



**MAX FINANCIAL SERVICES LIMITED**

CIN: L24223PB1988PLC008031

Registered Office: Bhai Mohan Singh Nagar, Village Railmajra,  
Tehsil Balachaur, District Nawanshahr, Punjab – 144 533

Tel: 01881-462000, 462001 Fax: 01881- 273607

Website: [www.maxfinancialservices.com](http://www.maxfinancialservices.com)

E-mail: [investorhelpline@maxindia.com](mailto:investorhelpline@maxindia.com)

November 24, 2020

To,  
Listing Compliance  
BSE Limited,  
P J Towers, Dalal Street,  
**Mumbai -400001, India**

Kind Attn: **Mr. Harshad Naik**

Dear Sir,

This is with reference to your e-mails dated November 12, 2020 marked to the undersigned regarding Financial Results for the quarter ended September 30, 2020 under Regulation 33/52 of SEBI (LODR) Regulations 2015, originally filed by the Company within 30 minutes with BSE Limited on October 30, 2020 bearing acknowledgment no. 2235326 after the conclusion of the board meeting.

Further, as desired, attached please find the following for the quarter ended September 30, 2020, in legible form, for your kind perusal:

- (i) Legible version of the Standalone and Consolidated financial results;
- (ii) Legible version of complete Cash Flow details for standalone financial results; and
- (iii) Legible version of complete Cash Flow details for consolidated financial results.

You are kindly requested to take the same on your records.

Thanking you,

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

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

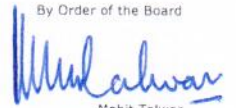


Encl: as above

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

Particulars		(Rs. in Crores)					
		3 months ended 30.09.2020	3 months ended 30.06.2020	3 months ended 30.09.2019	6 months ended 30.09.2020	6 months ended 30.09.2019	Year ended 31.03.2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
<b>1.</b>	<b>Revenue from operations</b>						
	(a) Interest income	-	-	0.01	-	0.23	0.47
	(b) Dividend income	-	-	-	-	190.08	463.70
	(c) Rental income	0.10	0.11	-	0.21	-	0.42
	(d) Gain on fair value changes						
	- on derivative financial instruments (See Note 6)	46.58	-	-	27.62	-	1.33
	- on investments in mutual funds	1.56	4.07	3.07	5.63	4.73	8.89
	(e) Sale of services	5.44	5.06	5.74	10.50	9.87	20.13
<b>2.</b>	<b>Total revenue from operations</b>	<b>53.68</b>	<b>9.24</b>	<b>8.82</b>	<b>43.96</b>	<b>204.91</b>	<b>494.94</b>
<b>3.</b>	<b>Other income</b>	<b>0.23</b>	<b>0.44</b>	<b>0.02</b>	<b>0.67</b>	<b>0.09</b>	<b>0.08</b>
<b>4.</b>	<b>Total income (2+3)</b>	<b>53.91</b>	<b>9.68</b>	<b>8.84</b>	<b>44.63</b>	<b>205.00</b>	<b>495.02</b>
<b>5.</b>	<b>Expenses</b>						
	(a) Finance costs	0.05	0.05	0.04	0.10	0.08	0.20
	(b) Loss on fair value changes on derivative financial instruments (See Note 6)	-	18.96	12.81	-	12.77	-
	(c) Employee benefits expenses	5.06	4.29	6.70	9.35	14.32	22.86
	(d) Depreciation, amortisation and impairment	0.81	0.93	0.74	1.74	1.43	9.89
	(e) Legal and professional expenses	5.12	5.18	12.38	10.30	26.26	44.39
	(f) Other expenses	2.51	2.16	3.32	4.67	5.73	21.36
<b>6.</b>	<b>Total expenses</b>	<b>13.55</b>	<b>31.57</b>	<b>35.99</b>	<b>26.16</b>	<b>60.59</b>	<b>98.70</b>
<b>7.</b>	<b>Profit / (loss) before tax (4-6)</b>	<b>40.36</b>	<b>(21.89)</b>	<b>(27.15)</b>	<b>18.47</b>	<b>144.41</b>	<b>396.32</b>
<b>8.</b>	<b>Tax expense</b>						
	(a) Current tax (See Note 11)	2.48	-	-	2.48	-	123.78
	(b) Deferred tax	-	-	-	-	-	-
<b>9.</b>	<b>Total tax expense</b>	<b>2.48</b>	<b>-</b>	<b>-</b>	<b>2.48</b>	<b>-</b>	<b>123.78</b>
<b>10.</b>	<b>Profit / (loss) after tax (7-9)</b>	<b>37.88</b>	<b>(21.89)</b>	<b>(27.15)</b>	<b>15.99</b>	<b>144.41</b>	<b>272.54</b>
<b>11.</b>	<b>Other comprehensive income / (loss):</b>						
	Items that will not be reclassified to profit or loss:						
	- Remeasurement of the defined benefit obligations	0.17	(0.30)	(0.16)	(0.13)	(0.19)	(0.12)
<b>12.</b>	<b>Total other comprehensive income / (loss)</b>	<b>0.17</b>	<b>(0.30)</b>	<b>(0.16)</b>	<b>(0.13)</b>	<b>(0.19)</b>	<b>(0.12)</b>
<b>13.</b>	<b>Total comprehensive income / (loss) (10+12)</b>	<b>38.05</b>	<b>(22.19)</b>	<b>(27.31)</b>	<b>15.86</b>	<b>144.22</b>	<b>272.42</b>
<b>14.</b>	<b>Paid-up equity share capital (Face value of Rs. 2)</b>	<b>53.91</b>	<b>53.91</b>	<b>53.88</b>	<b>53.91</b>	<b>53.88</b>	<b>53.90</b>
<b>15.</b>	<b>Other equity</b>						<b>2,226.42</b>
<b>16.</b>	<b>Earnings per share (EPS) (Rs.) (not annualised for the quarter)</b>						
	(a) Basic EPS	1.40	(0.81)	(1.01)	0.59	5.36	10.12
	(b) Diluted EPS	1.40	(0.81)	(1.01)	0.59	5.36	10.11
	See accompanying notes to the standalone unaudited financial results						

Date : October 30, 2020  
Place : New Delhi

By Order of the Board  
  
Mohit Talwar  
Managing Director  
DIN : 02394694

Max Financial Services Limited  
CIN: L24223PB1988PLC008031

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

Notes to the standalone unaudited financial results:

1 STANDALONE STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020

		(Rs. in Crores)	
	Particulars	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)
<b>A.</b>	<b>ASSETS</b>		
<b>1.</b>	<b>Financial assets</b>		
	(a) Cash and cash equivalents	17.81	0.29
	(b) Bank balance other than (a) above	1.65	1.65
	(c) Receivables - Trade receivables	10.66	19.25
	(d) Loans	-	0.01
	(e) Investments	2,326.27	2,468.40
	(f) Other financial assets	0.51	0.68
	<b>Total financial assets</b>	<b>2,356.90</b>	<b>2,490.28</b>
<b>2.</b>	<b>Non financial assets</b>		
	(a) Current tax assets (net)	4.51	8.13
	(b) Property, plant and equipment	21.52	22.14
	(c) Right-of-Use asset	2.42	3.37
	(d) Other non-financial assets	1.48	1.65
	<b>Total non-financial assets</b>	<b>29.93</b>	<b>35.29</b>
	<b>Total assets</b>	<b>2,386.83</b>	<b>2,525.57</b>
<b>B.</b>	<b>LIABILITIES AND EQUITY</b>		
<b>I</b>	<b>LIABILITIES</b>		
<b>1.</b>	<b>Financial liabilities</b>		
	(a) Derivative financial instruments (See Note 6)	63.85	91.47
	(b) Trade payables		
	(i) total outstanding dues of micro enterprises and small enterprises	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	7.30	10.06
	(c) Lease liability	2.31	2.73
	(d) Other financial liabilities	1.58	2.88
	<b>Total financial liabilities</b>	<b>75.04</b>	<b>107.14</b>
<b>2.</b>	<b>Non financial liabilities</b>		
	(a) Current tax liabilities (See Note 11)	-	123.78
	(b) Provisions	13.13	11.91
	(c) Deferred tax liabilities (net)	-	-
	(d) Other non-financial liabilities	1.44	2.42
	<b>Total non-financial liabilities</b>	<b>14.57</b>	<b>138.11</b>
	<b>Total liabilities</b>	<b>89.61</b>	<b>245.25</b>
<b>II</b>	<b>EQUITY</b>		
	(a) Equity share capital	53.91	53.90
	(b) Other equity	2,243.31	2,226.42
	<b>Total equity</b>	<b>2,297.22</b>	<b>2,280.32</b>
	<b>Total liabilities and equity</b>	<b>2,386.83</b>	<b>2,525.57</b>

By Order of the Board



Mohit Talwar  
Managing Director  
DIN : 02394694

Date : October 30, 2020  
Place : New Delhi

**Notes to the standalone unaudited financial results:**

2 Standalone cash flow statement:

Particulars	6 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2019 (Unaudited)
<b>Cash flow from operating activities</b>		
Profit before tax	18.47	144.41
Operating profit/ (loss) before working capital changes	(12.56)	(33.62)
<b>Net cash flow / (used in) from operating activities (A)</b>	(129.55)	159.14
<b>Net cash flow / (used in) from investing activities (B)</b>	147.58	(143.12)
<b>Net cash used in financing activities (C)</b>	(0.51)	-
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>	<b>17.52</b>	<b>16.02</b>
Cash and cash equivalents as at the beginning of the year	0.29	0.43
<b>Cash and cash equivalents as at the end of the period</b>	<b>17.81</b>	<b>16.45</b>

3 These standalone unaudited financial results for the quarter and six months ended September 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today. These results have been reviewed by the statutory auditors of the Company.

4 The standalone unaudited financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

5 The Company is a Non-Systemically Important Core Investment Company, and is primarily engaged in growing and nurturing business investment and providing management advisory services to group companies in India. Accordingly, the Company views these activities as one business segment, therefore there are no separate reportable segments as per Indian Accounting Standard-108 (Ind AS-108) on Operating Segment.

6 Gain/(loss) on fair value changes on derivative financial instruments represents gain/(loss) arising out of the Option arrangements relating to equity shares of Max Life Insurance Company Limited (MLIC), executed during the year ended March 31, 2016, amongst the Company, Axis Bank Limited and Mitsui Sumitomo Insurance Company Limited (MSI) and accounted for Fair Value Through Profit or Loss account (FVTPL) in standalone financial results of the Company as per Ind AS 109.

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

7 The Board of Directors of the Company in its meeting held on March 3, 2020, had considered and approved the issuance and allotment of up to 75,458,088 equity shares of the Company of the face value of Rs. 2 each, fully paid up, on a preferential basis to Mitsui Sumitomo Insurance Company Limited (MSI) for consideration other than cash, i.e. through swap of 394,775,831 equity shares of Rs. 10 each of Max Life Insurance Company Limited ('MLIC')['MSI Swap'], based on the valuation report obtained by the Company in accordance with applicable laws. In addition, the Company through a call/put option has to acquire the remaining shareholding held by MSI at Rs. 85 for every equity share of Rs. 10 each held by MSI in MLIC ('MSI Put/Call Option'). In this regard, the Company has executed definitive agreements with the parties, subject to receipt of shareholders' approval and other requisite regulatory approvals.

The shareholders' of the Company approved the said preferential issue on May 27, 2020. The Company has thus far received approval from Competition Commission of India and the stock exchanges and is pursuing approvals from other regulatory authorities namely Department of Economic Affairs ('DEA') and Insurance Regulatory and Development Authority of India ('IRDAI'). Pending receipt of approvals from the DEA and IRDAI, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the financial results.

**Notes to the standalone unaudited financial results:**

- 8 On February 20, 2020, the Company and Axis Bank Limited ('Axis Bank') executed Confidentiality and Exclusivity Agreement to explore a long-term strategic partnership. The Board of Directors of the Company in its meeting held on April 27, 2020 approved entering into definitive agreements with Axis Bank for the sale of 29% of the equity share capital of Max Life Insurance Company Limited ('Max Life'), a material subsidiary of the Company, to Axis Bank which included certain value creation options and related rights, subject to receipt of shareholders' approval and other requisite regulatory approval. The shareholders' of the Company approved the transaction on June 16, 2020.

Application to Insurance Regulatory and Development Authority of India ('IRDAI') for approval was submitted on May 20, 2020. Based on correspondence with IRDAI, the Company and Axis Bank agreed to make some changes to the value creation options and factor in some alternate mechanisms, subject to regulatory approvals and as maybe permitted under applicable law. On August 24, 2020 the Company and Axis Bank executed revised agreements where the Bank proposed to acquire 17.002% of the equity share capital of Max Life and submitted fresh proposal with the regulators.

Further, in response to Axis Bank's application for directly acquiring 17.002% of the equity share capital of Max Life, the Reserve Bank of India has advised Axis Bank to be guided by Para 5(b) of Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 dated May 26, 2016 as updated from time to time ("Para 5(b)").

In this regard, pursuant to Para 5 (b), Axis Bank and its subsidiaries (together "Axis Entities"), i.e. Axis Capital Limited and Axis Securities Limited ("Axis Bank subsidiaries"), have agreed to enter into revised agreements with the Company for acquisition of upto 19.002% of the equity share capital of Max Life ("Revised Agreements"). Under the Revised Agreements, Axis Bank will acquire upto 9.002% of the equity share capital of Max Life and Axis Bank subsidiaries will acquire upto 3% of the share capital of Max Life. In addition, Axis Entities will have a right to acquire upto 7% of the equity share capital of Max Life, in one or more tranches. The Revised Agreements supersedes the previous agreements entered between the parties and the transaction is subject to conditions precedent, including regulatory approvals.

Pending receipt of necessary regulatory approvals, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the financial results.

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

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

The Company has assessed the impact of COVID-19 on its operations as well as its unaudited financial results, including carrying amounts of trade receivables, investments, property, plant and equipment and other assets, as at September 30, 2020. In assessing the Carrying value of these assets, the Company has used internal and external sources of information up to the date of approval of these unaudited financial results, and based on current estimates, expects the net carrying amount of these assets to be recovered. The Company will continue to closely monitor any material changes to the business and financial results due to COVID-19.

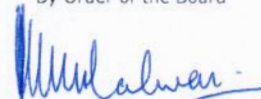
- 11 In March 2020, the Company had filed application(s) with the income tax authorities under the 'The Direct Tax Vivad se Vishwas Act, 2020' ('the Scheme'), enacted vide the Gazette of India on March 17, 2020 regarding settlement of the ongoing tax litigation pertaining to Telecom stake sale made by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

The settlement proposed by the Company under the Scheme has been accepted by the Tax Department for all the years under dispute viz. Assessment Years 1998-99, 1999-2000 and 2006-07. The Company had made a provision of Rs. 123.78 crores for the same disclosed as 'current tax' during the year ended March 31, 2020 and the same was paid in May 2020. During the current quarter, the Company has received final orders of settlement and an intimation to pay Rs. 2.48 crores towards full and final settlement for Assessment Year 2006-07. The same was paid in the month of September, 2020 and has been disclosed as 'current tax'.

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

Date : October 30, 2020  
Place : New Delhi

By Order of the Board

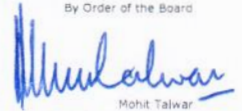


Mohit Talwar  
Managing Director  
DIN : 02394694

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

Particulars		(Rs. In Crores)					
		3 months ended 30.09.2020 (Unaudited)	3 months ended 30.06.2020 (Unaudited)	3 months ended 30.09.2019 (Unaudited)	6 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2019 (Unaudited)	Year ended 31.03.2020 (Audited)
1.	<b>Revenue from operations</b>						
	(a) Interest Income	52.46	49.25	39.93	101.71	83.12	170.71
	(b) Dividend Income	0.86	0.15	1.14	1.01	1.50	3.07
	(c) Rental Income	0.10	0.11	-	0.21	-	0.42
	(d) Net gain on fair value changes	22.02	26.04	3.66	48.06	25.07	21.13
	(e) Policyholders' Income from Life Insurance operations (See Note 2)	6,942.75	5,427.72	4,639.13	12,370.47	8,522.49	18,039.52
	(f) Sale of services	1.66	1.34	1.99	3.00	2.37	5.13
2.	<b>Total Revenue from operations</b>	<b>7,019.85</b>	<b>5,504.61</b>	<b>4,685.87</b>	<b>12,524.46</b>	<b>8,634.55</b>	<b>18,239.98</b>
3.	Other income	0.26	12.71	0.05	12.97	0.14	1.78
4.	<b>Total income (2+3)</b>	<b>7,020.11</b>	<b>5,517.32</b>	<b>4,685.92</b>	<b>12,537.43</b>	<b>8,634.69</b>	<b>18,241.76</b>
5.	<b>Expenses</b>						
	(a) Finance costs	0.05	0.08	0.08	0.13	0.15	0.28
	(b) Impairment on financial instruments (including reversals)	(56.20)	1.99	4.11	(54.21)	10.99	71.43
	(c) Employee benefits expenses	13.23	9.33	10.55	22.56	20.37	35.95
	(d) Depreciation, amortisation and impairment (See Note 10)	1.19	1.31	0.74	2.50	1.43	11.37
	(e) Legal and professional expenses	5.12	5.18	12.38	10.30	26.26	44.39
	(f) Policyholders' Expenses of Life Insurance operations (See Note 2)	6,954.51	5,342.32	4,578.74	12,296.83	8,426.16	17,596.54
	(g) Other expenses	6.70	6.41	8.51	13.11	15.16	39.32
5.	<b>Total expenses</b>	<b>6,924.60</b>	<b>5,366.62</b>	<b>4,615.11</b>	<b>12,291.22</b>	<b>8,500.52</b>	<b>17,799.28</b>
7.	<b>Profit before tax (4-6)</b>	<b>95.51</b>	<b>150.70</b>	<b>70.81</b>	<b>246.21</b>	<b>134.17</b>	<b>442.48</b>
8.	<b>Tax expense</b>						
	<b>Relating to other than revenue account of Life Insurance policyholders</b>						
	Current tax (See Note 12 and 13)	3.59	(33.10)	7.65	(29.51)	15.97	182.25
	Deferred tax	10.86	2.27	(1.20)	13.13	(0.40)	(12.62)
	<b>Relating to revenue account of Life Insurance policyholders</b>						
	Current tax	-	-	-	-	-	-
	<b>Total tax expense</b>	<b>14.45</b>	<b>(30.83)</b>	<b>6.45</b>	<b>(16.38)</b>	<b>15.57</b>	<b>169.63</b>
9.	<b>Profit after tax (7-8)</b>	<b>81.06</b>	<b>181.53</b>	<b>64.36</b>	<b>262.59</b>	<b>118.60</b>	<b>272.85</b>
10.	<b>Other comprehensive income (OCI)</b>						
	<b>Relating to revenue account of life Insurance policyholders</b>						
	(i) Items that will not be reclassified to profit or loss in subsequent periods	4.38	(2.84)	(4.53)	1.54	(5.86)	(11.34)
	(ii) Items that will be reclassified to profit or loss in subsequent periods	(22.99)	165.28	67.49	142.29	98.59	1.70
	Less: Transferred to policyholders' fund in the balance sheet	18.61	(162.44)	(62.96)	(143.83)	(92.73)	9.64
	<b>Relating to Others</b>						
	(i) Items that will not be reclassified to profit or loss in subsequent periods	0.17	(0.30)	(0.16)	(0.13)	(0.19)	(0.12)
	Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Items that will be reclassified to profit or loss in subsequent periods	(6.00)	10.85	0.22	4.85	2.79	15.34
	Income tax relating to items that will be reclassified to profit or loss	0.87	(1.58)	(0.04)	(0.71)	(0.41)	(2.23)
11.	<b>Other comprehensive income/(loss)</b>	<b>(4.96)</b>	<b>8.97</b>	<b>0.02</b>	<b>4.01</b>	<b>2.19</b>	<b>12.99</b>
12.	<b>Total comprehensive income (9+11)</b>	<b>76.10</b>	<b>190.50</b>	<b>64.38</b>	<b>266.60</b>	<b>120.79</b>	<b>285.84</b>
13.	<b>Profit attributable to</b>						
	Owners of the company	56.39	130.85	42.16	187.24	75.86	144.99
	Non-controlling interests	24.67	50.68	22.20	75.35	42.74	127.86
14.	<b>Other comprehensive income/(loss) attributable to</b>						
	Owners of the company	(3.55)	6.42	(0.03)	2.87	1.52	9.39
	Non-controlling interests	(1.41)	2.55	0.05	1.14	0.67	3.60
15.	<b>Total comprehensive income attributable to</b>						
	Owners of the company	52.84	137.27	42.13	190.11	77.38	154.38
	Non-controlling interests	23.26	53.23	22.25	76.49	43.41	131.46
16.	Paid up Equity Share Capital (Face value of Rs. 2 each)	53.91	53.91	53.88	53.91	53.88	53.90
17.	Other Equity						2,092.62
18.	Earnings per share (EPS) (Rs.) (not annualised for the quarter)						
	(a) Basic EPS	2.10	4.85	1.56	6.95	2.82	5.38
	(b) Diluted EPS	2.10	4.85	1.56	6.95	2.81	5.38
	See accompanying notes to the consolidated unaudited financial results						

By Order of the Board



Mohit Talwar  
Managing Director  
DIN : 02394694

Date : October 30, 2020  
Place : New Delhi

CONSOLIDATED UNAUDITED SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2020

(Rs. in Crores)

Particulars	3 months ended 30.09.2020 (Unaudited)	3 months ended 30.06.2020 (Unaudited)	3 months ended 30.09.2019 (Unaudited)	6 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2019 (Unaudited)	Year ended 31.03.2020 (Audited)
<b>1 Segment Revenue</b>						
a) Life Insurance	7,016.57	5,499.10	4,680.84	12,515.67	8,627.28	18,225.13
b) Business Investments	53.68	9.24	8.82	43.97	204.91	494.94
<b>Total</b>	<b>7,070.25</b>	<b>5,508.34</b>	<b>4,689.66</b>	<b>12,559.64</b>	<b>8,832.19</b>	<b>18,720.07</b>
Inter-segment elimination (net)	50.40	3.73	3.79	35.18	197.64	480.09
<b>Revenue from operations (net)</b>	<b>7,019.85</b>	<b>5,504.61</b>	<b>4,685.87</b>	<b>12,524.46</b>	<b>8,634.55</b>	<b>18,239.98</b>
<b>2 Segments Results</b>						
a) Life Insurance	101.70	141.38	85.17	243.08	167.09	509.57
b) Business Investments	40.19	(22.28)	(27.14)	17.91	144.40	396.44
<b>Total</b>	<b>141.89</b>	<b>119.10</b>	<b>58.03</b>	<b>260.99</b>	<b>311.49</b>	<b>906.01</b>
Inter-segment elimination (net)	46.58	(18.96)	(12.81)	27.62	177.31	465.03
<b>Sub-total</b>	<b>95.31</b>	<b>138.06</b>	<b>70.84</b>	<b>233.37</b>	<b>134.18</b>	<b>440.98</b>
Unallocated	0.20	12.64	(0.03)	12.84	(0.01)	1.50
<b>Profit before tax</b>	<b>95.51</b>	<b>150.70</b>	<b>70.81</b>	<b>246.21</b>	<b>134.17</b>	<b>442.48</b>
Provision for taxation (includes provision for Deferred Tax)	14.45	(30.83)	6.45	(16.38)	15.57	169.63
<b>Profit after tax</b>	<b>81.06</b>	<b>181.53</b>	<b>64.36</b>	<b>262.59</b>	<b>118.60</b>	<b>272.85</b>

Particulars	As at 30.09.2020 (Unaudited)	As at 30.06.2020 (Unaudited)	As at 31.03.2020 (Audited)	As at 30.09.2019 (Unaudited)
<b>3 Segment Assets</b>				
a) Life Insurance	83,113.67	78,212.39	73,694.32	70,536.02
b) Business Investments	2,386.82	2,400.28	2,525.56	2,350.49
<b>Total Segment Assets</b>	<b>85,500.49</b>	<b>80,612.67</b>	<b>76,219.88</b>	<b>72,886.51</b>
Inter-segment elimination (net)	(1,685.89)	(1,697.76)	(1,693.65)	(1,563.07)
<b>Total Assets</b>	<b>83,814.60</b>	<b>78,914.91</b>	<b>74,526.23</b>	<b>71,323.44</b>
<b>4 Segment Liabilities</b>				
a) Life Insurance	80,362.54	75,545.88	71,221.55	67,932.07
b) Business Investments	89.59	141.63	245.24	204.04
<b>Total Segment Liabilities</b>	<b>80,452.13</b>	<b>75,687.51</b>	<b>71,466.79</b>	<b>68,136.11</b>
Inter-segment elimination (net)	301.06	200.16	240.59	328.98
<b>Total Liabilities</b>	<b>80,753.19</b>	<b>75,887.67</b>	<b>71,707.38</b>	<b>68,465.09</b>

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

Notes to the consolidated unaudited financial results

1. CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2020

Particulars	(Rs. in Crores)	
	As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)
<b>A ASSETS</b>		
<b>1. Financial assets</b>		
(a) Cash and cash equivalents	349.18	447.46
(b) Bank balance other than (a) above	1.65	1.65
(c) Receivables - Trade receivables	2.32	3.16
(d) Loans	-	0.01
(e) Investments	3,576.34	3,372.39
(f) Other financial assets	4.53	16.77
(g) Financial assets of Life Insurance Policyholders' Fund (See Note 3)	76,670.05	67,497.86
<b>Total financial assets</b>	<b>80,604.07</b>	<b>71,339.30</b>
<b>2. Non-financial Assets</b>		
(a) Current tax assets (net)	15.43	10.06
(b) Deferred tax assets (net)	-	9.94
(c) Investment Property	89.15	89.91
(d) Property, plant and equipment	21.52	22.14
(e) Goodwill	525.25	525.25
(f) Right to use assets	2.42	3.37
(g) Other non-financial assets	17.65	21.92
(h) Non- financial assets of Life Insurance Policyholders' Fund (See Note 3)	2,539.11	2,504.34
<b>Total non-financial assets</b>	<b>3,210.53</b>	<b>3,186.93</b>
<b>Total assets</b>	<b>83,814.60</b>	<b>74,526.23</b>
<b>B LIABILITIES AND EQUITY</b>		
<b>I LIABILITIES</b>		
<b>1. Financial liabilities</b>		
(a) Trade Payables		
(i) Total outstanding dues of micro enterprises and small enterprises	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	28.91	22.79
(b) Lease liability	2.31	2.73
(c) Other financial liabilities	375.82	351.02
(d) Financial liabilities of Life Insurance Policyholders' Fund (See Note 3)	2,145.23	1,937.57
<b>Total financial liabilities</b>	<b>2,552.27</b>	<b>2,314.11</b>
<b>2. Non-financial liabilities</b>		
(a) Current tax liabilities (net) (See Note 12)	-	123.78
(b) Provisions	13.13	11.91
(c) Deferred tax liabilities (net)	3.89	-
(d) Other non-financial liabilities	1.44	2.42
(e) Non- financial liabilities of Life Insurance Policyholders' Fund (See Note 3)	78,182.46	69,255.16
<b>Total non-financial liabilities</b>	<b>78,200.92</b>	<b>69,393.27</b>
<b>Total liabilities</b>	<b>80,753.19</b>	<b>71,707.38</b>
<b>II EQUITY</b>		
(a) Equity share capital	53.91	53.90
(b) Other equity	2,258.67	2,092.62
<b>Equity attributable to owners of the Company</b>	<b>2,312.58</b>	<b>2,146.52</b>
Non Controlling Interest	748.83	672.33
<b>Total equity</b>	<b>3,061.41</b>	<b>2,818.85</b>
<b>Total liabilities and equity</b>	<b>83,814.60</b>	<b>74,526.23</b>



Notes to the consolidated unaudited financial results

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

Particulars		(Rs. in Crores)					
		3 months ended 30.09.2020 (Unaudited)	3 months ended 30.06.2020 (Unaudited)	3 months ended 30.09.2019 (Unaudited)	6 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2019 (Unaudited)	Year ended 31.03.2020 (Audited)
<b>A</b>	<b>Policyholders' Income from life insurance fund</b>						
	Premium Income (Net)	4,447.30	2,668.97	3,714.15	7,116.27	6,300.66	15,926.75
	Interest Income	1,037.52	993.39	941.85	2,030.91	1,810.16	3,751.01
	Dividend Income	96.58	17.31	58.59	113.89	99.53	172.34
	Rental Income	8.14	7.28	4.15	15.42	8.31	26.09
	Net gain / (loss) on fair value changes - Policyholders' Investments	1,462.02	2,395.03	(295.67)	3,857.05	11.52	(2,989.00)
	Other income	2.48	2.20	4.74	4.68	7.68	30.53
	<b>Sub-Total</b>	<b>7,054.04</b>	<b>6,084.18</b>	<b>4,427.81</b>	<b>13,138.22</b>	<b>8,237.86</b>	<b>16,917.72</b>
	Less/ (Add): Restricted life insurance surplus retained in Policyholders' Fund	111.30	656.45	(211.32)	767.75	(284.63)	(1,121.80)
	<b>Total</b>	<b>6,942.75</b>	<b>5,427.72</b>	<b>4,639.13</b>	<b>12,370.47</b>	<b>8,522.49</b>	<b>18,039.52</b>
<b>B</b>	<b>Policyholders' Expense of Life Insurance fund</b>						
	Commission to selling agents	294.07	156.05	251.53	450.12	409.83	1,024.80
	Employee Benefits and Other Operating Expenses	692.87	438.23	568.59	1,131.10	1,071.86	2,332.52
	Benefits payout (net)	1,602.55	917.32	1,488.92	2,519.87	3,072.74	6,341.04
	Net change in insurance contract liabilities	4,265.91	3,685.28	2,084.03	7,951.19	3,563.66	7,730.80
	Net change in investment contract liabilities	56.87	90.69	107.30	147.56	194.48	(84.59)
	Finance cost	10.26	10.79	8.96	21.05	17.94	38.48
	Impairment loss (including reversals)	(28.21)	0.58	(0.10)	(27.63)	1.43	31.11
	Depreciation and amortisation expenses	38.84	38.00	36.53	76.84	71.30	149.85
	<b>Sub-Total</b>	<b>6,933.16</b>	<b>5,336.94</b>	<b>4,545.76</b>	<b>12,270.10</b>	<b>8,403.24</b>	<b>17,564.01</b>
	Add/ (Less): Restricted life insurance surplus retained in Policyholders' Fund	21.35	5.38	32.98	26.73	22.92	32.53
	<b>Total</b>	<b>6,954.51</b>	<b>5,342.32</b>	<b>4,578.74</b>	<b>12,296.83</b>	<b>8,426.16</b>	<b>17,596.54</b>

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

Particulars		(Rs. in Crores)	
		As at 30.09.2020 (Unaudited)	As at 31.03.2020 (Audited)
<b>A</b>	<b>Policyholders' Financial Assets of Life Insurance Operations</b>		
	Cash and cash equivalents	82.20	319.55
	Derivative financial instruments	86.45	33.18
	Trade receivables	353.78	820.11
	Loans	474.24	426.45
	Investments	74,985.28	65,193.21
	Other financial assets	688.10	705.36
	<b>Sub Total - Financial Assets</b>	<b>76,670.05</b>	<b>67,497.86</b>
<b>B</b>	<b>Policyholders' Non Financial Assets of Life Insurance Operations</b>		
	Investment Property	415.69	419.54
	Property, plant and equipment	86.09	89.25
	Capital Work in progress	0.17	0.96
	Intangible Assets	113.19	117.47
	Intangible Assets under development	15.66	11.02
	Right of use asset	267.67	288.67
	Other non-financial assets	1,640.64	1,577.43
	<b>Sub Total - Non-Financial Assets</b>	<b>2,539.11</b>	<b>2,504.34</b>
	<b>TOTAL ASSETS</b>	<b>79,209.16</b>	<b>70,002.20</b>
<b>A</b>	<b>Policyholders' Financial Liabilities of Life Insurance Operations</b>		
	Derivative financial instruments	23.24	38.02
	Trade payables	813.94	786.67
	Lease liability	300.73	316.49
	Other payables	1,007.32	796.39
	<b>Sub Total - Financial Liabilities</b>	<b>2,145.23</b>	<b>1,937.57</b>
<b>B</b>	<b>Policyholders' Non Financial Liabilities of Life Insurance Operations</b>		
	<b>Contract liabilities of life insurance</b>		
	Insurance Contracts	72,183.32	63,869.33
	Investment Contracts	825.57	775.58
		<b>73,008.89</b>	<b>64,644.91</b>
	<b>Ind AS 104 Adjustments</b> (impacting contract liabilities of life insurance)		
	Measurement adjustments	(310.11)	(297.50)
	Grossing up Reinsurance assets	1,514.61	1,423.48
		<b>1,204.50</b>	<b>1,125.98</b>
	Fund for future appropriations	2,742.42	3,096.23
	<b>Restricted life insurance surplus retained in Policyholders' Fund</b>		
	Measurement difference of Ind AS 104 Adjustments	309.89	297.26
	Fair valuation difference of policyholders' Investments		
	Fair Value Through Profit or Loss (FVTPL)	150.94	(615.82)
	Fair Value Through Other Comprehensive Income (FVOCI)	244.33	102.04
	Measurement difference - Other Ind AS Adjustments	(45.44)	(62.02)
	Realised Hedge Fluctuation Reserves	94.30	68.32
	Provisions	70.33	63.74
	Other Non-financial Liabilities	402.30	534.52
	<b>Sub Total - Non Financial Liabilities</b>	<b>78,182.46</b>	<b>69,255.16</b>
	<b>TOTAL LIABILITIES</b>	<b>80,327.69</b>	<b>71,192.73</b>

**Notes to the consolidated unaudited financial results**

4 Consolidated cash flow statement:	Particulars	(Rs. in Crores)	
		6 months ended 30.09.2020	6 months ended 30.09.2019
		(Unaudited)	(Unaudited)
<b>Cash flow from operating activities</b>			
Profit before tax		246.21	134.17
Operating profit/ (loss) before working capital changes		2,387.19	1,983.14
<b>Net cash flow from operating activities (A)</b>		<b>3,685.46</b>	<b>1,220.01</b>
<b>Net cash used in investing activities (B)</b>		<b>(3,982.57)</b>	<b>(1,412.23)</b>
<b>Net cash used in financing activities (C)</b>		<b>(38.52)</b>	<b>(164.29)</b>
<b>Net (decrease)/increase in cash and cash equivalents (A+B+C)</b>		<b>(335.63)</b>	<b>(356.51)</b>
Cash and cash equivalents as at the beginning of the year		767.01	688.64
<b>Cash and cash equivalents as at the end of the period</b>		<b>431.38</b>	<b>332.13</b>

5 These consolidated unaudited financial results for the quarter and six months ended September 30, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its meeting held today. These results have been reviewed by the statutory auditors of the Company.

6 The consolidated unaudited financial results comprise the financial results of Max Financial Services Limited ('the Parent' or 'the Company') and its subsidiary (collectively referred as the 'Group'). The consolidated unaudited financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 'Interim Financial Reporting' prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. The consolidated financial results comprise the financial results of Max Financial Services Limited and its subsidiary listed below:

Name of Subsidiary	Country of incorporation	Portion of ownership as at September 30, 2020	Portion of ownership as at June 30, 2020	Portion of ownership as at March 31, 2020	Portion of ownership as at September 30, 2019
Max Life Insurance Company Limited	India	72.52%	72.52%	72.52%	71.79%

7 The Company had entered into a put option arrangement relating to equity shares of Max Life Insurance Company Limited ("MLIC") executed during the year ended March 31, 2016, amongst the Company, Axis Bank Limited and Mitsui Sumitomo Insurance Company Limited. As per the arrangement, the Company has to settle such liability by payment of cash upon exercise of option. As required under Ind AS, put option granted to non-controlling interest is initially recognised in the consolidated financial statements by the Group as a financial liability at the fair value of the amount that may become payable upon exercise of option and is adjusted against the shareholders' equity.

In the absence of any mandatorily applicable accounting guidance, the Company has elected an accounting policy to recognise changes on subsequent measurement of the liability in shareholders' equity.

8 The Board of Directors of the Company in its meeting held on March 3, 2020, had considered and approved the issuance and allotment of up to 75,458,088 equity shares of the Company of the face value of Rs. 2 each, fully paid up, on a preferential basis to Mitsui Sumitomo Insurance Company Limited (MSI) for consideration other than cash, i.e. through swap of 394,775,831 equity shares of Rs. 10 each of Max Life Insurance Company Limited ("MLIC") ["MSI Swap"], based on the valuation report obtained by the Company in accordance with applicable laws. In addition, the Company through a call/put option has to acquire the remaining shareholding held by MSI at Rs. 85 for every equity share of Rs. 10 each held by MSI in MLIC ("MSI Put/Call Option"). In this regard, the Company has executed definitive agreements with the parties, subject to receipt of shareholders' approval and other requisite regulatory approvals.

The shareholders' of the Company approved the said preferential issue on May 27, 2020. The Company has thus far received approval from Competition Commission of India and the stock exchanges and is pursuing approvals from other regulatory authorities namely Department of Economic Affairs ('DEA') and Insurance Regulatory and Development Authority of India ('IRDAI'). Pending receipt of approvals from the DEA and IRDAI, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the financial results.

9 On February 20, 2020, the Company and Axis Bank Limited ('Axis Bank') executed Confidentiality and Exclusivity Agreement to explore a long-term strategic partnership. The Board of Directors of the Company in its meeting held on April 27, 2020 approved entering into definitive agreements with Axis Bank for the sale of 29% of the equity share capital of Max Life Insurance Company Limited ('Max Life'), a material subsidiary of the Company, to Axis Bank which included certain value creation options and related rights, subject to receipt of shareholders' approval and other requisite regulatory approval. The shareholders' of the Company approved the transaction on June 16, 2020.

Application to Insurance Regulatory and Development Authority of India ('IRDAI') for approval was submitted on May 20, 2020. Based on correspondence with IRDAI, the Company and Axis Bank agreed to make some changes to the value creation options and factor in some alternate mechanisms, subject to regulatory approvals and as maybe permitted under applicable law. On August 24, 2020 the Company and Axis Bank executed revised agreements where the Bank proposed to acquire 17.002% of the equity share capital of Max Life and submitted fresh proposal with the regulators.

Further, in response to Axis Bank's application for directly acquiring 17.002% of the equity share capital of Max Life, the Reserve Bank of India has advised Axis Bank to be guided by Para 5(b) of Master Direction - Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 dated May 26, 2016 as updated from time to time ("Para 5(b)").

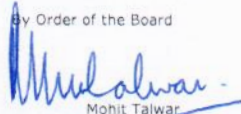
In this regard, pursuant to Para 5 (b), Axis Bank and its subsidiaries (together "Axis Entities"), i.e. Axis Capital Limited and Axis Securities Limited ("Axis Bank subsidiaries"), have agreed to enter into revised agreements with the Company for acquisition of upto 19.002% of the equity share capital of Max Life ("Revised Agreements"). Under the Revised Agreements, Axis Bank will acquire upto 9.002% of the equity share capital of Max Life and Axis Bank subsidiaries will acquire upto 3% of the share capital of Max Life. In addition, Axis Entities will have a right to acquire upto 7% of the equity share capital of Max Life, in one or more tranches. The Revised Agreements supersedes the previous agreements entered between the parties and the transaction is subject to conditions precedent, including regulatory approvals.

Pending receipt of necessary regulatory approvals, the said transaction cannot be considered concluded at the current date and hence, no adjustments have been made in the financial results.

**Notes to the consolidated unaudited financial results**

- 10 Depreciation, amortisation and impairment for the year ended March 31, 2020 includes impairment loss of Rs. 6.72 crores due to decline in value of the property, plant and equipment held by the Company, as determined based on the valuation reports obtained from external certified valuer.
- 11 Estimation of uncertainties relating to COVID-19 global health pandemic:  
The Group has considered the impact of COVID-19 on its operations as well as its consolidated financial results:
- a) In respect of the Company:  
The Company has assessed the impact of COVID-19 on its operations as well as its unaudited financial results, including carrying amounts of trade receivables, investments, property, plant and equipment and other assets, as at September 30, 2020. In assessing the Carrying value of these assets, the Company has used internal and external sources of information up to the date of approval of these unaudited financial results, and based on current estimates, expects the net carrying amount of these assets to be recovered. The Company will continue to closely monitor any material changes to the business and financial statements due to COVID-19.
- b) In respect of the subsidiary Company, Max Life Insurance Company Limited:  
The subsidiary Company has assessed the impact of COVID-19 on its operations as well as its financial statements, including valuation of investments, valuation of policy liabilities and solvency, for the quarter and six months ended September 30, 2020. To the best of information available, the subsidiary Company has maintained sufficient amount in policyholders reserve on account of COVID related contingencies over and above the policy level liabilities calculated based on prescribed IRDAI Regulations. The subsidiary Company will continue to closely monitor any material changes to the business and financial statements due to COVID-19. The auditors of the subsidiary company have reported this matter in their auditor's report.
- 12 In March 2020, the Company had filed application(s) with the income tax authorities under the 'The Direct Tax Vivad se Vishwas Act, 2020' ('the Scheme'), enacted vide the Gazette of India on March 17, 2020 regarding settlement of the ongoing tax litigation pertaining to Telecom stake sale made by its erstwhile subsidiary Max Telecom Ventures Limited (since merged with the Company w.e.f December 1, 2005). The said litigation was being contested both by the Company and the Income Tax Department for multiple years, pending before various Appellate Authorities and previously disclosed as contingent liabilities.  
The settlement proposed by the Company under the Scheme has been accepted by the Tax Department for all the years under dispute viz. Assessment Years 1998-99, 1999-2000 and 2006-07. The Company had made a provision of Rs. 123.78 crores for the same disclosed as 'current tax' during the year ended March 31, 2020 and the same was paid in May 2020. During the current quarter, the Company has received final orders of settlement and an intimation to pay Rs. 2.48 crores towards full and final settlement for Assessment Year 2006-07. The same was paid in the month of September, 2020 and has been disclosed as 'current tax'.
- 13 The subsidiary Company had claimed dividend income exemption for the Assessment Years 2015-16, 2016-17 and 2018-19 (Financial year ended March, 31 2015, 2016 and 2018). However, on a conservative basis, the benefit of such exemption claim was not recorded in the books of account. During the quarter ended June 30, 2020, the subsidiary Company had received the Income Tax Refund Order amounting to Rs. 82.08 crores (due to difference in tax positions while filing the returns), wherein the dividend exemption claim was allowed for the above mentioned Assessment Years. The same was accounted during the quarter ended June 30, 2020.  
Accordingly, provision for current tax of Rs. 21.63 crores and reversal of provision for tax for earlier periods of Rs. 53.62 crores have netted in current tax line item in the Statement.
- 14 The figures for the previous periods have been regrouped / reclassified wherever necessary, to make them comparable.

Date : October 30, 2020  
Place : New Delhi


By Order of the Board  
  
Mohit Talwar  
Managing Director  
DIN : 02394694

**Notes to the standalone unaudited financial results:**

**2 STANDALONE CASH FLOW STATEMENT**

		(Rs. in crores)	
	Particulars	6 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2019 (Unaudited)
<b>A.</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	18.47	144.41
	Adjustments for:		
	Depreciation and amortisation expense	1.74	1.43
	Finance costs	0.10	-
	Interest income	(0.57)	(0.23)
	Dividend income on long term investments	-	(190.08)
	Net loss / (profit) on sale / disposal of property, plant and equipment	-	(0.01)
	Net loss / (gain) on fair value changes		
	- on derivative financial instruments	(27.62)	12.77
	- on investments in mutual funds	(5.63)	(4.73)
	Liabilities/provisions no longer required written back	(0.08)	-
	Allowance for doubtful input tax credit receivable	-	0.60
	Expense on employee stock option scheme	1.03	2.22
	Changes in working capital:		
	Adjustments for (increase)/ decrease in operating assets:		
	Trade receivables	8.59	8.35
	Loans	0.01	0.03
	Other financial assets	0.18	0.41
	Other non-financial assets	0.17	(0.82)
	Dividend received	-	190.08
	Interest received	0.57	0.22
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	(2.68)	3.22
	Other financial liabilities	(1.30)	(3.00)
	Provisions	1.08	0.06
	Other non-financial liabilities	(0.98)	(4.78)
	<b>Cash generated from operations</b>	<b>(6.92)</b>	<b>160.15</b>
	Net income tax (paid) / refunds	(122.63)	(1.01)
	<b>Net cash flow / (used in) from operating activities (A)</b>	<b>(129.55)</b>	<b>159.14</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Capital expenditure on property, plant and equipment including capital advances	(0.23)	(4.96)
	Proceeds from sale of property, plant and equipment	0.05	0.04
	Investments in mutual funds		
	- Purchased	(34.34)	(292.79)
	- Proceeds from sale	182.10	154.59
	<b>Net cash flow / (used in) from investing activities (B)</b>	<b>147.58</b>	<b>(143.12)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from ESOPs exercised (including share premium)	0.01	-
	Payments of lease liability	(0.52)	-
	<b>Net cash used in financing activities (C)</b>	<b>(0.51)</b>	<b>-</b>
	Net (decrease)/increase in cash and cash equivalents (A+B+C)	17.52	16.02
	Cash and cash equivalents as at the beginning of the year	0.29	0.43
	<b>Cash and cash equivalents as at the end of the period *</b>	<b>17.81</b>	<b>16.45</b>
	* Comprises:		
	a. Cash on hand	0.01	0.01
	b. Balance with scheduled banks		
	- in current accounts	17.80	16.44
		<b>17.81</b>	<b>16.45</b>

Date : November 24, 2020  
Place : Noida

  
Jatinder Khanna  
Chief Financial Officer

**Notes to the consolidated unaudited financial results**

**4. CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2020**

		(Rs in Crores)	
	Particulars	6 months ended 30.09.2020 (Unaudited)	6 months ended 30.09.2019 (Unaudited)
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Profit before tax	<b>246.21</b>	<b>134.17</b>
	<b>Adjustments for:</b>		
	Depreciation and amortisation expense	79.34	72.73
	Interest Income	(2,133.18)	(1,879.75)
	Dividend income	(114.90)	(101.03)
	Net loss / (profit) on sale / disposal of property, plant and equipments	(0.16)	(0.17)
	Finance costs	0.10	-
	Realised gain/(loss) on financial instruments classified as FVTPL	(3,872.89)	(20.21)
	Realised gain/(loss) on financial instruments classified as FVTOCI	24.15	9.95
	Realised gain/(loss) on financial instruments classified as amortised cost	9.79	1.60
	Net gain/ (loss) on Derivative at fair value through profit or loss	(11.50)	(2.27)
	Net loss / (gain) on fair value changes on investments in mutual funds	(5.63)	(4.73)
	Liabilities/provisions no longer required written back	(0.08)	-
	Payment towards lease liability (Rent paid)	38.01	35.14
	Allowance for doubtful input tax credit receivable	-	0.60
	Provision for doubtful debts and bad-debts written off	1.00	1.12
	Change in policyholder reserves (including funds for future appropriation)	8,098.77	3,758.12
	Expense on employee stock option scheme	1.03	2.22
	Changes in working capital:		
	<u>Adjustments for (increase)/ decrease in operating assets:</u>		
	Trade receivables	474.92	273.61
	Loans	0.01	0.03
	Other financial assets	(34.96)	(668.69)
	Other non financial assets	(57.98)	(719.58)
	Re-insurance assets	91.13	710.43
	Interest received	0.57	0.22
	<u>Adjustments for increase / (decrease) in operating liabilities:</u>		
	Trade payables	10.98	(231.58)
	Other financial liabilities	194.86	365.41
	Provisions	7.67	12.49
	Insurance contract liabilities	813.04	(190.15)
	Investment contract liabilities	49.99	(86.86)
	Other non financial liabilities	(129.30)	(227.46)
	<b>Cash generated from operations</b>	<b>3,780.99</b>	<b>1,245.36</b>
	Net income tax (paid) / refunds	(95.52)	(25.35)
	<b>Net cash from operating activities (A)</b>	<b>3,685.46</b>	<b>1,220.01</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Capital expenditure on property, plant and equipment including capital advances	(38.60)	(308.34)
	Proceeds from sale of property, plant and equipment	0.39	0.23
	Investments		
	- Purchased	(422,882.12)	(384,514.23)
	- Proceeds from sale	416,763.50	381,538.67
	Proceeds from loan against policies	(47.79)	(54.95)
	Realised Hedge Fluctuation Reserve & Derivative Profit & Loss	31.70	-
	Interest and Dividend Received	2,190.35	1,926.39
	<b>Net cash from/ (used in) investing activities (B)</b>	<b>(3,982.57)</b>	<b>(1,412.23)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from ESOPs exercised (including share premium)	0.01	-
	Dividend including distribution tax	-	(129.15)
	Lease payments	(38.53)	(35.14)
	<b>Net cash from/ (used in) financing activities (C)</b>	<b>(38.52)</b>	<b>(164.29)</b>
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(335.63)	(356.51)
	Cash and cash equivalents as at the beginning of the year	767.01	688.64
	<b>Cash and cash equivalents as at the end of the period*</b>	<b>431.38</b>	<b>332.13</b>
*	Comprises		
	a. Cash on hand	26.45	36.41
	b. Balances with scheduled banks		
	-On current accounts	374.93	263.65
	-Deposits with original maturity of upto 3 months	30.00	32.07
	<b>Total cash and cash equivalents</b>	<b>431.38</b>	<b>332.13</b>



Date : November 24, 2020  
Place : Noida

Jatinder Khanna  
Chief Financial Officer