

March 3, 2020

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

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

**Scrip Code: 500271****Name of Scrip: MFSL**

Dear Sir/Madam,

**Outcome of Board meeting held on March 3, 2020**

Further to our disclosure dated February 27, 2020 and pursuant to SEBI (LODR) Regulations, we would like to inform you that the Board of Directors of the Company in its meeting held today considered and approved the following:

- (i) the issuance and allotment of 75,458,088 (Seventy Five Million Four Hundred Fifty Eight Thousand and Eighty Eight ) equity shares of the Company of the face value of INR 2 (Rupees Two) each, fully paid up, on a preferential basis to Mitsui Sumitomo Insurance Company, Limited ('MSI') for consideration other than cash, being transfer of 394,775,831 (Three Hundred Ninety Four Million Seven Hundred Seventy Five Thousand Eight Hundred and Thirty One) equity shares of the face value of INR 10 (Rupees Ten) each held by MSI in Max Life Insurance Company Limited ('MLIC'), based on the valuation report obtained by the Company in accordance with applicable laws. The shares to be issued by the Company are valued at INR 565.11 (Rupees Five Hundred Sixty Five point Eleven) per share, i.e. the price determined in accordance with Chapter V (*Preferential Issue*) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'). The MLIC shares to be transferred by MSI are valued at INR 108.02 (Rupees One Hundred Eight point Zero Two) per share. The issuance and allotment of shares by the Company to MSI and transfer of the shares of MLIC by MSI to the Company as stated above is subject to, *inter alia*, receipt of requisite corporate and regulatory approvals.

On receipt of requisite approvals as stated above, MSI would subscribe to 75,458,088 (Seventy Five Million Four Hundred Fifty Eight Thousand and Eighty Eight ) equity shares of the Company having a par value of INR 2 (Rupees Two) each at a price of INR 565.11 (Rupees Five Hundred Sixty Five point Eleven) per share aggregating to 21.87% (Twenty One point Eight Seven percent) of the paid-up equity share capital of the Company on the date of allotment of the aforesaid shares ('Closing Date'). In consideration, the Company will receive 394,775,831 (Three Hundred Ninety Four Million Seven Hundred Seventy Five Thousand Eight Hundred and Thirty One) shares of INR 10 (Rupees Ten) each at a price of INR 108.02 (Rupees One Hundred Eight point Zero Two) per share translating into 20.57% (Twenty point Five Seven percent) stake of MLIC. Pursuant to this, the equity stake



MAX FINANCIAL SERVICES LIMITED  
CIN: L24223PB1988PLC008031

held by the Company in MLIC will increase to 93.10% (Ninety Three point One percent).

- (ii) Separately, the Company, MLIC and MSI have agreed that the Company has the right (but not the obligation) ('Call Right') to purchase from MSI its balance shareholding in MLIC for cash. On the exercise of the Call Right, MSI shall have the obligation to sell to the Company such shareholding in MLIC. MSI also has the right (but not the obligation) ('Put Right') to require the Company to purchase its balance shareholding in MLIC for cash. On exercise of such Put Right, the Company shall be under an obligation to purchase such shareholding from MSI. Purchase price for equity shares to be acquired by the Company pursuant to the exercise of the Call Right / Put Right shall be at INR 85(Rupees Eighty Five) per share ('Option Price'), subject to applicable laws. The Call/Put Right are exercisable after completion of 12 months from the Closing Date, and the purchase and sale of the shares of MLIC pursuant thereto are subject to receipt of regulatory approvals required under applicable law.

In this regard, the Company has executed definitive agreements with the parties. Further, it is proposed to convene an Extra-ordinary general meeting of the shareholders of the Company on Thursday, April 2, 2020 to seek the approval of the shareholders.

You are requested to take the aforesaid information on record.

Thanking you,

Yours faithfully  
For **Max Financial Services Limited**



**V. Krishnan**  
Company Secretary & Compliance Officer

