00	13.39%
	8.15 GOI 24 NOV 2026	288.00	0.73%
	7.28 GOI 3 JUN 2019	3,023.00	7.73%
	6.57 GOI 05 DEC 2033	195.00	0.50%
	8.40 GOI 28 JUL 2024	764.00	1.95%
	6.05 GOI 02 FEB 2019	498.00	1.27%
	8.15 GOI FCI 16 OCT 2022	101.00	0.26%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>26,386.00</b>	<b>67.42%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	541.00	1.38%
	STATE BANK OF INDIA	341.00	0.87%
	AXIS BANK LIMITED	23.00	0.06%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	721.00	1.84%
	ICICI BANK LIMITED	436.00	1.11%
	10.00 SHRIRAM TRANSPORT FINANCE 13 NOV 2024	1,079.00	2.76%
	7.95 HOUSING DEVELOPMENT FINANCE CORPORATION BANK 21 SEP 2026	993.00	2.54%
	8.35 INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY 10 MAY 2018	1,001.00	2.56%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>5,135.00</b>	<b>13.13%</b>
OTHERS		4,466.00	11.41%
<b>OTHERS TOTAL</b>		<b>4,466.00</b>	<b>11.41%</b>
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	9.1 EAST NORTH INTERCONNECTION COMPANY LIMITED 28 JUN 2024	3,150.00	8.05%
<b>ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY TOTAL</b>		<b>3,150.00</b>	<b>8.05%</b>
<b>FUND TOTAL</b>		<b>39,137.00</b>	<b>100.00%</b>
<b>GROWTH SUPER FUND</b>	<b>ULIF01108/02/07LIFEGRWSUP104</b>		
OTHERS		10,216,612.00	26.20%
<b>OTHERS TOTAL</b>		<b>10,216,612.00</b>	<b>26.20%</b>

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	2,196,697.00	5.63%
	INDUSIND BANK LIMITED	323,415.00	0.83%
	STATE BANK OF INDIA	149,754.00	0.38%
	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	166,191.00	0.43%
	BAJAJ FINSERV LIMITED	456,803.00	1.17%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	1,694,031.00	4.35%
	ICICI BANK LIMITED	660,315.00	1.69%
	KOTAK MAHINDRA BANK LIMITED	422,916.00	1.08%
	9.50 STATE BANK OF INDIA 04 NOV 2025	136.00	0.00%
	YES BANK LIMITED	873,448.00	2.24%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>6,943,706.00</b>	<b>17.81%</b>
LIQUID MUTUAL FUND	Birla Sun Life Cash Plus - Growth - Direct Plan	801,036.00	2.05%
	DSP BlackRock Liquidity Fund - Direct Plan - Growth	1,000,839.00	2.57%
	R SHARES BANK BEES ETF	938,075.00	2.41%
	KOTAK MAHINDRA MF - KOTAK BANKING ETF - DIVIDEND PAYOUT OPTION	884,396.00	2.27%
	SBI NIFTY BANK ETF	906,688.00	2.33%
	SUNDARAM MONEY FUND - DIRECT PLAN - GROWTH OPTION	400,453.00	1.03%
	<b>LIQUID MUTUAL FUND TOTAL</b>		<b>4,931,487.00</b>
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES	INFOSYS LIMITED	2,804,072.00	7.19%
	HCL TECHNOLOGIES LIMITED	574,240.00	1.47%
	TATA CONSULTANCY SERVICES LIMITED	1,396,480.00	3.58%
<b>COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES TOTAL</b>		<b>4,774,792.00</b>	<b>12.25%</b>
MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	ASHOK LEYLAND LIMITED	301,082.00	0.77%
	MARUTI SUZUKI INDIA LIMITED	1,796,845.00	4.61%
	MOTHERSON SUMI SYSTEMS LIMITED	213,331.00	0.55%
	TATA MOTORS LIMITED	517,730.00	1.33%
	MAHINDRA & MAHINDRA LIMITED	1,046,593.00	2.68%
<b>MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS TOTAL</b>		<b>3,875,581.00</b>	<b>9.94%</b>

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS	BHARAT PETROLEUM CORPORATION LIMITED	372,038.00	0.95%
	HINDUSTAN PETROLEUM CORPORATION LIMITED	579,984.00	1.49%
	INDIAN OIL CORPORATION LIMITED	434,121.00	1.11%
	RELIANCE INDUSTRIES LIMITED	2,251,578.00	5.78%
	10.75 RELIANCE INDUSTRIES LIMITED 08 DEC 2018	14,298.00	0.04%
<b>MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS TOTAL</b>		<b>3,652,019.00</b>	<b>9.37%</b>
CIVIL ENGINEERING	SADBHAV ENGINEERING LIMITED	348,369.00	0.89%
	LARSEN & TOUBRO LIMITED	1,786,476.00	4.58%
	PNC INFRATECH LIMITED	261,706.00	0.67%
<b>CIVIL ENGINEERING TOTAL</b>		<b>2,396,551.00</b>	<b>6.15%</b>
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	GAIL (INDIA) LIMITED	283,221.00	0.73%
	INDRAPRASTHA GAS LIMITED	695,925.00	1.78%
	PETRONET LNG LIMITED	701,728.00	1.80%
	NTPC LIMITED	149,735.00	0.38%
	POWER GRID CORPORATION OF INDIA LIMITED	366,388.00	0.94%
<b>ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY TOTAL</b>		<b>2,196,997.00</b>	<b>5.64%</b>
<b>FUND TOTAL</b>		<b>38,987,745.00</b>	<b>100.00%</b>
<b>PENSION GROWTH SUPER FUND</b>	<b>ULIF01213/08/07PENSGRWSUP104</b>		
OTHERS		1,073,182.00	28.81%
<b>OTHERS TOTAL</b>		<b>1,073,182.00</b>	<b>28.81%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	274,265.00	7.36%
	INDUSIND BANK LIMITED	62,818.00	1.69%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	125,530.00	3.37%
	ICICI BANK LIMITED	178,058.00	4.78%
	KOTAK MAHINDRA BANK LIMITED	52,624.00	1.41%
	YES BANK LIMITED	107,234.00	2.88%
	SBI LIFE INSURANCE COMPANY LIMITED	12,717.00	0.34%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>813,246.00</b>	<b>21.83%</b>
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES	INFOSYS LIMITED	262,037.00	7.03%
	TECH MAHINDRA LIMITED	31,829.00	0.85%
	HCL TECHNOLOGIES LIMITED	81,990.00	2.20%
	TATA CONSULTANCY SERVICES LIMITED	58,143.00	1.56%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
<b>COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES TOTAL</b>		<b>433,999.00</b>	<b>11.65%</b>
MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	ASHOK LEYLAND LIMITED	29,090.00	0.78%
	MARUTI SUZUKI INDIA LIMITED	219,011.00	5.88%
	TATA MOTORS LIMITED	56,875.00	1.53%
	MAHINDRA & MAHINDRA LIMITED	60,516.00	1.62%
<b>MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS TOTAL</b>		<b>365,492.00</b>	<b>9.81%</b>
MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS	BHARAT PETROLEUM CORPORATION LIMITED	3,717.00	0.10%
	HINDUSTAN PETROLEUM CORPORATION LIMITED	70,083.00	1.88%
	INDIAN OIL CORPORATION LIMITED	79,356.00	2.13%
	RELIANCE INDUSTRIES LIMITED	176,000.00	4.72%
<b>MANUFACTURE OF COKE AND REFINED PETROLEUM PRODUCTS TOTAL</b>		<b>329,156.00</b>	<b>8.83%</b>
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	GAIL (INDIA) LIMITED	31,627.00	0.85%
	INDRAPRASTHA GAS LIMITED	62,515.00	1.68%
	PETRONET LNG LIMITED	150,047.00	4.03%
	POWER GRID CORPORATION OF INDIA LIMITED	18,060.00	0.48%
<b>ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY TOTAL</b>		<b>262,249.00</b>	<b>7.04%</b>
CIVIL ENGINEERING	SADBHAV ENGINEERING LIMITED	45,566.00	1.22%
	LARSEN & TOUBRO LIMITED	198,870.00	5.34%
<b>CIVIL ENGINEERING TOTAL</b>		<b>244,436.00</b>	<b>6.56%</b>
GOVERNMENT OF INDIA	8.15 GOI 11 JUN 2022	203,859.00	5.47%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>203,859.00</b>	<b>5.47%</b>
<b>FUND TOTAL</b>		<b>3,725,619.00</b>	<b>100.00%</b>
<b>HIGH GROWTH FUND</b>	<b>ULIF01311/02/08LIFEHIGHGR104</b>		
OTHERS		195,596.00	43.64%
<b>OTHERS TOTAL</b>		<b>195,596.00</b>	<b>43.64%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	42,456.00	9.47%
	CHOLAMANDALAM INVESTMENT & FINANCE COMPANY LIMITED	13,389.00	2.99%
	THE FEDERAL BANK LIMITED	11,239.00	2.51%
	YES BANK LIMITED	6,859.00	1.53%
	SUNDARAM FINANCE HOLDINGS LIMITED	1,397.00	0.31%
	SUNDARAM FINANCE LIMITED	15,095.00	3.37%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>90,435.00</b>	<b>20.18%</b>
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES	INFOSYS LIMITED	15,279.00	3.41%
	TECH MAHINDRA LIMITED	18,428.00	4.11%
	CYIENT LIMITED	12,507.00	2.79%
	HCL TECHNOLOGIES LIMITED	11,012.00	2.46%
<b>COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES TOTAL</b>		<b>57,226.00</b>	<b>12.77%</b>
MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	ASHOK LEYLAND LIMITED	5,309.00	1.18%
	MAHINDRA & MAHINDRA LIMITED	10,807.00	2.41%
	STEEL STRIPS & WHEELS LIMITED	9,585.00	2.14%
	WABCO INDIA LTD	18,526.00	4.13%
<b>MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS TOTAL</b>		<b>44,227.00</b>	<b>9.87%</b>
GOVERNMENT OF INDIA	8.15 GOI 11 JUN 2022	31,429.00	7.01%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>31,429.00</b>	<b>7.01%</b>
MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS	COLGATE PALMOLIVE (INDIA) LIMITED	11,837.00	2.64%
	GALAXY SURFACTANTS LIMITED	10,133.00	2.26%
	TATA CHEMICALS LIMITED	7,370.00	1.64%
<b>MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS TOTAL</b>		<b>29,340.00</b>	<b>6.55%</b>
<b>FUND TOTAL</b>		<b>448,253.00</b>	<b>100.00%</b>
<b>DYNAMIC OPPORTUNITIES FUND</b>	<b>ULIF01425/03/08LIFEDYNOPP104</b>		
OTHERS		2,871,574.00	30.30%
<b>OTHERS TOTAL</b>		<b>2,871,574.00</b>	<b>30.30%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	551,684.00	5.82%
	INDUSIND BANK LIMITED	1,274.00	0.01%
	CHOLAMANDALAM INVESTMENT & FINANCE COMPANY LIMITED	66,944.00	0.71%
	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	76,661.00	0.81%
	LAKSHMI VILAS BANK LIMITED	206,145.00	2.18%
	8.85 SHRIRAM TRANSPORT FINANCE 03 AUG 2021	25,699.00	0.27%
	BANDHAN BANK LIMITED	65,597.00	0.69%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	268,226.00	2.83%
	ICICI BANK LIMITED	142,213.00	1.50%
	KOTAK MAHINDRA BANK LIMITED	81,356.00	0.86%
	7.8 YES BANK 01 OCT 2027	57,883.00	0.61%
	8.85 BAJAJ FINANCE LIMITED 21 JUL 2026	62,785.00	0.66%



(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	YES BANK LIMITED	68,591.00	0.72%
	7.80 YES BANK 29 SEP 2027	263,370.00	2.78%
	8.03 KOTAK MAHINDRA PRIME LIMITED 14 FEB 2019	201,054.00	2.12%
	8.72 SHRIRAM TRANSPORT FINANCE CO. LIMITED 27 MAR 2023	51,046.00	0.54%
	8.65 INDIA INFRADEBT LIMITED 22 MAR 2026	83,503.00	0.88%
	8.19 POWER FINANCE CORPORATION 14 JUN 2023	50,805.00	0.54%
	9.25 INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY 13 SEP 2019	20,319.00	0.21%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>2,345,155.00</b>	<b>24.75%</b>
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	25,610.00	0.27%
	6.35 GOI 2 JAN 2020	15,674.00	0.17%
	6.68 GOI 17 SEP 2031	282,503.00	2.98%
	6.79 GOI 15 MAY 2027	38,593.00	0.41%
	6.84 GOI 19 DEC 2022	167,020.00	1.76%
	7.17 GOI 08 JAN 2028	475,610.00	5.02%
	7.68 GOI 15 DEC 2023	8,708.00	0.09%
	7.73 GOI 19 DEC 2034	209,396.00	2.21%
	8.15 GOI 11 JUN 2022	255,078.00	2.69%
	7.88 GOI 19 MAR 2030	127,077.00	1.34%
	6.57 GOI 05 DEC 2033	22,932.00	0.24%
	6.62 GOI 28 NOV 2051	62,791.00	0.66%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>1,690,992.00</b>	<b>17.84%</b>
LIQUID MUTUAL FUND	Birla Sun Life Cash Plus - Growth - Direct Plan	600,777.00	6.34%
	SUNDARAM MONEY FUND - DIRECT PLAN - GROWTH OPTION	600,679.00	6.34%
<b>LIQUID MUTUAL FUND TOTAL</b>		<b>1,201,456.00</b>	<b>12.68%</b>
COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES	INFOSYS LIMITED	337,352.00	3.56%
	TECH MAHINDRA LIMITED	153,783.00	1.62%
	CYIENT LIMITED	51,267.00	0.54%
	HCL TECHNOLOGIES LIMITED	62,840.00	0.66%
	LARSEN & TOUBRO INFOTECH LIMITED	33,518.00	0.35%
	TATA CONSULTANCY SERVICES LIMITED	222,054.00	2.34%
<b>COMPUTER PROGRAMMING, CONSULTANCY AND RELATED ACTIVITIES TOTAL</b>		<b>860,814.00</b>	<b>9.08%</b>
MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	ASHOK LEYLAND LIMITED	40,726.00	0.43%
	MARUTI SUZUKI INDIA LIMITED	328,224.00	3.46%
	HERO MOTOCORP LIMITED	15,298.00	0.16%
	MAHINDRA & MAHINDRA LIMITED	122,786.00	1.30%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
<b>MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS TOTAL</b>		<b>507,034.00</b>	<b>5.35%</b>
<b>FUND TOTAL</b>		<b>9,477,025.00</b>	<b>100.00%</b>
<b>MONEY MARKET FUND</b>	<b>ULIF01528/04/09LIFEMONEYM104</b>		
GOVERNMENT OF INDIA	8.15 GOI 11 JUN 2022	90,336.00	33.09%
	364 DAYS TBILL 26 APR 2018	79,662.00	29.18%
	91 DAY TBILL 05 APR 2018	49,966.00	18.30%
	364 DAYS TBILL 02 AUG 2018	39,197.00	14.36%
	91 DAY TBILL 26 APR 2018	53,140.00	19.47%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>312,301.00</b>	<b>114.40%</b>
OTHERS		-39,311.00	-14.40%
<b>OTHERS TOTAL</b>		<b>-39,311.00</b>	<b>-14.40%</b>
<b>FUND TOTAL</b>		<b>272,990.00</b>	<b>100.00%</b>
<b>SECURE PLUS FUND</b>	<b>ULIF01628/04/09LIFESECPLS104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	35,685.00	1.37%
	6.35 GOI 2 JAN 2020	19,343.00	0.74%
	6.68 GOI 17 SEP 2031	202,520.00	7.75%
	6.79 GOI 15 MAY 2027	216,096.00	8.27%
	6.84 GOI 19 DEC 2022	205,241.00	7.85%
	7.17 GOI 08 JAN 2028	375,954.00	14.38%
	7.35 GOI 22 JUN 2024	2,888.00	0.11%
	7.68 GOI 15 DEC 2023	133,722.00	5.12%
	8.15 GOI 11 JUN 2022	48,721.00	1.86%
	8.15 GOI 24 NOV 2026	146,187.00	5.59%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>1,386,357.00</b>	<b>53.04%</b>
FINANCIAL AND INSURANCE ACTIVITIES	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	10,907.00	0.42%
	8.90 BAJAJ FINANCE LIMITED 23 MAR 2026	31,458.00	1.20%
	10.15 IL&FS FINANCIAL SERVICES LIMITED 29 JUN 2022	2,164.00	0.08%
	9.30 SHRIRAM TRANSPORT FINANCE 18 MAR 2026	14,726.00	0.56%
	9.69 TATA SONS LIMITED 12 JUN 2022	2,131.00	0.08%
	10.00 SHRIRAM TRANSPORT FINANCE 13 NOV 2024	10,794.00	0.41%
	7.80 YES BANK 29 SEP 2027	72,354.00	2.77%
	8.06 RURAL ELECTRIFICATION CORPORATION LIMITED 27 MAR 2028	50,739.00	1.94%
	8.72 SHRIRAM TRANSPORT FINANCE CO. LIMITED 27 MAR 2023	20,418.00	0.78%
	9 SHRIRAM TRANSPORT FINANCE CO. LIMITED 28 MAR 2028	41,743.00	1.60%
	7.95 HOUSING DEVELOPMENT FINANCE CORPORATION BANK 21 SEP 2026	35,757.00	1.37%
	8.09 RURAL ELECTRIFICATION CORPORATION LIMITED 21 MAR 2028	84,394.00	3.23%
	8.65 INDIA INFRADEBT LIMITED 22 MAR 2026	57,408.00	2.20%
	8.03 POWER FINANCE CORPORATION 02 MAY 2026	2,025.00	0.08%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>437,018.00</b>	<b>16.72%</b>
NET CURRENT ASSETS		315,277.00	12.06%
<b>NET CURRENT ASSETS TOTAL</b>		<b>315,277.00</b>	<b>12.06%</b>
INVESTMENT IN HOUSING SECTOR	9.15 DEWAN HOUSING FINANCE CORPORATION 09 SEP 2021	5,229.00	0.20%
	9.25 LIC HOUSING FINANCE 1 JAN 2023	2,111.00	0.08%
	7.95 LIC HOUSING FINANCE LIMITED 29 JAN 2028(PUT DATE 27 AUG 2021)	50,575.00	1.94%
	8.45 HOUSING DEVELOPMENT FINANCE CORPORATION 18 MAY 2026	10,228.00	0.39%
	8.49 HOUSING DEVELOPMENT FINANCE CORPORATION 27 APR 2020	45,801.00	1.75%
	9.05 DEWAN HOUSING FINANCE CORPORATION LIMITED 09 SEP 2023	50,180.00	1.92%
	9.25 DEWAN HOUSING FINANCE CORPORATION 08 SEP 2023	13,710.00	0.52%
	9.10 DEWAN HOUSING FINANCE CORPORATION LIMITED 16 AUG 2021	26,092.00	1.00%
	9.43 LIC HOUSING FINANCE 10 FEB 2022	14,736.00	0.56%
<b>INVESTMENT IN HOUSING SECTOR TOTAL</b>		<b>218,662.00</b>	<b>8.37%</b>
STATE GOVERNMENT	7.67 TAMILNADU SDL 22 MAR 2023	2,068.00	0.08%
	8.03 UTTAR PRADESH SDL 02 JUN 2020	2,018.00	0.08%
	8.14 HARYANA SDL 27 MAR 2028	152,370.00	5.83%
	8.15 UTTAR PRADESH SDL 02 JUN 2021	2,031.00	0.08%
	8.25 UTTAR PRADESH SDL 02 JUN 2023	2,032.00	0.08%
	8.26 UTTAR PRADESH SDL 02 JUN 2022	2,037.00	0.08%
	7.65 TAMILNADU SDL 06 DEC 2027	13,245.00	0.51%
	7.75 RAJASTHAN SDL 23 JUN 2018	1,065.00	0.04%
	7.86 RAJASTHAN SDL 23 JUN 2019	1,067.00	0.04%
	8.01 RAJASTHAN SDL 23 JUN 2020	1,071.00	0.04%
	8.11 ANDRA PRADESH SDL 23 JUN 2020	1,929.00	0.07%
	8.15 RAJASTHAN SDL 23 JUN 2021	1,079.00	0.04%
	8.27 RAJASTHAN SDL 23 JUN 2022	1,081.00	0.04%
	8.27 RAJASTHAN SDL 23 JUN 2023	1,080.00	0.04%
	8.43 TAMIL NADU SDL 7 MAR 2028	8,623.00	0.33%
<b>STATE GOVERNMENT TOTAL</b>		<b>192,796.00</b>	<b>7.38%</b>
OTHERS		63,445.00	2.43%
<b>OTHERS TOTAL</b>		<b>63,445.00</b>	<b>2.43%</b>
<b>FUND TOTAL</b>		<b>2,613,555.00</b>	<b>100.00%</b>
<b>PENSION MAXIMISER</b>	<b>ULIF01715/02/13PENS MAXIMI104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	79,506.00	2.35%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	6.68 GOI 17 SEP 2031	58,532.00	1.73%
	6.79 GOI 15 MAY 2027	83,237.00	2.46%
	6.84 GOI 19 DEC 2022	39,378.00	1.16%
	7.17 GOI 08 JAN 2028	309,117.00	9.13%
	7.35 GOI 22 JUN 2024	239,030.00	7.06%
	7.68 GOI 15 DEC 2023	7,232.00	0.21%
	7.73 GOI 19 DEC 2034	53,116.00	1.57%
	8.15 GOI 11 JUN 2022	547,605.00	16.17%
	8.15 GOI 24 NOV 2026	13,629.00	0.40%
	7.28 GOI 3 JUN 2019	17,133.00	0.51%
	7.88 GOI 19 MAR 2030	39,195.00	1.16%
	6.57 GOI 05 DEC 2033	7,341.00	0.22%
	6.62 GOI 28 NOV 2051	2,512.00	0.07%
	8.40 GOI 28 JUL 2024	16,259.00	0.48%
	6.05 GOI 02 FEB 2019	29,902.00	0.88%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>1,542,724.00</b>	<b>45.54%</b>
OTHERS		907,517.00	26.79%
<b>OTHERS TOTAL</b>		<b>907,517.00</b>	<b>26.79%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	118,824.00	3.51%
	INDUSIND BANK LIMITED	16,171.00	0.48%
	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	2,181.00	0.06%
	8.85 SHRIRAM TRANSPORT FINANCE 03 AUG 2021	5,140.00	0.15%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	42,719.00	1.26%
	ICICI BANK LIMITED	20,041.00	0.59%
	INDUSIND BANK CD 19 MAR 2019	140,042.00	4.13%
	KOTAK MAHINDRA BANK LIMITED	8,487.00	0.25%
	7.8 YES BANK 01 OCT 2027	14,471.00	0.43%
	YES BANK LIMITED	23,321.00	0.69%
	7.80 YES BANK 29 SEP 2027	122,520.00	3.62%
	8.72 SHRIRAM TRANSPORT FINANCE CO. LIMITED 27 MAR 2023	30,628.00	0.90%
	9 SHRIRAM TRANSPORT FINANCE CO. LIMITED 28 MAR 2028	52,178.00	1.54%
	AXIS BANK CD 25 JAN 2019	94,305.00	2.78%
	7.95 HOUSING DEVELOPMENT FINANCE CORPORATION BANK 21 SEP 2026	39,730.00	1.17%
	9.75 RURAL ELECTRIFICATION CORPORATION LIMITED 11 NOV 2021	10,662.00	0.31%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>741,420.00</b>	<b>21.89%</b>
INVESTMENT IN HOUSING SECTOR	8.75 HOUSING DEVELOPMENT FINANCE CORPORATION 04 MAR 2021	10,300.00	0.30%
	9.15 DEWAN HOUSING FINANCE CORPORATION 09 SEP 2021	15,688.00	0.46%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	7.90 HOUSING DEVELOPMENT FINANCE CORPORATION 24 AUG 2026	9,904.00	0.29%
	7.49 HOUSING DEVELOPMENT FINANCE CORPORATION 25 JAN 2019	50,035.00	1.48%
	7.95 LIC HOUSING FINANCE LIMITED 29 JAN 2028(PUT DATE 27 AUG 2021)	91,034.00	2.69%
	8.45 HOUSING DEVELOPMENT FINANCE CORPORATION 18 MAY 2026	10,228.00	0.30%
	9.43 LIC HOUSING FINANCE 10 FEB 2022	8,421.00	0.25%
<b>INVESTMENT IN HOUSING SECTOR TOTAL</b>		<b>195,610.00</b>	<b>5.77%</b>
<b>FUND TOTAL</b>		<b>3,387,271.00</b>	<b>100.00%</b>
<b>PENSION PRESERVER</b>	<b>ULIF01815/02/13PENSPRESER104</b>		
GOVERNMENT OF INDIA	7.72 GOI 25 MAY 2025	73,776.00	2.83%
	6.68 GOI 17 SEP 2031	161,675.00	6.20%
	6.79 GOI 15 MAY 2027	77,988.00	2.99%
	6.84 GOI 19 DEC 2022	54,158.00	2.08%
	7.17 GOI 08 JAN 2028	209,597.00	8.04%
	7.35 GOI 22 JUN 2024	257,174.00	9.87%
	7.68 GOI 15 DEC 2023	149,360.00	5.73%
	7.73 GOI 19 DEC 2034	43,368.00	1.66%
	8.15 GOI 11 JUN 2022	94,432.00	3.62%
	8.15 GOI 24 NOV 2026	46,983.00	1.80%
	7.28 GOI 3 JUN 2019	175,152.00	6.72%
	7.88 GOI 19 MAR 2030	50,495.00	1.94%
	6.57 GOI 05 DEC 2033	9,567.00	0.37%
	6.62 GOI 28 NOV 2051	4,085.00	0.16%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>1,407,810.00</b>	<b>54.02%</b>
FINANCIAL AND INSURANCE ACTIVITIES	HOUSING DEVELOPMENT FINANCE CORP BANK	33,950.00	1.30%
	10.25 SHRIRAM TRANSPORT FINANCE 10 OCT 2024	7,635.00	0.29%
	8.85 SHRIRAM TRANSPORT FINANCE 03 AUG 2021	6,168.00	0.24%
	HOUSING DEVELOPMENT FINANCE CORP LIMITED	24,646.00	0.95%
	ICICI BANK LIMITED	5,010.00	0.19%
	INDUSIND BANK CD 19 MAR 2019	79,357.00	3.05%
	7.8 YES BANK 01 OCT 2027	9,647.00	0.37%
	8.85 BAJAJ FINANCE LIMITED 21 JUL 2026	31,392.00	1.20%
	YES BANK LIMITED	12,346.00	0.47%
	10.00 SHRIRAM TRANSPORT FINANCE 13 NOV 2024	3,238.00	0.12%
	7.80 YES BANK 29 SEP 2027	46,307.00	1.78%
	8.72 SHRIRAM TRANSPORT FINANCE CO. LIMITED 27 MAR 2023	51,046.00	1.96%
	9 SHRIRAM TRANSPORT FINANCE CO. LIMITED 28 MAR 2028	52,178.00	2.00%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	AXIS BANK CD 25 JAN 2019	94,305.00	3.62%
	7.95 HOUSING DEVELOPMENT FINANCE CORPORATION BANK 21 SEP 2026	54,629.00	2.10%
<b>FINANCIAL AND INSURANCE ACTIVITIES TOTAL</b>		<b>511,854.00</b>	<b>19.64%</b>
OTHERS		511,421.00	19.62%
<b>OTHERS TOTAL</b>		<b>511,421.00</b>	<b>19.62%</b>
INVESTMENT IN HOUSING SECTOR	8.75 HOUSING DEVELOPMENT FINANCE CORPORATION 04 MAR 2021	10,300.00	0.40%
	9.15 DEWAN HOUSING FINANCE CORPORATION 09 SEP 2021	20,917.00	0.80%
	7.49 HOUSING DEVELOPMENT FINANCE CORPORATION 25 JAN 2019	50,035.00	1.92%
	7.95 LIC HOUSING FINANCE LIMITED 29 JAN 2028(PUT DATE 27 AUG 2021)	70,805.00	2.72%
	8.45 HOUSING DEVELOPMENT FINANCE CORPORATION 18 MAY 2026	10,228.00	0.39%
	9.43 LIC HOUSING FINANCE 10 FEB 2022	12,631.00	0.48%
<b>INVESTMENT IN HOUSING SECTOR TOTAL</b>		<b>174,916.00</b>	<b>6.71%</b>
<b>FUND TOTAL</b>		<b>2,606,001.00</b>	<b>100.00%</b>
<b>DISCONTINUANCE POLICY FUND PENSION</b>	<b>ULIF01912/08/13PENSDISCON104</b>		
GOVERNMENT OF INDIA	8.15 GOI 11 JUN 2022	119,884.00	12.92%
	7.28 GOI 3 JUN 2019	117,963.00	12.71%
	364 DAYS TBILL 26 APR 2018	69,704.00	7.51%
	7.80 GOI 11 APR 2021	15,287.00	1.65%
	364 DAYS TBILL 02 AUG 2018	48,996.00	5.28%
	6.90 GOI 13 JUL 2019	170,514.00	18.38%
	7.8 GOI 3 MAY 2020	101,800.00	10.97%
	8.12 GOI 10 DEC 2020	153,083.00	16.50%
	8.27 GOI 9 JUN 2020	39,567.00	4.26%
	8.79 GOI 08 NOV 2021	12,386.00	1.33%
	7.83 GOI 11 APR 2018	68,619.00	7.39%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>917,803.00</b>	<b>98.91%</b>
OTHERS		10,123.00	1.09%
<b>OTHERS TOTAL</b>		<b>10,123.00</b>	<b>1.09%</b>
<b>FUND TOTAL</b>		<b>927,926.00</b>	<b>100.00%</b>
<b>DISCONTINUANCE POLICY FUND INDIVIDUAL</b>	<b>ULIF02021/06/13LIFEDISCON104</b>		
GOVERNMENT OF INDIA	6.35 GOI 2 JAN 2020	397,340.00	5.67%
	8.15 GOI 11 JUN 2022	390,978.00	5.58%
	7.28 GOI 3 JUN 2019	1,241,701.00	17.73%
	364 DAYS TBILL 26 APR 2018	248,943.00	3.55%
	7.80 GOI 11 APR 2021	407,640.00	5.82%
	6.05 GOI 02 FEB 2019	99,673.00	1.42%
	364 DAYS TBILL 02 AUG 2018	303,776.00	4.34%

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

INDUSTRY	SECURITY NAME	AMOUNT	PERCENTAGE OF FUND
	6.90 GOI 13 JUL 2019	1,685,082.00	24.06%
	7.8 GOI 3 MAY 2020	162,880.00	2.33%
	7.94 GOI 24 MAY 2021	122,820.00	1.75%
	8.12 GOI 10 DEC 2020	960,105.00	13.71%
	8.19 CGL 16 JAN 2020	33,768.00	0.48%
	8.27 GOI 9 JUN 2020	167,699.00	2.39%
	8.79 GOI 08 NOV 2021	197,554.00	2.82%
<b>GOVERNMENT OF INDIA TOTAL</b>		<b>6,419,959.00</b>	<b>91.67%</b>
STATE GOVERNMENT	7.95 KARNATKA SDL 05 AUG 2019	282,751.00	4.04%
	8.38 MAHARASTRA SDL 25 MAR 2020	153,205.00	2.19%
	8.60 MAHARASTRA SDL 20 JUL 2021	206,347.00	2.95%
<b>STATE GOVERNMENT TOTAL</b>		<b>642,303.00</b>	<b>9.17%</b>
OTHERS		-58,906.00	-0.84%
<b>OTHERS TOTAL</b>		<b>-58,906.00</b>	<b>-0.84%</b>
<b>FUND TOTAL</b>		<b>7,003,356.00</b>	<b>100.00%</b>

**26) Statement showing Controlled Fund**

		(Rs. in crores)	
1	Computation of Controlled fund as per the Balance Sheet	2017-18	2016-17
	<b>Policyholders' Fund (Life Fund)</b>		
	<b>Participating</b>		
	Individual Assurance	26,022	20,665
	Individual Pension	42	43
	Any other (Pl. Specify)		
	<b>Non-participating</b>		
	Individual Assurance	4,061	3,060
	Group Assurance	803	671
	Individual Annuity	133	111
	Health Assurance	12	7
	<b>Linked</b>		
	Individual Assurance	14,716	13,704
	Group Assurance	107	113
	Individual Pension	1,768	1,681
	Group Superannuation	-	-
	Group Gratuity	-	-
	Any other (Pl. Specify)	-	-
	Discontinued On Account Of Non Payment Of Premium	950	615
	<b>Funds for Future Appropriations</b>		
	- Linked	9	8
	- Non Linked	1,857	1,548
	<b>TOTAL (A)</b>	<b>50,480</b>	<b>42,226</b>
	<b>Shareholders' Fund</b>		
	Paid up Capital	1,919	1,919
	Reserves & Surpluses	770	587
	Fair Value Change	10	4
	<b>TOTAL (B)</b>	<b>2,699</b>	<b>2,509</b>
	Credit / (Debit) from P&L A/c.	-	-
	<b>TOTAL (C)</b>	<b>-</b>	<b>-</b>
	<b>TOTAL shareholders' funds (B+C)</b>	<b>2,699</b>	<b>2,509</b>
	<b>Controlled Fund (TOTAL (A+B+C))</b>	<b>53,179</b>	<b>44,735</b>

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

		(Rs. in crores)	
2	<b>Reconciliation of the Controlled Fund from Revenue and Profit &amp; Loss Account</b>	<b>2017-18</b>	<b>2016-17</b>
	Opening Balance of Controlled Fund	44,735	35,986
	Add: Inflow		
	Income		
	Premium Income	12,501	10,780
	Less: Reinsurance ceded	121	100
	<b>Net Premium</b>	<b>12,380</b>	<b>10,680</b>
	Investment Income	3,758	4,211
	Other Income	25	19
	Funds transferred from Shareholders' Accounts	9	0
	<b>TOTAL Income</b>	<b>16,172</b>	<b>14,910</b>
	Less: Outgo		
	(i) Benefits paid (Net)	4,946	3,777
	(ii) Interim Bonus Paid	1	1
	(iii) Change in Valuation of Liability	7,904	7,869
	(iv) Commission	893	936
	(v) Operating Expenses	1,719	1,672
	<b>TOTAL Outgo</b>	<b>15,463</b>	<b>14,255</b>
	<b>Surplus of the Policyholders' Fund</b>	<b>708</b>	<b>655</b>
	<b>Less: transferred to Shareholders' Account</b>	399	555
	Net Flow in Policyholders' account	309	100
	Add: Net income in Shareholders' Fund	528	660
	<b>Net In Flow / Outflow</b>	<b>837</b>	<b>760</b>
	Add: change in valuation Liabilities	7,904	7,869
	Add: Increase in Paid up Capital	-	-
	Add: Increase in share premium	-	-
	Closing Balance of Controlled Fund	53,476	44,615
	-Policyholder Dividend	-	-
	-Shareholder Dividend	(344)	(169)
	-ESOP	-	-
	-Fair Value Change	47	289
	-Reserves & Surplus	-	-
	-Misc Expenditure	-	-
	<b>TOTAL</b>	<b>53,179</b>	<b>44,735</b>
	<b>As Per Balance Sheet</b>	<b>53,179</b>	<b>44,735</b>



(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

		(Rs. in crores)	
<b>3</b>	<b>Reconciliation with Shareholders' and Policyholders' Fund</b>	<b>2017-18</b>	<b>2016-17</b>
	Policyholders' Funds		
<b>3.1</b>	<b>Policyholders' Funds - Traditional-PAR and NON-PAR</b>		
	Opening Balance of the Policyholders' Fund	26,104	20,114
	Add: Surplus of the Revenue Account	309	92
	Add: change in valuation Liabilities	6,476	5,604
	-Policyholder Dividend	-	-
	- Fair Value Change	41	294
	TOTAL	32,930	26,104
	As per Balance Sheet	32,930	26,104
<b>3.2</b>	<b>Policyholders' Funds - Linked</b>		
	Opening Balance of the Policyholders' Fund	16,120	13,847
	Add: Surplus of the Revenue Account	0.2	8
	Add: change in valuation Liabilities	1,430	2,265
	TOTAL	17,550	16,120
	As per Balance Sheet	17,550	16,120
	<b>Shareholders' Funds</b>		
	Opening Balance of Shareholders' Fund	2,509	2,024
	Add: net income of Shareholders' account (P&L)	528	660
	Add: Infusion of Capital	-	-
	Add: Increase in Share Premium	-	-
	Closing Balance of the Shareholders' fund	3,037	2,684
	-Shareholder Dividend	(344)	(169)
	-FV Change	6	(6)
	As per Balance Sheet	2,699	2,509

27) 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:

<b>Heads</b>	<b>2017-18</b>	<b>2016-17</b>
Outsourcing Expenses	703,901*	1,259,933
Business Development	5,483	1,324
Marketing Support	-	2,681

\*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, unless otherwise stated)

**28) 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	2017-18		2016-17	
		Principal	Interest	Principal	Interest
1.	The Principal amount and the interest due thereon remaining unpaid to any supplier	3,390	-	-	-
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	-	-	-	-
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	-	-	-	-
4.	The amount of interest accrued and remaining unpaid	-	-	-	-
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	-	-	-	-

**29) Comparatives**

Previous year figures have been regrouped where necessary to conform to current year's classification. The details of regroupings/ reclassifications done in previous year figures are as follows:

S. No.	Regrouped to	Regrouped from	Amount	Reason
1	Derivative Assets in Schedule 12	Derivative Liabilities in Schedule 13	5,181	Gross-up of Derivative Assets and Derivative Liabilities to show appropriate presentation.
2	Receivable from Unit Linked Fund in Schedule 12	Policyholders Deposits in Schedule 13	136,138	Gross-up to show appropriate presentation.

**30) Disclosures on penalties forming part of 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, 2018**

Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
Insurance Regulatory and Development Authority	Not any	Nil	Nil	Nil

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

**For the year ended March 31, 2017**

Authority	Non-Compliance/ Violation	Penalty Awarded	Penalty Paid	Penalty Waived/ Reduced
Insurance Regulatory and Development Authority	1. Adjustment of balance premium without consent of policyholder. (Violation of Sec 64VB of Insurance Act 1938).	500	500	Nil
	2. Insurance Brokers were remunerated in excess of prescribed limit. (Violation of Regulation 19)	500	500	Nil

**31) Disclosures on unclaimed amounts; forming part of Financial Statements under Master circular IRDA/ F&A/Cir /232/12/2013****2017-18**

Particulars	TOTAL Amount	0-1 Months	1-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	Beyond 36 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.	54,682	9,910	12,180	10,560	10,940	3,309	2,165	1,223	4,396
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.	326,982	31,190	44,866	40,915	26,751	41,455	34,073	9,598	98,133
<b>TOTAL</b>	<b>381,664</b>	<b>41,100</b>	<b>57,046</b>	<b>51,475</b>	<b>37,691</b>	<b>44,764</b>	<b>36,238</b>	<b>10,821</b>	<b>102,529</b>

**2016-17**

Particulars	TOTAL Amount	0-1 Months	1-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	Beyond 36 Months
Claims settled but not paid to the policyholders / insured due to any reasons except under litigation from the insured / policyholders	-	-	-	-	-	-	-	-	-

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

Particulars	TOTAL Amount	0-1 Months	1-6 Months	7-12 Months	13-18 Months	19-24 Months	25-30 Months	31-36 Months	Beyond 36 Months
Sum due to the insured / policyholders on maturity or otherwise.	69,728	9,399	32,845	22,352	1,139	622	477	449	2,445
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.	429,103	113,307	181,590	36,503	11,349	5,363	4,218	4,939	71,834
<b>TOTAL</b>	<b>498,831</b>	<b>122,706</b>	<b>214,435</b>	<b>58,855</b>	<b>12,488</b>	<b>5,985</b>	<b>4,695</b>	<b>5,388</b>	<b>74,279</b>

**Details of Unclaimed amounts and Investment Income**

Particulars	2017-18	2016-17
Opening Balance	498,831	1,368,860
Add: Amount transferred to unclaimed amount	2,221,674	963,617
Add: Cheques issued out of the unclaimed amount but not encashed by the policyholders (To be included only when the cheques are stale)	591,563	565,423
Add: Investment Income	38,746	70,478
Less: Amount of claims paid during the year	2,957,730	2,469,547
Less: Amount transferred to SCWF (net of claims paid in respect of amounts transferred earlier)	11,420	-
Closing Balance of Unclaimed Amount	<b>381,664</b>	<b>498,831</b>

**32) Disclosures forming part of Financial Statements as required under IRDAI (Treatment of Discontinued Linked Insurance Policies) regulations, 2010****a) Movement in funds for discontinued policies**

Particulars	2017-18	2016-17
<b>Fund for Discontinues Policies</b>		
Opening Balance of Funds for discontinued policies	6,146,607	4,165,784
Add: Fund of policies discontinued during the year	10,050,473	4,446,158
Less: Fund of policies revived during the year	7,118,358	2,818,456
Add: Net Income/ Gains on investment of the fund	474,924	370,920
Less: Fund Management Charges levied	34,299	14,751
Less: Amount refunded to policyholders during the year	17,346	3,047
<b>Closing balance of fund for discontinued policies</b>	<b>9,502,001</b>	<b>6,146,607</b>

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

b) **Percentage of discontinued to Total Policies (product wise)**

Particulars	2017-18		2016-17	
	Count of policies discontinued during the year in absolute no.	% to TOTAL policies Issued	Count of policies discontinued during the year in absolute no.	% to TOTAL policies Issued
Policies discontinued during the year				
Max Life Fast Track (10 Pay)	29	4.4%	51	10.0%
Max Life Fast Track (5 Pay)	155	5.2%	293	8.8%
Max Life Fast Track (Single Pay)	8	10.1%	25	2.6%
Max Life Flexi Fortune (10 Pay)	391	5.0%	868	11.6%
Max Life Flexi Fortune (15 Pay)	151	3.8%	385	13.3%
Max Life Flexi Fortune (5 Pay)	204	4.3%	456	8.3%
Max Life Maxis 10 Pay	322	9.0%	543	16.5%
Max Life Maxis 7 Pay	451	12.2%	669	7.8%
Max Life Shiksha Plus II	683	3.8%	1356	5.1%
Max Life Shiksha Plus II (5 Pay)	54	3.3%	113	2.6%
Max Life Shubh Invest	-	-	2	0.1%
Max Life Top Gear	-	-	1	3.3%

d) **Number and percentage of policies revived:**

Particulars	2017-18	2016-17
Number of policies revived	32,372	20,577
Number of policies discontinued	37,761	32,184
Percentage of policies revived	85.73%	63.94%

f) **Charges imposed on account of discontinued policies**

Particulars	2017-18	2016-17
Charges imposed on account of discontinued policies	293	3,304
Charges readjusted on account of revival of policies	436	738

33) 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.

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

**34) Details of historical cost of investments valued on fair value basis**

Particulars	Asset Type	March 31, 2018		March 31, 2017		
		Historical Cost	Fair Value	Historical Cost	Fair Value	
Shareholders Fund	Equity	1,076,221	1,168,068	990,780	1,028,850	
	Mutual Funds	6,700,000	6,706,473	7,990,000	7,990,000	
	<b>TOTAL</b>	<b>7,776,221</b>	<b>7,874,541</b>	<b>8,980,780</b>	<b>9,018,850</b>	
Non Linked Policyholders	Equity	20,808,347	24,476,283	19,185,300	22,298,784	
	Mutual Funds	8,000,000	8,009,814	7,664,107	7,664,107	
	Alternate Investment Funds	132,839	147,678	74,405	75,170	
	Additional Tier- I Bonds	1,090,128	1,111,675	348,958	361,165	
	Investment Property	227,879	228,990	227,879	227,879	
	Infrastructure Investment Trust	356,422	358,299	-	-	
	<b>TOTAL</b>	<b>30,615,615</b>	<b>34,332,739</b>	<b>27,500,649</b>	<b>30,627,105</b>	
Linked Policyholder	Equity	70,201,395	85,047,897	65,524,925	81,845,428	
	Mutual Funds/ Exchange Traded Funds	8,301,840	8,918,933	12,751,389	13,067,708	
	Government Securities	36,028,160	35,955,797	30,080,030	30,398,630	
	Debentures/ Bonds	29,159,860	29,675,764	22,823,192	23,832,126	
	Preference shares	-	11,047	-	13,737	
		<b>TOTAL</b>	<b>143,691,255</b>	<b>159,609,438</b>	<b>131,179,536</b>	<b>149,157,629</b>

**35) 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**

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily average Outstanding during the year	Outstanding as on March 31, 2018
<b>Security sold Under repo</b>				
Government securities	-	-	-	-
Corporate Debt securities	-	-	-	-
<b>Security purchased Under reverse repo</b>				
Government securities	3,791,318	11,925,393	5,262,706	5,998,856
Corporate Debt securities	-	-	-	-

Particulars	Minimum Outstanding during the year	Maximum Outstanding during the year	Daily average Outstanding during the year	Outstanding as on March 31, 2017
<b>Security sold Under repo</b>				
Government securities	-	-	-	-
Corporate Debt securities	-	-	-	-
<b>Security purchased Under reverse repo</b>				
Government securities	-	15,224,869	4,877,937	5,488,158
Corporate Debt securities	-	-	-	-

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

- 36) The Company has maintained the Discontinued Policy Fund as a non linked fund as per IRDAI (Treatment of Discontinued Linked Insurance Policies) Regulations, 2010. For products approved after implementation of IRDAI (Linked Insurance Products) Regulations, 2014, Discontinued Policy Fund has been maintained as a linked fund.

The liability on account of policies discontinued include Rs. 1,570,718 (March 31, 2017: Rs 2,441,262) towards policies discontinued as per IRDAI (Treatment of Discontinued Linked Insurance Policies) Regulations, 2010 and Rs. 7,931,283 (March 31, 2017: Rs 3,705,345) towards policies discontinued out of products issued after implementation of IRDAI (Linked Insurance Products) Regulations, 2014.

The Policyholders' investments under Schedule 8A include Rs. 1,570,718 (March 31, 2017: Rs 2,441,262) of assets towards the policies discontinued as per IRDAI (Treatment of Discontinued Linked Insurance Policies) Regulations, 2010. The assets held to cover linked liabilities under Schedule 8B include Rs. 7,931,283 (March 31, 2017: Rs 3,705,345) of assets towards policies discontinued out of products issued after implementation of IRDAI (Linked Insurance Products) Regulations, 2014.

- 37) Statement containing names, descriptions, occupations of and directorships held by the persons in charge of management of the business under Section 11 (2) of Insurance Act, 1938:

**From 1st April, 2017 to 31st March, 2018**

Name: Mr. Rajesh Sud

Designation : Executive Vice Chairman and Managing Director

Occupation : Service

Directorships Held during the year/ as on 31st March, 2018:

Max One Distribution and Services Limited - Director

Max Bupa Health Insurance Company Limited - Non-Executive Chairman

Max Skill First Limited (Formerly Max Health staff International Limited) - Chairman

- 38) In accordance with the IRDA Regulations, 2002 (Preparation of Financial Statements and Auditors' Report of Insurance Companies), the Company's investment property has been revalued. The Company has revalued its investment properties in December'2017 and the market value for such properties is based on valuation performed by an independent valuer. The methods used in valuation of property includes "Income Capitalisation Method". The real estate investment property is accordingly valued at Rs. 228,990 at March 31, 2018. The historical cost of the property is Rs. 227,879 at March 31, 2018 (March 31, 2017: Rs. 227,879).

**39) Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013, the Company has provided for & spent Rs 117,133 (March 31,2017 Rs. 99,641) on various CSR initiatives, during the year, which are as given below:

CSR Project/Activity	Sector in which project is covered	Amount Spend	
		2017-18	2016-17
Village Adoption	Rural Development	34,770	36,022
Surgeries & Treatments	Health	25,495	21,408
NGO work on Healthcare platform	Health	24,893	20,717
Immunization/Health camp/Blood donation camp	Health	5,878	8,832
Health centre	Health	5,049	5,450
Artificial Limb and polio calipers	Health	3,563	1,800
Health Awareness	Health	5,598	3,635
Training in Health Programs	Health	1,400	1,636
Mobile Health Clinic	Health	454	-
Financial Literacy CSR	Rural Development	10,000	-
Other Donation	Health	33	141
<b>TOTAL</b>		<b>117,133</b>	<b>99,641</b>

*(All Amounts in Thousands of Indian Rupees, unless otherwise stated)***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.

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.

The Company has during the year, as part of its Hedging strategy, entered into Interest rate swaps (IRS) transactions to hedge the interest rate sensitivity for highly probable forecasted transactions as permitted by the IRDAI circular on Interest Rate Derivatives.

An IRS transaction is that whereby the Company receives at a pre-determined fixed rate and pays a floating rate to the bank based on the underlying index. 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 Company uses hedge accounting as per the Accounting Standard 30 issued by the Institute of Chartered Accountants of India.

The following table sets forth, for the period indicated, the details of derivative positions:

**A) Amount outstanding and Mark to Market values**

Particulars	At March 31, 2018	At March 31, 2017
	Interest rate derivatives	Interest rate derivatives
<b>Cash Flow Derivatives</b>		
<b>1 Derivatives (Notional Principal amount)</b>	89,563,300	68,307,609
<b>2 Marked to market positions</b>		
a) Asset (+)	390	-
b) Liability (-)	(261,770)	(80,685)
<b>3 Credit exposure</b>		
Current Credit Exposure	(261,380)	(80,685)
Potential Future Credit Exposure	1,859,059	1,474,751



(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

**B) Benchmark wise derivative position**

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	-	NA	-	-	-
2	Interest Rate Swaps (IRS)	MIOIS/ MIBOR*	37	68,307,609	21,255,691	-	89,563,300
3	Interest Rate Futures (IRF)	GOI	-	NA	-	-	-

\*The Tenure of the swaps when placed are for minimum 10 years.

**D) Counterparty Wise derivative position**

S.No.	Counterparty	Notional of Derivative Contract o/s	Current Credit Exposure	Potential Future Credit Exposure
1	HSBC Bank	43,326,742	(139,450)	913,288
2	Citibank	44,884,982	(111,812)	916,151
3	AXIS Bank	1,351,576	(10,117)	29,620

**41) 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 financial statements. The Company does not expect the outcome of these proceedings to have a material adverse effect on its financial statement at March 31, 2018. In respect of litigations, where the assessment of management for financial outflow is probable, the Company has made a provision of Rs. 377,110 at March 31, 2018 (March 31, 2017: Rs 299,913). Refer note I of part II of Notes to Accounts for details on contingent liabilities.

**42) Long Term contract**

The Company has a process whereby periodically all long term contracts are assessed 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 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 IRDA.

(All Amounts in Thousands of Indian Rupees, unless otherwise stated)

## Signatures to Schedules 1 to 16

For and on behalf of the Board of Directors of Max Life Insurance Company Limited

**Rahul Khosla**  
Chairman  
DIN: 03597562

**K. Narasimha Murthy**  
Independent Director  
DIN: 00023046

**Rajesh Sud**  
Executive Vice Chairman &  
Managing Director  
DIN: 02395182

**Marielle Theron**  
Director  
DIN: 02667356

**Hideaki Nomura**  
Director  
DIN: 05304525

**Prashant Tripathy**  
Chief Financial Officer  
PAN: ABTPT2026P

**Jose Joh**  
Appointed Actuary

**Anurag Chauhan**  
Company Secretary  
Membership No: A16169

Place: New Delhi  
Date: May 18, 2018

In terms of our report attached  
For Fraser & Ross  
ICAI Firm Registration No. 000829S  
Chartered Accountants

For BK Khare & Co  
ICAI Firm Registration No. 105102W  
Chartered Accountants

**S Ganesh**  
Partner  
Membership No:204108

Place: Bangalore  
Date: May 18, 2018

**Padmini Khare Kaicker**  
Partner  
Membership No:044784

Place: Mumbai  
Date: May 18, 2018

# MANAGEMENT REPORT

With respect to the operations of Max Life Insurance Company Limited ('the Company') for the financial year April 1, 2017 to March 31, 2018 and results thereof, the Management of the company confirms, certifies and declares:

1. The certificate of Registration granted by the Insurance Regulatory and Development Authority of India (IRDAI) to enable the Company to transact life insurance business was valid as on March 31, 2018 and is in force as on date of this report.
2. We certify that the Company has duly paid all dues payable to the statutory authorities, other than those which are being contested with the statutory authorities.
3. During the year there has been a change in the Indian and Foreign shareholding pattern of the Company and the same are in conformity with the statutory or regulatory requirements for the same. Detail of the shareholding pattern is as follows.

Particulars	As at March 31, 2018		As at March 31, 2017	
	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	1,357,531,196	70.75%	1,343,360,309	70.01%
Foreign Shareholders	484,682,150	25.26%	479,703,215	25.00%
Others	76,599,510	3.99%	95,749,332	4.99%
<b>Total</b>	<b>1,918,812,856</b>	<b>100%</b>	<b>1,918,812,856</b>	<b>100%</b>

4. The funds of the holders of policies issued in India were neither directly nor indirectly invested outside India by the Company.
5. The Company has maintained adequate assets to cover both its liabilities and required solvency margins as stipulated by IRDAI.
6. We certify that all assets of the Company have been reviewed on the date of the Balance Sheet and to the best of our knowledge and belief, the assets set forth in the Balance Sheet as at March 31, 2018 have been shown in the aggregate at amounts not exceeding their realizable or market value except in case of fixed income investments made in the controlled funds (shareholders' funds and policyholders' non linked funds), which have been valued and shown at amortized cost as per IRDAI regulations. The carrying amount is lower than their market value by Rs 56,290 lakhs in aggregate as at March 31, 2018.
7. We certify that the life insurance funds have been invested in line with the provisions of the Insurance Act, 1938 and various other circulars/notifications issued by the regulator in relation to the application and investment of the life insurance funds.

## 8. Risk Management

"Risk" within Max Life is the potential for future outcomes or situations to be not as we would like.

These include adverse deviations from expectations as in an adverse deviation from an approved plan but may also include missed opportunities where the plan itself is poorly conceived. Other situations may not be objectively measurable but they could be inconsistent with our values, such as to comply with both the spirit and the letter of the law, or to behave ethically, even in situations where immediate reputational damage is unlikely or action by the authorities improbable

The Company's overall approach to managing risk is based on the generally accepted '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, together 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 as well as regulatory oversight aided by the Appointed Actuary in his fiduciary capacity is also construed to provide an additional third line of defence.

The Company 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 Company. The Company has a risk management system that enables it to develop and implement strategies, policies, procedures and controls to manage different types of risks. A Risk Appetite Statement is in place which identifies and addresses each material risk to which the Company is exposed and establishes the degree of risk that the Company is willing to accept in pursuit of its strategic objectives, business plans and the interest of the policyholders. These material risks have been categorized in the areas of Strategic, Insurance, Investment and Operational Risks. The Risk Management Strategy has been developed which defines the Company'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 Company is in the business of accepting risks. The risk management framework ensures that the level of risk accepted is within the Company's risk management capacity and the level of capital adequacy is in excess of the level prescribed in the public interest via legislation. It is also 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 key risk exposures are summarized below along with a brief approach adopted by the Company to manage those risks.

### Strategic Risks

The Company accepts these risks inherent with the key business decisions and plans in areas of product strategies, distribution models, regulatory and legislative changes. The Company's planning process includes forward looking scenario analysis and stress testing to assess the potential impact of the strategic choices being made including impact on policyholder security. The Company initiates full scale strategic reviews whenever it perceives

that prevailing strategies may become misaligned with the operating environment and a recalibration with the changing environment is required. The impact of strategic risk on policyholder security is assessed as an integral part of the strategic planning exercise as well as subsequent business performance reviews. These assessments also disclose shareholder implications. But whereas fundamental policyholder outcomes can never be compromised by strategic choice, the acceptability of shareholder outcomes, including the risk that desirable outcomes might not be delivered and these would involve a range of trade-offs, the significance of which varies over time.

### Insurance Risks

The Company accepts various insurance risks as a core reason for its existence, including mortality and discontinuity. Insurance is based on the principle of full disclosure by the life to be insured of relevant facts at the time of application. The Company manages mortality risks by use of sound underwriting norms defined in the Underwriting Policy & manuals and leverages technology to deploy business intelligence in decision making. The Company transfers mortality risks above certain threshold to reinsurers based on its annual Reinsurance Program.

Discontinuances typically would result in adverse outcomes for the discontinuing policyholders as well as for the Company as it is not in the long term interest of the company and its policyholders. The Company has in put in place appropriate controls in the sales process and practices to encourage need based selling and product suitability for its customers.

The Company also accepts risks inherent in pricing of insurance products with long term financial obligations. A Product Steering Committee governs a defined process and structure for development of products covering all stages of product development including pricing as well as approvals. The Company follows a 'Treat Customer Fairly' policy, principles and considerations of which are tested at the time of pricing of products. Products are also assessed for fairness against predetermined benchmarks and the Policyholder Protection Committee reviews borderline cases.

### Investment Risks

The Company manages a substantial level of assets in support of its obligations to policyholders and shareholders and is exposed to inherent investment

risks of Credit, Market, Interest Rates, Liquidity. In addition, the make-up of investment portfolios may not conform with the characteristics of the liabilities such investments are intended to support, leading to ALM risks.

The Company has maintained strong asset quality in its investment portfolio and manages credit risks by restricting exposure to lower rated securities. The Company ensures a comfortable liquidity profile through a well-diversified portfolio of high quality liquid assets. Interest rates risks in case of guaranteed products are managed through use of derivatives for hedging purposes.

Further, for effective management of all such risks, a structured approach is in place comprising of active oversight by Investment Committee and Risk, Ethics and Asset Liability Management Committee at the Board level followed by a thorough review at management level through the Working Investment Committee and Management Risk Committee and the ALM Group. As required by the IRDAI, the entire investment process is subject to regular checks by the concurrent auditor. . This is complemented by external reviews as needed to ensure that the Company's processes are aligned to contemporary best practices.

The ALM Policy ensures that there is at least an annual review of strategic asset allocation which sets the broad level boundaries for various asset classes which 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 the Company's specific investment related risk appetites on various forms of investment. The Company has a well defined disclosure policy in accordance with which it discloses details of portfolios of both non-linked and linked business on its website at monthly and quarterly intervals.

### Operational Risks

With its size and scale of operations, the Company is inherently 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. 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 Company's risk appetite.

### Other Emerging Risks

Operating models continue to evolve based on contemporary technologies, changing stakeholder preferences as well as regulatory requirements. The pace of these changes, together with the impact of innovative business models and emerging technologies, create additional risk exposures for the Company. The Company is also conscious of potential risks driven by changes in the geopolitical environment. The Company scans its operating environment continuously and its risk capabilities and controls are augmented accordingly. The emerging risks are monitored and reported to the Risk, Ethics and ALM Committee on a quarterly basis along with the potential implication and management's identified action plan to manage these risks early. All these emerging risks are considered as an input into the strategic planning process to ensure that the Company's business strategy stays relevant and addresses these risks.

9. The Company has not sold any policies outside India during the year. The Company is operating in India only and has no exposure to any other country risk.
10. Average claim settlement time for last five years along with ageing of outstanding claims as at balance sheet date is disclosed below.

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Average Claim Settlement time (in days)	6	5	6	7	6

## 11. Details regarding Claims registered and not settled

(Rs. In Lakhs)

Period	Linked Business		Traditional Business		Total	
	No. of claims	Amount	No. of claims	Amount	No. of claims	Amount
Upto 30 Days	-	-	2	101	2	101
30 Days to 6 months	-	-	-	-	-	-
6 months to 1 year	-	-	-	-	-	-
1 year – 5 years	-	-	-	-	-	-
5 years & above	-	-	-	-	-	-
<b>Grand Total</b>	-	-	<b>2</b>	<b>101</b>	<b>2</b>	<b>101</b>

## 12. We certify that the value of investments as shown in Balance Sheet have been arrived as follows :

Investments are made in accordance with the provision of the Insurance Act, 1938 and the IRDAI master circular for Investment Regulations, 2016 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.

**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.

**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 amortization. The premium/discount, if any, on purchase of debt securities including money market instruments is recognised and amortized in the Revenue Account/ Profit and Loss Account, as applicable, over the remaining period to maturity on the basis of their intrinsic yield.

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 (NSE) and in case the same is not available, then on the Bombay Stock Exchange Ltd (BSE). Unlisted equity shares (including awaiting listing) are stated at historical cost subject to diminution, if any, determined separately for each individual investment. 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.

Infrastructure Investment Trusts are valued at Market Value or latest NAV published by trust, in case the market value is not available for last 30 days.

Money market instruments like Commercial Papers, Certificate of Deposit, Treasury Bills (T-Bills) and Collateralised Borrowing and Lending Obligation (CBLO) 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 on an annual basis. The change in the carrying amount of the investment property shall be taken to Revaluation Reserve. The depreciation charge shall be ignored for the valuation of Investment Property.

Rights are valued at fair value, being last quoted closing price on National Stock Exchange (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'.

### Valuation - Linked Investments

Government securities are valued at the prices obtained from CRISIL Limited. Debt securities other than Government Securities are valued on the basis of values generated by bond valuer based on matrix released by the CRISIL Limited on daily basis.

Listed shares are valued at fair value, being the last quoted closing price on National Stock Exchange (NSE) and in case the same is not available, then on the BSE Ltd (BSE). Unlisted equity shares (including awaiting listing) are stated at historical cost subject to diminution, if any, determined separately for each individual investment. 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 National Stock Exchange (NSE) and in case the same is not available, then on the BSE Ltd(BSE).

Securities with call options 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.

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 National Stock Exchange (NSE) and in case the same is not available, then on Bombay Stock Exchange (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'.

13. The Company has invested the controlled fund in accordance with the IRDAI guidelines. Investments in corporate papers are made selectively in only highly rated papers with thorough research on the issuer. All investments in Controlled fund (with the exception of Equities, Alternate Investment Funds, Additional Tier 1, Investment Property, Infrastructure Investment Trusts and Mutual Fund Units) are made with clear intention of holding them till maturity and accordingly, the management is confident of the quality of investments.
14. Schedule of payments, which have been made to the individuals, firms, companies and organizations in which Directors are interested.

(Rs. In Lakhs)

Entity in which Director is interested	Name of the Director	Interested as	Amount of Payment During the Year 2017-18	Amount of Payment During the Year 2016-17
Max Financial Services Limited (erstwhile Max India Limited)	Rajesh Khanna	Director and Member	725	910
	Mohit Talwar	Managing Director and Member		
	Dinesh Kumar Mittal	Director		

15. The financial statements of the Company and all information in this annual report are the responsibility of the management and have been reviewed by the Audit Committee and approved by the Board of Directors.
  - (a) The financial statements have been prepared in accordance with applicable accounting standards, regulations stipulated by the IRDAI and the provisions of 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 Companies Act, 2013 and disclosures have been made, wherever the same is required. There is no material departure from the said standards, principles and policies.

- (b) The financial statements have been prepared in accordance with the accounting policies adopted by the management and stated therein and the same have been followed consistently. These financial statements contain some items which reflect the best estimates and judgment of the management. When alternative accounting methods exist, the

management has chosen those it deems most appropriate in the circumstances to ensure the financial statements are presented fairly, in all material respects. The choice of estimates and judgment have been made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and the operating profit or loss of the Company for the year.

- (c) The Management of the Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 and Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (d) The financial statements have been prepared on a going concern basis.
- (e) The Company has set up an internal audit system commensurate with the size and nature of the business and the same is operating effectively.

For and on behalf of the Board of Directors of Max Life Insurance Company Limited

**Rahul Khosla**  
Chairman  
DIN: 03597562

**K. Narasimha Murthy**  
Independent Director  
DIN: 00023046

**Rajesh Sud**  
Executive Vice Chairman &  
Managing Director  
DIN: 02395182

**Marielle Theron**  
Director  
DIN: 02667356

**Hideaki Nomura**  
Director  
DIN: 05304525

**Prashant Tripathy**  
Chief Financial Officer  
PAN: ABTPT2026P

**Jose John**  
Appointed Actuary  
Membership No: A16169

**Anurag Chauhan**  
Company Secretary  
Membership No: A16169

Place: New Delhi

Date: May 18, 2018









