

# Board's Report

## Dear Members,

Your Directors have pleasure in presenting the Thirty-second Board's Report of Max Financial Services Limited ("MFSL" or "the Company") along with the audited Financial Statements for the financial year ended March 31, 2020.

## Standalone Results

The highlights of the standalone financial results of your Company along with previous year's figures (prepared as per IND-AS) are as under:

(Rs. in crores)

	Year ended 31.03.2020	Year ended 31.03.2019
<b>Revenue from operations</b>	<b>494.94</b>	316.63
Other income	<b>0.08</b>	1.15
<b>Total income</b>	<b>495.02</b>	317.78
<b>Expenses</b>		
Finance costs	<b>0.20</b>	27.25
Loss on fair value changes on derivative financial instruments	-	102.61
Employee benefits expenses	<b>22.86</b>	76.40
Depreciation and amortization expense	<b>9.89</b>	1.75
Legal and professional expenses	<b>44.39</b>	43.51
Other expenses	<b>21.36</b>	16.87
<b>Total expenses</b>	<b>98.70</b>	268.39
<b>Profit before tax</b>	<b>396.32</b>	49.39
<b>Tax expense</b>	<b>123.78</b>	-
<b>Profit after tax for the year</b>	<b>272.54</b>	49.39
<b>Other comprehensive income for the year</b>	<b>(0.12)</b>	(0.30)
<b>Total comprehensive income (after tax)</b>	<b>272.42</b>	49.09

The Company had filed application 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.

The settlement proposed by the Company under the Scheme has been accepted by the Tax Department for all the years under dispute viz. Assessment Year 1998-99, Assessment Year 1999-2000 and Assessment Year 2006-07 and the Company has paid the cumulative tax amount of Rs. 123.78 crores, determined under the provisions of the Scheme, towards full and final settlement of the tax arrears.

Your Company is primarily engaged in business of making and holding investments in its subsidiary, Max Life Insurance Company Limited and providing management consultancy services to group companies 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 14% to Rs 2,280 crore as at March 31, 2020 as against Rs. 2,000 Crores as at March 31, 2019.

## Consolidated Results

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

In FY 2019-20, MFSL reported consolidated revenues of Rs. 18,242 crores, 7% lower compared to the previous year, due to volatility in markets in March 2020 caused by COVID-19 pandemic, causing a mark-to-market loss on debt and equity portfolio.

The Net Premiums at Rs. 15,927 crores, grew at 11% compared to the previous year. The Company reported consolidated Profit after Tax of Rs.273 crores, 34% lower compared to the previous year, largely due to shift in product mix towards non-participating products, investments in expansion of proprietary channel, provision for impairment on financial instruments and one-time tax expense on settlement of tax dispute under Vivad se Vishwas Scheme.

Max Life achieved a significant milestone this year with its Assets under Management (AUM) crossing the Rs. 70,000 crores mark for the first time in February 2020. The AUM as at March 31, 2020 stood at Rs. 68,471 crores, growing 9% over the previous year, owing to COVID-19 led market volatility in March 2020. Another benchmark set by Max Life was in the Claims Paid Ratio category. Already being an industry leader with the highest claims paid ratio of 98.74% in FY19, as per the Insurance Regulatory and Development Authority of India (IRDAI) Annual Report, Max Life further improved the ratio by 48 bps to 99.22% during Q4FY20. The Market Consistent Embedded value of Max Life as on March 31, 2020 was Rs.9,977 crores, with an Operating Return on Embedded Value (RoEV) of 20.3% and the value of new business at Rs. 897 crores has grown 5% with the margins at 21.6% in line with the previous year

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

(Rs. in crores)

	Year ended 31.03.2020	Year ended 31.03.2019
<b>Revenue from operations</b>	<b>18,239.98</b>	<b>19,509.65</b>
Other income	1.78	3.61
<b>Total income</b>	<b>18,241.76</b>	<b>19,513.26</b>
<b>Expenses</b>		
Finance costs	0.28	27.30
Impairment on financial instruments	71.43	5.02
Employee benefits expenses	35.95	84.37
Depreciation, amortization and impairment	11.37	1.75

	Year ended 31.03.2020	Year ended 31.03.2019
Legal and professional expenses	44.39	43.51
Policyholders' Expenses of Life Insurance operations	17,596.54	18,838.60
Other expenses	39.32	31.87
<b>Total expenses</b>	<b>17,799.28</b>	<b>19,032.42</b>
<b>Profit before tax</b>	<b>442.48</b>	<b>480.84</b>
<b>Tax expense</b>	<b>169.63</b>	<b>64.38</b>
<b>Profit after tax for the year</b>	<b>272.85</b>	<b>416.46</b>
<b>Other comprehensive income for the year</b>	<b>12.99</b>	<b>1.31</b>
<b>Total comprehensive income</b>	<b>285.84</b>	<b>417.77</b>
<b>Total comprehensive income attributable to</b>		
Owners of the company	154.38	263.41
Non-controlling interests	131.46	154.36

#### 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, 2020 and the date of the Directors' report i.e. May 26, 2020 except the Postal ballot notice issued to shareholders for MSI Swap transaction and execution of the definitive documents, regulatory filings and Postal ballot notice issued to the Shareholders for the Axis transaction as detailed below:

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 7,54,58,088 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 39,47,75,831 equity shares of Rs. 10 each of Max Life Insurance Company Limited ("Max Life") ("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 a right to acquire the remaining shareholding held

by MSI at Rs. 85/- for every Equity Share of Rs. 10/- each held by MSI in Max Life ("MSI Put/Call Option"). In this regard, the Company has executed definitive agreements with the parties. The said transaction was subject to receipt of requisite shareholders approvals and regulatory approvals and hence no adjustments have been made in the financial statements.

The Company had issued Notice dated March 3, 2020 for convening an extra ordinary general meeting (EGM) of the shareholders of the Company on April 2, 2020. The meeting was postponed to April 16, 2020 in view of the pandemic situation of COVID-19. On account of extension of nationwide lockdown till May 3, 2020, the adjourned EGM of the Company was cancelled for want of requisite quorum. On April 24, 2020, Postal Ballot Notice was issued for seeking the approval for MSI Share Swap and MSI Put/Call Option from shareholders of the Company by way of Special Resolution. The results of the Postal Ballot will be announced on May 27, 2020.

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 had approved in its meeting held on April 27, 2020 to enter into definitive agreements with Axis Bank for the sale of 29% of the equity share capital of Max Life, a material subsidiary of the Company, to Axis Bank which will have the effect of Max Life becoming a 70:30 joint venture between the Company and Axis Bank after series of transactions. On May 15, 2020, Postal Ballot Notice was issued seeking the approval for the proposed transaction from shareholders of the Company by way of Special Resolution. The proposed transaction is subject to receipt of requisite shareholders approvals, regulatory approvals (including RBI, IRDAI and CCI) and satisfaction conditions precedent and hence these will be reflected in the subsequent quarter financial results once the transaction is consummated.

Further, the Company will work towards delivering the following value creation options to Axis Bank as agreed under the definitive agreements. The Company, along with Max Life and promoters of the Company, will take all steps to merge the Company

into Max Life, resulting into a listed insurance company in terms of applicable law ('Merger'). From the Closing Date, Axis Bank will have the right to subscribe to equity shares of the Company in lieu of all or part of the equity shares held by Axis Bank in Max Life ('Swap Transaction') and the Company will undertake all actions to effect the Swap Transaction. Any income tax payable pursuant to the Swap Transaction shall be split equally between the Company and Axis Bank.

If the Merger is not completed within 5 years from the Closing Date, and Axis Bank has exercised its right for the Swap Transaction, but the Company fails to consummate the Swap Transaction, then Axis Bank shall have the right to require the Company to purchase all the shares held by Axis Bank in Max Life at INR 294 per share, subject to the terms of the definitive agreements.

#### **Estimation of uncertainties relating to COVID-19 global health pandemic**

The Company has considered the impact of COVID-19 on its operations as well as its financial statements, including carrying amounts of trade receivables, investments, property, plant and equipment and other assets, as at March 31, 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 financial statements, and based on current estimates, expects the net carrying amount of these assets will be recovered. The Company will continue to closely monitor any material changes to the business and financial statements due to COVID-19, wherever required.

Further, the Group 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 year ended March 31, 2020. To the best of the information available, the subsidiary of the Company has provided an additional Rs. 1,000.00 lakhs in policyholders reserve on account of COVID related contingencies over and above the policy level liabilities calculated based on prescribed IRDAI Regulations. The Company will continue to closely monitor any material changes to the business and financial statements due to COVID-19.

### Subsidiaries, Associates & Joint Venture companies

As on March 31, 2020, 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. Accordingly, the equity stake of the Company in Max Life increased to 72.52% as at March 31, 2020.

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 2019-20.

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

During the financial year the Authorized share capital of the Company was increased from Rs.60,00,00,000/- (Rupees Sixty Crores only) comprising of 30,00,00,000 equity shares of Rs. 2/- each to Rs. 70,00,00,000 (Rupees Seventy Crores) divided into 35,00,00,000 (Thirty Five Crores) Equity Shares of Rs. 2/- each.

During the year under review, 1,23,708 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, 2020 was Rs. 53,90,18,974/- (Rupees Fifty three crores ninety lakhs eighteen thousand nine hundred seventy four) comprising of 26,95,09,487 equity shares of Rs. 2/- each.

Further, after end of the financial year on March 31, 2020 and till the date of this report i.e. May 26, 2020 your Company had allotted 65,017 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, 2019 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.

During the year under review, the Nomination and Remuneration Committee of Directors of the Company ("NRC") granted 1,15,420 stock options to Mr. Mohit Talwar, Managing Director with effect from April 1, 2019 and 32,010 Stock Options to Mr. Jatin Khanna, Chief Financial Officer of the Company with effect from July 2, 2019 which will vest with them in a graded manner. Further, the NRC granted 33,855 Stock Options to Mr. Jatin Khanna, Chief Financial Officer of the Company with effect from April 3, 2020 which will vest with him in a graded manner.

## DIRECTORS

As on date of this report, the Board of Directors of your Company comprised of 8 (eight) members with 1 (one) Executive Director and 7 (seven) Non-Executive Directors of which 5 (five) are independent. Mr. Analjit Singh (DIN: 00029641), Chairman of the Company is a Non Executive Promoter Director.

Mr. Ashwani Windlass and Mr. Sanjay Omprakash Nayar non-executive directors of the Company, resigned from the Board of the Company with effect from January 16, 2020 and February 6, 2020 respectively. Your Directors place their deep appreciation for the valuable contributions made by Mr. Ashwani Windlass and Mr. Sanjay Nayar during their association with the Company.

Mrs. Naina Lal Kidwai was appointed as an Independent Director of the Company for a period of five years with effect from January 15, 2016. The five year tenure of Mrs. Naina Lal Kidwai as Independent Director of the Company shall be completed on January 14, 2021.

In accordance with the Section 149(10) of the Companies Act, 2013 and the SEBI Listing Regulations, an Independent Director shall hold office for a term up to 5 (five) consecutive years on the Board of the Company and shall be eligible for re-appointment for another term of up to five consecutive years on passing of a special resolution by the Company.

Your directors recommend the re-appointment of Mrs. Naina Lal Kidwai as an Independent Director on the Board of the Company for another term of five years.

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

Brief profiles of aforesaid directors are annexed to the Notice convening the Annual General Meeting.

The Board met six times during the financial year 2019-20:

S.No.	Date	Board Strength	No. of Directors present
1	May 28, 2019	10	5
2	August 6, 2019	10	7
3	November 6, 2019	10	7
4	February 5, 2020	9	6
5	February 20, 2020	8	7
6	March 3, 2020	8	4

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. Aman Mehta (DIN: 00009364) Mr. Dinesh Kumar Mittal (DIN: 00040000), Mr. Jai Arya (DIN: 0008270093) and Sir Charles Richard Vernon Stagg (DIN: 07176980).

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 four times during the financial year 2019-20, viz. on May 28, 2019, August 6, 2019, November 6, 2019 and February 5, 2020. The Committee, as on March 31, 2020, comprised of Mr. D.K. Mittal (Chairman), Mr. Aman Mehta, 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 once during the financial year 2019-20, viz. on May 28, 2019. The Committee, as on March 31, 2020, comprised of Mrs. Naina Lal Kidwai (Chairman), Mr. Aman Mehta, Mr. Analjit Singh and Mr. D.K. Mittal.

#### 3. Investment & Finance Committee:

The Committee met three times during the financial year 2019-20, viz. on May 28, 2019, August 6 2019 and November 6, 2019. As most of the matters mandated to the Investment and Finance Committee were required to be statutorily considered by Audit Committee and the Board, the Board disbanded the Investment and Finance Committee with effect from February 5, 2020.

#### 4. Corporate Social Responsibility Committee:

As on March 31, 2020, this Committee comprised of Mr. Aman Mehta, Mr. D.K. Mittal, Mrs. Naina Lal Kidwai, Mr. Jai Arya and Mr. Mohit Talwar.

Due to the lock down declared by the Central Government due to Covid-19 Pandemic, the meeting of the Committee which was scheduled to be held on March 24, 2020 could not be held for want of quorum. The said meeting of the Committee was held on May 26, 2020 through video conferencing.

#### 5. Stakeholders' Relationship Committee:

The Committee met three times during the financial year 2019-20, viz. on May 28, 2019, August 6, 2019 and November 6, 2019. The Committee, as on March 31, 2020, comprised of Mr. Sahil Vachani (Chairman), Mr. D.K. Mittal and Mr. Mohit Talwar.

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

As on March 31, 2020, this Committee comprised of Mr. Aman Mehta, Mr. D.K. Mittal, Mrs. Naina Lal Kidwai, Mr. Jai Arya and Mr. Mohit Talwar. Due to the lock down declared by the Central Government due to Covid-19 Pandemic, the meeting of the Committee which was scheduled to be held on March 24, 2020 could not be held for want of quorum. The said meeting of the Committee was held on May 26, 2020 through video conferencing.

#### 7. Independent Directors:

The Board of Directors included 5 Independent Directors as on March 31, 2020 viz. Mr. Aman Mehta, Mr. Dinesh Kumar Mittal, Mrs. Naina Lal Kidwai, Mr. Jai Arya and Sir Charles Richard Vernon Stagg. The Independent Directors had a separate meeting through video conferencing on May 26, 2020. 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 Companies Act, 2013 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, Mr. Jatin Khanna, Chief Financial Officer and Mr. V. Krishnan, 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, 2020, there were 9 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 crores 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 from whom the Company has been receiving dividend, from time to time, discharged its CSR responsibilities for the financial year 2019-20, 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, the Company is not mandatorily required to spend on Corporate Social Responsibility for the financial year 2019-20. However, the Company has voluntarily made 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 6 and 7 respectively, to the standalone financial statements of the Company for the FY 2019-20.

### **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 is Annexed to this Report as **Annexure - 7**. Further, 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 Number: 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.

Your directors recommend the appointment of M/s Deloitte Haskins and Sells, LLP, Chartered Accountants (Firm Registration Number: 117366W/W-100018), for a further term of five years from the conclusion of 32<sup>nd</sup> AGM till the conclusion of 37<sup>th</sup> AGM to be held in the year 2025 in terms of Section 139 and 142 of the Companies Act, 2013. The Company received a written consent from M/s. Deloitte Haskins & Sells, LLP, Chartered Accountants, as required under Section



139 of the Act and a certificate to the effect that their appointment, if may, would be in accordance with the limits prescribed under Section 141 of the Act.

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 2019-20 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, Practising Company Secretaries, New Delhi as its Secretarial Auditors to conduct the secretarial audit of the Company for the FY 2019-20. The Company provided all assistance and facilities to the Secretarial Auditor for conducting their audit. The Report of Secretarial Auditor for the FY 2019-20 is annexed to this report as **Annexure - 8**.

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

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

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 an ongoing transaction with Max Life Insurance Company Limited for allowing usage of trademarks without any consideration and an approval has already been obtained from shareholders of the Company in 2016 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 - 9**.

The details of all the Related Party Transactions form part of Note no. 32 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. 437.23 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, 2020 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.

#### **Transfer of Unclaimed Dividend and Shares to the Investor Education and Protection Fund**

The Company had paid interim dividend in FY2012-13 and the unpaid dividend was transferred to a separate account in same year within prescribed time. After

completion of 7 years, the unpaid amounts still lying in the said account were transferred to the Investor Education and Protection Fund, along with respective shares on which such dividend remains unpaid.

#### **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 necessary reminders to concerned shareholders, and subsequently such shares were transferred to the Unclaimed Suspense Account.

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

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

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

S. No.	Particulars	No. of Shareholders	No. of Equity Shares
1.	Aggregate number of shareholders and the outstanding shares originally lying in the Unclaimed Suspense Account <b>(as at beginning of the financial year i.e. April 1, 2019)</b>	2177	4,66,895
2.	Number of shareholders who approached listed entity for transfer of shares from the Unclaimed Suspense Account during the year	*1681	*3,47,385
3.	Number of shareholders to whom shares were transferred from the Unclaimed Suspense Account, during the year	* 1681	*3,47,385
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, 2020)</b>	496	1,19,510

\*This includes 1,667 shareholders comprising of 3,43,985 equity shares transferred to Investor Education and Protection Fund.

Till date of this report, the Company has approved overall 1707 such claims from shareholders, comprising 3,55,800 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**

Franschhoek, South Africa  
May 26, 2020

**Analjit Singh**  
Chairman  
DIN: 00029641

## Annexure 1 to the Directors' Report

**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**

As on financial year ended on 31.03.2020

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:**

CIN	L24223PB1988PLC008031
Registration Date	24-02-1988
Name of the Company	Max Financial Services Limited
Category / Sub-category	Public Company Limited by Shares; Indian Non-Government Company
Address of the Registered office & contact details	Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144 533 Phone : 01881-462000 Fax : 01881-273607 E-mail : <a href="mailto:investorhelpline@maxindia.com">investorhelpline@maxindia.com</a>
Whether listed company	Listed Company
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 : <a href="mailto:info@masserv.com">info@masserv.com</a>

**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 4.1% and 95.9% of total turnover of the Company.

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

As on March 31, 2020, 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	72.52%	2 (87) of the Companies Act, 2013

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

Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% 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	420333	0	420,333	0.16	420333	0	420333	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.	75883275	0	75883275	28.17	75883275	0	75883275	28.17	(1.96)
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>76303608</b>	<b>0</b>	<b>76303608</b>	<b>28.33</b>	<b>76303608</b>	<b>0</b>	<b>76303608</b>	<b>28.32</b>	<b>(0.01)</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	83171900	400	83172300	30.87	73172275	400	73172675	27.15	(3.72)
b) Banks / FI	175718	13250	188968	0.07	341926	13250	355176	0.13	0.06
c) Alternate Investment Funds	2533034	0	2533034	0.94	4558549	0	4558549	1.69	0.75
d) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
e) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
f) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
h) FIs	10388572	0	10388572	3.86	1428521	0	1428521	0.53	(3.33)
i) Foreign Portfolio Investors	70025154	0	70025154	25.99	81079839	0	81079839	30.08	4.09
j) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
k) Others (specify) FDI	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>166294378</b>	<b>13650</b>	<b>166308028</b>	<b>61.74</b>	<b>160581110</b>	<b>13650</b>	<b>160594760</b>	<b>59.58</b>	<b>(2.16)</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	2951963	60120	3012083	1.12	4736755	6220	4742975	1.76	0.64
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	18096153	1597968	19694121	7.31	20406371	926325	21332696	7.91	0.60
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	1535434	0	1535434	0.57	3407201	0	3407201	1.26	0.69
NBFCs registered with RBI	9386	0	9386	0.00	4701	0	4701	0.00	0.00
c) Others (specify)									
Non Resident Indians	1246333	15050	1261383	0.47	2056273	10760	2067033	0.77	0.30
Overseas Corporate Bodies	518	0	518	0.00	518	0	518	0.00	0.00
Foreign Nationals	0	0	0	0.00	0	0	0	0.00	0.00
Clearing Members	572553	0	572553	0.21	583165	0	583165	0.22	0.01
Trusts	4797	0	4797	0.00	41089	0	41089	0.01	0.01
Foreign Bodies - D R	0	0	0	0.00	0	0	0	0.00	0.00

Category-wise Share Holding									
Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Directors & their relatives	216973	0	216973	0.08	312231	0	312231	0.12	0.04
Unclaimed Suspense Account	466895	0	466895	0.17	119510	0	119510	0.04	(0.13)
<b>Sub-total (B)(2):-</b>	<b>25101005</b>	<b>1673138</b>	<b>26774143</b>	<b>9.94</b>	<b>31667814</b>	<b>943305</b>	<b>32611119</b>	<b>12.10</b>	<b>2.16</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>191395383</b>	<b>1686788</b>	<b>193082171</b>	<b>71.67</b>	<b>192248924</b>	<b>956955</b>	<b>193205879</b>	<b>71.68</b>	<b>0.01</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>267698991</b>	<b>1686788</b>	<b>269385779</b>	<b>100.00</b>	<b>268552532</b>	<b>956955</b>	<b>269509487</b>	<b>100.00</b>	<b>0.00</b>

## B) Shareholding of Promoter-

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2019]			Shareholding at the end of the year [As on 31-March-2020]			% 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	100000	0.04	0.00	100000	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	3675000	1.36	100.00	0	0.00	0.00	(1.36)
7.	Mohair Investment & Trading Co. (P) Ltd.	4690000	1.74	100.00	0	0.00	0.00	(1.74)
8.	@Max Ventures Investment Holdings P Ltd	67518275	25.06	76.27	75883275	28.16	95.29	3.10

@ Pursuant to Composite Scheme of Amalgamation and Arrangement approved by the Hon'ble National Company Law Tribunal, New Delhi vide its order pronounced on September 10, 2018, Liquid Investment & Trading Company Private Limited "Liquid Investment" and Mohair Investment and Trading Company Private Limited "Mohair Investment" (both of the Promoter Group Entities) merged with Max Ventures Investment Holdings Private Limited (another Promoter Group Entity) ("Max Ventures Investment"). The transfer of shares from the demat account of Liquid Investment and Mohair Investment into Max Ventures Investment, which were earlier under process, has been effected during the quarter ended March 2020. Therefore, the name of Liquid Investment and Mohair Investment which were earlier appearing under promoter group category as of March 31, 2019, were not appearing in the shareholding pattern of the Company for the year ended March 31, 2020.

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

SN	Particulars	Shareholding at the beginning of the year [As on 31-March-2019]		Cumulative Shareholding during the year [As on 31-March-2020]	
		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	10000	0.00	10000	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	100000	0.04	100000	0.04
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			100000	0.04
5.	<b>Mrs. 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
6.	<b>Liquid Investment &amp; Trading Co. P. Ltd.</b>				
	At the beginning of the year	3675000	1.36	3675000	1.36
	Increase / Decrease in Shareholding during the year (Shares transferred to Max Ventures Investment Holdings Pvt. Ltd. pursuant to Scheme of Amalgamation and Arrangement explained above)	(3675000)	1.36	0	0.00
	At the end of the year			0	0.00
7.	<b>Mohair Investment &amp; Trading Co. P. Ltd.</b>				
	At the beginning of the year	4690000	1.74	4690000	1.74
	Increase / Decrease in Shareholding during the year (Shares transferred to Max Ventures Investment Holdings Pvt. Ltd. pursuant to Scheme of Amalgamation and Arrangement explained above)	(4690000)	1.74	0	0.00
	At the end of the year			0	0.00
8.	<b>Max Ventures Investment Holdings P. Ltd.</b>				
	At the beginning of the year	67518275	25.06	67518275	25.06
	Increase / Decrease in Shareholding during the year (shares acquired from Liquid Investment & Trading Co. Pvt. Ltd. and Mohair Investment & Trading Co. Pvt. Ltd., pursuant to Scheme of Amalgamation and Arrangement explained above)	8365000	3.10	75883275	28.16
	At the end of the year			75883275	28.16



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

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31-March-2019]		Cumulative Shareholding during the Year [As on 31-March-2020]	
		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> <b>PAN: AAFCK8877M</b>				
	At the beginning of the year	18070048	6.71	-	-
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year	-	-	18070048	6.70
2.	<b>Mirae Asset Tax Saver Fund</b> <b>PAN: AACTM0203B</b>	4601640	1.70	-	-
	At the beginning of the year			-	-
	Increase / Decrease in Shareholding during the year				
	05.04.2019	426656	0.16	5028296	1.86
	12.04.2019	104000	0.04	5132296	1.90
	19.04.2019	386448	0.14	5518744	2.04
	26.04.2019	100000	0.04	5618744	2.08
	17.05.2019	451859	0.17	6070603	2.25
	24.05.2019	28700	0.00	6099303	2.25
	31.05.2019	130406	0.05	6229709	2.30
	07.06.2019	529585	0.19	6759294	2.49
	14.06.2019	679238	0.25	7438532	2.74
	21.06.2019	443244	0.16	7881776	2.90
	28.06.2019	201200	0.07	8082976	2.97
	05.07.2019	1123128	0.41	9206104	3.38
	12.07.2019	1300	0.00	9207404	3.38
	19.07.2019	135000	0.05	9342404	3.43
	26.07.2019	50000	0.02	9392404	3.45
	02.08.2019	367599	0.13	9760003	3.58
	09.08.2019	17000	0.00	9777003	3.58
	16.08.2019	122500	0.04	9899503	3.62
	23.08.2019	(47399)	0.01	9852104	3.61
	30.08.2019	300000	0.11	10152104	3.72
	06.09.2019	248592	0.09	10400696	3.81
	13.09.2019	1188456	0.44	11589152	4.25
	20.09.2019	550000	0.20	12139152	4.45
	27.09.2019	200000	0.08	12339152	4.53
	04.10.2019	576237	0.22	12915389	4.75
	11.10.2019	100000	0.04	13015389	4.79
	18.10.2019	8393	0.00	13023782	4.79
	25.10.2019	403550	0.16	13427332	4.95
	01.11.2019	(40000)	0.01	13387332	4.94
	08.11.2019	36000	0.01	13423332	4.95
	15.11.2019	(4800)	0.00	13418532	4.95
	22.11.2019	(69500)	0.02	13349032	4.93
	29.11.2019	58300	0.02	13407332	4.95
	06.12.2019	1930778	0.73	15338110	5.68
	13.12.2019	60000	0.02	15398110	5.70
	20.12.2019	(2160779)	0.80	13237331	4.90
	27.12.2019	150000	0.06	13387331	4.96
	03.01.2020	425000	0.17	13812331	5.13
	10.01.2020	20000	0.00	13832331	5.13
	17.01.2020	150000	0.05	13982331	5.18
	24.01.2020				
	31.01.2020				
	07.02.2020				
	14.02.2020				
	21.02.2020				
	28.02.2020				
	06.03.2020				
	13.03.2020				
	20.03.2020				
	27.03.2020				
	At the end of the year	-	-	13982331	5.18

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31-March-2019]		Cumulative Shareholding during the Year [As on 31-March-2020]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	<b>HDFC Trustee Company Ltd. A/c HDFC Capital Builder Value Fund PAN: AAATH1809A</b>				
	At the beginning of the year	11562600	4.29	-	-
	Increase / Decrease in Shareholding during the year	100000	0.04	11662600	4.33
	24.05.2019	335600	0.12	11998200	4.45
	14.06.2019	100000	0.04	12098200	4.49
	21.06.2019	500000	0.19	12598200	4.68
	12.07.2019	7200	0.00	12605400	4.68
	19.07.2019	250000	0.09	12855400	4.77
	17.09.2019	95000	0.03	12950400	4.80
	27.09.2019	(358000)	0.14	12592400	4.66
	22.11.2019	8800	0.00	12601200	4.66
	06.12.2019	7200	0.00	12608400	4.66
	13.12.2019	(56000)	0.03	12552400	4.63
	27.12.2019	13016	0.00	12565416	4.63
	10.01.2020	(203458)	0.07	12361958	4.56
	28.02.2020	(277186)	0.11	12084772	4.45
	06.03.2020	700000	0.27	12784772	4.72
	13.03.2020	200000	0.07	12984772	4.79
	20.03.2020	106500	0.03	13091272	4.82
	26.03.2020	(58300)	0.01	13032972	4.83
	27.03.2020	(6739)	0.00	13026233	4.83
	31.03.2020				
	At the end of the year	-	-	13026233	4.83
4.	<b>Reliance Capital Trustee Co Ltd. A/c Nippon India Growth Fund PAN: AAATR0090B</b>				
	At the beginning of the year	15429537	5.73	-	-
	Increase / Decrease in Shareholding during the year	(159952)	0.06	15269585	5.67
	05.04.2019	3456	0.00	15273041	5.67
	12.04.2019	1344	0.00	15274385	5.67
	19.04.2019	(9616)	0.00	15264769	5.67
	26.04.2019	386	0.00	15265155	5.67
	03.05.2019	(75506)	0.03	15189649	5.64
	10.05.2019	960	0.00	15190609	5.64
	17.05.2019	451	0.00	15191060	5.64
	24.05.2019	5328	0.00	15196388	5.64
	31.05.2019	1152	0.00	15197540	5.64
	07.06.2019	(468185)	0.17	14729355	5.47
	14.06.2019	(280472)	0.10	14448883	5.37
	21.06.2019	(19835)	0.00	14429048	5.37
	28.06.2019	(90560)	0.03	14338488	5.34
	05.07.2019	624	0.00	14339112	5.34
	12.07.2019	1315	0.00	14340427	5.34
	19.07.2019	576	0.00	14341003	5.34
	26.07.2019	34	0.00	14341037	5.34
	02.08.2019	1248	0.00	14342285	5.34
	09.08.2019	240	0.00	14342525	5.34
	16.08.2019	174279	0.07	14516804	5.41
	23.08.2019	(1109062)	0.41	13407742	5.00
	29.08.2019	288	0.00	13408030	5.00
	30.08.2019	144	0.00	13408174	5.00
	06.09.2019	56336	0.02	13464510	5.02
	13.09.2019	192	0.00	13464702	5.02
	17.09.2019	144	0.00	13464846	5.02
	20.09.2019	411713	0.15	13876559	5.17
	27.09.2019	25192	0.01	13901751	5.18
	04.10.2019	1152	0.00	13902903	5.18
	11.10.2019	288	0.00	13903191	5.18
	18.10.2019	432	0.00	13903623	5.18
	01.11.2019				

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31-March-2019]		Cumulative Shareholding during the Year [As on 31-March-2020]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	08.11.2019	144	0.00	13903767	5.18
	15.11.2019	(319600)	0.12	13584167	5.06
	22.11.2019	(589)	0.00	13583578	5.06
	29.11.2019	(12421)	0.00	13571157	5.06
	06.12.2019	(2301)	0.11	13568856	5.06
	13.12.2019	31246	0.01	13600102	5.07
	20.12.2019	(193971)	0.07	13406131	5.00
	27.12.2019	(297837)	0.11	13108294	4.89
	31.12.2019	47	0.00	13108341	4.89
	03.01.2020	(599560)	0.22	12508781	4.67
	10.01.2020	146	0.00	12508927	4.67
	17.01.2020	402448	0.15	12911375	4.82
	24.01.2020	(158689)	0.06	12752686	4.76
	31.01.2020	(1584)	0.00	12751102	4.76
	07.02.2020	(997499)	0.37	11753603	4.39
	14.02.2020	336	0.00	11753939	4.39
	21.02.2020	(2208)	0.00	11751731	4.39
	28.02.2020	(150216)	0.06	11601515	4.33
	06.03.2020	(198560)	0.07	11402955	4.26
	13.03.2020	(561895)	0.23	10841060	4.03
	20.03.2020	(4697)	0.00	10836363	4.03
	26.03.2020	(329)	0.00	10836034	4.03
	31.03.2020	(222509)	0.09	10613525	3.94
	At the end of the year	-	-	10613525	3.94
5.	<b>ICICI Prudential Equity &amp; Debt Fund PAN: AAAAI0038F</b>				
	At the beginning of the year	12540097	4.65	-	-
	Increase / Decrease in Shareholding during the year	12172	0.00	12552269	4.65
	17.05.2019	86	0.00	12552355	4.65
	24.05.2019	(1261662)	0.47	11290693	4.18
	05.07.2019	(331641)	0.12	10959052	4.06
	12.07.2019	(429056)	0.16	10529996	3.90
	19.07.2019	(737968)	0.27	9792028	3.63
	26.07.2019	(64925)	0.02	9727103	3.61
	02.08.2019	(2500175)	0.93	7226928	2.68
	09.08.2019	(429677)	0.16	6797251	2.52
	16.08.2019	(56238)	0.02	6741013	2.50
	23.08.2019	590771	0.22	7331784	2.72
	29.08.2019	(218400)	0.08	7113384	2.64
	30.08.2019	339600	0.13	7452984	2.77
	06.09.2019	(305824)	0.11	7147160	2.66
	27.09.2019	88	0.00	7147248	2.66
	30.09.2019	88	0.00	7147336	2.66
	04.10.2019	88	0.00	7147424	2.66
	11.10.2019	13	0.00	7147437	2.66
	18.10.2019	88	0.00	7147525	2.66
	25.10.2019	(170398)	0.06	6977127	2.60
	01.11.2019	(674410)	0.25	6302717	2.35
	08.11.2019	(234669)	0.09	6068048	2.26
	15.11.2019	(165243)	0.06	5902805	2.20
	22.11.2019	(50298)	0.02	5852507	2.18
	06.12.2019	(15519)	0.00	5836988	2.18
	27.12.2019	(322319)	0.12	5514669	2.06
	10.01.2020	2137490	0.79	7652159	2.85
	17.01.2020	726926	0.27	8379085	3.12
	24.01.2020	1894	0.00	8380979	3.12
	31.01.2020	664282	0.25	9045261	3.37
	07.02.2020	(2)	0.00	9045259	3.37
	14.02.2020	(300126)	0.11	8745133	3.26
	06.03.2020	116338	0.04	8861471	3.30
	13.03.2020	9981	0.00	8871452	3.30
	20.03.2020	629	0.00	8872081	3.30
	26.03.2020	44	0.00	8872125	3.30
	27.03.2020	375592	0.13	9247717	3.43
	31.03.2020				
	At the end of the year	-	-	9247717	3.43

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31-March-2019]		Cumulative Shareholding during the Year [As on 31-March-2020]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6.	<b>Baron Emerging Markets Fund</b> <b>PAN: AACEB4051F</b>				
	At the beginning of the year	7289005	2.70	-	-
	Increase / Decrease in Shareholding during the year				
	05.04.2019	188248	0.07	7477253	2.77
	12.04.2019	78752	0.03	7556005	2.80
	07.06.2019	188803	0.07	7744808	2.87
	26.07.2019	(50000)	0.02	7694808	2.85
	29.08.2019	273570	0.10	7968378	2.95
	10.01.2020	735684	0.27	8704062	3.22
	28.02.2020	348190	0.13	9052252	3.35
	20.03.2020	(58510)	0.02	8993742	3.33
	31.03.2020	(103201)	0.03	8890541	3.30
	At the end of the year	-	-	8890541	3.30
7.	<b>Kotak Equity Opportunities Fund</b> <b>PAN: AAATK4475F</b>				
	At the beginning of the year	4536782	1.68	-	-
	Increase / Decrease in Shareholding during the year				
	05.04.2019	19200	0.00	4555982	1.68
	12.04.2019	87600	0.03	4643582	1.71
	19.04.2019	69600	0.02	4713182	1.73
	26.04.2019	34800	0.01	4747982	1.74
	03.05.2019	98400	0.04	4846382	1.78
	10.05.2019	15600	0.00	4861982	1.78
	17.05.2019	3600	0.00	4865582	1.78
	24.05.2019	8400	0.00	4873982	1.78
	31.05.2019	92400	0.04	4966382	1.82
	07.06.2019	49200	0.02	5015582	1.84
	14.06.2019	(18000)	0.00	4997582	1.84
	21.06.2019	(128400)	0.05	4869182	1.79
	28.06.2019	42000	0.02	4911182	1.81
	05.07.2019	118800	0.04	5029982	1.85
	12.07.2019	120285	0.04	5150267	1.89
	19.07.2019	148800	0.05	5299067	1.94
	26.07.2019	6000	0.00	5305067	1.94
	02.08.2019	(136393)	0.05	5168674	1.89
	09.08.2019	567258	0.21	5735932	2.10
	16.08.2019	243106	0.09	5979038	2.19
	23.08.2019	(378337)	0.14	5600701	2.05
	29.08.2019	(63600)	0.02	5537101	2.03
	30.08.2019	85200	0.03	5622301	2.06
	06.09.2019	284400	0.11	5906701	2.17
	13.09.2019	208000	0.08	6114701	2.25
	17.09.2019	246027	0.09	6360728	2.34
	20.09.2019	51346	0.02	6412074	2.36
	27.09.2019	503600	0.19	6915674	2.55
	30.09.2019	97200	0.04	7012874	2.59
	11.10.2019	(211671)	0.08	6801203	2.51
	18.10.2019	(2800)	0.00	6798403	2.51
	25.10.2019	(105600)	0.04	6692803	2.47
	01.11.2019	415416	0.15	7108219	2.62
	08.11.2019	766187	0.28	7874406	2.90
	15.11.2019	837600	0.31	8712006	3.21
	22.11.2019	213600	0.08	8925606	3.29
	29.11.2019	279100	0.10	9204706	3.39
	06.12.2019	135828	0.05	9340534	3.44
	13.12.2019	21600	0.01	9362134	3.45
	20.12.2019	66300	0.02	9428434	3.47
	27.12.2019	(18600)	0.00	9409834	3.47
	10.01.2020	(406900)	0.15	9002934	3.32
	17.01.2020	(213200)	0.08	8789734	3.24
	24.01.2020	287300	0.11	9077034	3.35
	31.01.2020	231400	0.09	9308434	3.44
	07.02.2020	(656500)	0.24	8651934	3.20
	14.02.2020	92500	0.03	8744434	3.23
	21.02.2020	98700	0.04	8843134	3.27
	28.02.2020	(2070900)	0.77	6772234	2.50
	06.03.2020	1467200	0.54	8239434	3.04
	13.03.2020	225600	0.08	8465034	3.12
	20.03.2020	48213	0.02	8513247	3.14
	26.03.2020	102000	0.05	8615247	3.19
	27.03.2020	3900	0.00	8619147	3.19
	At the end of the year	-	-	8619147	3.19

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31-March-2019]		Cumulative Shareholding during the Year [As on 31-March-2020]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
8.	<b>*WF Asian Smaller Companies Fund Limited</b> <b>PAN: AAACW5648R</b>				
	At the beginning of the year	4000636	1.48	-	-
	Increase / Decrease in Shareholding during the year	1260000	0.47	5260636	1.95
	06.03.2020	1701313	0.63	6961949	2.58
	13.03.2020				
	At the end of the year	-	-	6961949	2.58
9.	<b>New York Life Insurance Company</b> <b>PAN: AAECN2229H</b>				
	At the beginning of the year	5336982	1.98	-	-
	Increase / Decrease in Shareholding during the year	688000	0.25	6024982	2.23
	31.03.2020				
	At the end of the year	-	-	6024982	2.23
10.	<b>Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Equity Fund</b> <b>PAN: AAATB0102C</b>				
	At the beginning of the year	6987968	2.59	-	-
	Increase / Decrease in Shareholding during the year	82000	0.03	7069968	2.62
	24.05.2019	100000	0.04	7169968	2.66
	21.06.2019	225000	0.08	7394968	2.74
	09.08.2019	6200	0.00	7401168	2.74
	06.09.2019	(238362)	0.09	7162806	2.65
	22.11.2019	292000	0.11	7454806	2.76
	29.11.2019	381417	0.14	7836223	2.90
	06.12.2019	108427	0.04	7944650	2.94
	13.12.2019	178449	0.07	8123099	3.01
	20.02.2019	36854	0.01	8159953	3.02
	03.01.2020	145097	0.05	8305050	3.07
	10.01.2020	20000	0.01	8325050	3.08
	17.01.2020	(85000)	0.03	8240050	3.05
	07.02.2020	(77100)	0.03	8162950	3.02
	21.02.2020	(2015765)	0.75	6147185	2.27
	28.02.2020	(1106230)	0.41	5040955	1.86
	06.03.2020	(29756)	0.01	5011199	1.85
	20.03.2020	84692	0.04	5095891	1.89
	26.03.2020	(35063)	0.01	5060828	1.88
	31.03.2020				
	At the end of the year	-	-	5060828	1.88
11.	<b>Government Pension Fund</b> <b>PAN: AACCN1454E</b>				
	At the beginning of the year	5363939	1.99	-	-
	Increase / Decrease in Shareholding during the year	(519319)	0.19	4844620	1.80
	10.01.2020	(936873)	0.35	3907747	1.45
	17.01.2020				
	At the end of the year	-	-	3907747	1.45

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year [As on 31-March-2019]		Cumulative Shareholding during the Year [As on 31-March-2020]	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12.	<b>Motilal Oswal Midcap 100 ETF PAN:AACTM3577A</b>				
	At the beginning of the year	10690647	3.97	-	
	Increase / Decrease in Shareholding during the year				
	05.04.2019	154	0.00	10690801	3.97
	12.04.2019	(4800)	0.00	10686001	3.97
	19.04.2019	65	0.00	10686066	3.97
	26.04.2019	(528052)	0.20	10158014	3.77
	10.05.2019	(198)	0.00	10157816	3.77
	24.05.2019	66	0.00	10157882	3.77
	31.05.2019	66	0.00	10157948	3.77
	07.06.2019	(160846)	0.06	9997102	3.71
	28.06.2019	(25)	0.00	9997077	3.71
	12.07.2019	66	0.00	9997143	3.71
	19.07.2019	(303000)	0.11	9694143	3.60
	26.07.2019	(615164)	0.23	9078979	3.37
	02.08.2019	66	0.00	9079045	3.37
	09.08.2019	25066	0.01	9104000	3.38
	16.08.2019	66	0.00	9104177	3.38
	29.08.2019	(567868)	0.21	8536309	3.17
	30.08.2019	(337360)	0.12	8198949	3.05
	06.09.2019	(772574)	0.29	7426375	2.76
	13.09.2019	(4100000)	1.52	3326375	1.24
	17.09.2019	(469934)	0.17	2856441	1.07
	20.09.2019	(308474)	0.11	2547967	0.96
	27.09.2019	(1570296)	0.58	977671	0.38
	30.09.2019	(382)	0.00	977289	0.38
	04.10.2019	388	0.00	977677	0.38
	11.10.2019	40	0.00	977717	0.38
	18.10.2019	126	0.00	977843	0.38
	25.10.2019	27	0.00	977870	0.38
	15.11.2019	(6000)	0.00	971870	0.38
	13.12.2019	63	0.00	971933	0.38
	20.12.2019	63	0.00	971996	0.38
	27.12.2019	(71)	0.00	971925	0.38
	31.12.2019	77	0.00	972002	0.38
	03.01.2020	(19)	0.00	971983	0.38
	10.01.2020	126	0.00	972109	0.38
	17.01.2020	315	0.00	972424	0.38
	24.01.2020	189	0.00	972613	0.38
	31.01.2020	477	0.00	973090	0.38
	07.02.2020	441	0.00	973531	0.38
	28.02.2020	63	0.00	973594	0.38
	13.03.2020	(49379)	0.02	924215	0.36
	20.03.2020	252	0.00	924467	0.36
	26.03.2020	252	0.00	924719	0.36
	31.03.2020	(96072)	0.05	828647	0.31
	At the end of the year	-	-	828647	0.31

\* become shareholder with effect from 28.02.2020

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

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year [As on 31-March-2019]		Cumulative Shareholding during the year [As on 31-March-2020]	
		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	1,59,523	0.06	1,59,523	0.06
	Increase / Decrease in Shareholding during the year @19.04.2019	12,958	0.00	1,72,481	0.06
	@10.12.2019	1,10,750	0.04	2,83,231	0.10
	At the end of the year			2,83,231	0.10
2	<b>#Mr. Ashwani Windlass, NED</b>				
	At the beginning of the year	28,450	0.01	28,450	0.01
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			0	0.00
3.	<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
4.	<b>^Mrs. Sujatha Ratnam, CFO</b>				
	At the beginning of the year	100	0.00	100	0.00
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			0	0.00
5.	<b>*Mr. Jatin Khanna, CFO</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			10,000	0.00
6.	<b>\$Mr. V. Krishnan, CS</b>				
	At the beginning of the year	5100	0	5100	0.00
	Increase / Decrease in Shareholding during the year	-	-	-	-
	At the end of the year			5100	0.00

@ allotment of equity shares under ESOP

# resigned from the Board of Directors w.e.f. January 16, 2020

^ resigned from the position of CFO w.e.f. June 30, 2019

\* appointed as the CFO w.e.f. July 1, 2019

\$ appointed as the CS w.e.f. July 1, 2019

**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 Mr. Mohit Talwar Managing Director	Total Amount (Rs.)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	952,96,997	952,96,997
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 except stock options		
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL
2	Stock Options <sup>^</sup>	27,604,186	27,604,186
3	Sweat Equity		
4	Commission	NIL	NIL
	- as % of profit		
	- others, specify...		
5	Others:		
	- Company Contribution to PF	22,15,084	22,15,084
	- Medical Reimbursements	NIL	NIL
	- Medical Insurance Premium	69,680	69,680
	- Personal Accident Insurance Premium	460	460
	<b>Total</b>	<b>125,186,407</b>	<b>125,186,407</b>
	Ceiling as per the Act		NA

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

**B. Remuneration to other directors:**

Sl. 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. Ananjit Singh (NED)	Sahil Vachani (NED)	Mr. Jai Arya (ID)	Sir CRV Stagg (NED)	Total Amount
1	<b>Independent Directors (ID):</b>										
	Fee for attending board and committee meetings	5,00,000	--	10,00,000	17,00,000	NIL	NIL	NIL	3,00,000	2,00,000	37,00,000
	Commission (For FY 2018-19 paid during FY 2019-20)	30,00,000	26,05,479	30,00,000	30,00,000	NIL	NIL	NIL	11,34,247	4,02,740	1,31,42,466
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	<b>35,00,000</b>	<b>26,05,479</b>	<b>40,00,000</b>	<b>47,00,000</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>14,34,247</b>	<b>6,02,740</b>	<b>1,68,42,466</b>
2	<b>Other Non-Executive Directors (NED):</b>										
	Fee for attending board and committee meetings	NIL	NIL	NIL	NIL	10,00,000	4,00,000	5,00,000	NIL	NIL	19,00,000
	Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>10,00,000</b>	<b>4,00,000</b>	<b>5,00,000</b>	<b>NIL</b>	<b>NIL</b>	<b>19,00,000</b>
	<b>Total Remuneration = (1) + (2)</b>	<b>35,00,000</b>	<b>26,05,479</b>	<b>40,00,000</b>	<b>47,00,000</b>	<b>10,00,000</b>	<b>4,00,000</b>	<b>5,00,000</b>	<b>14,34,247</b>	<b>6,02,740</b>	<b>1,87,42,466</b>



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

Sl No.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs.)
		CEO	Mr. Jatin Khanna (CFO)	Mr. V.Krishnan (CS)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	--	81,79,818	96,38,401	178,18,219
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961 except stock options	--	29,700	24,300	54,000
	(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	-	360,000	377,854	737,854
	- Medical Reimbursements		--	--	--
	- Medical Insurance Premium	-	0	0	0
	- Personal Accident Insurance Premium		0	0	0
	<b>Total</b>	<b>-</b>	<b>86,21,784</b>	<b>100,92,821</b>	<b>187,14,605</b>

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

Franschhoek, South Africa  
May 26, 2020

On behalf of the Board of Directors  
**Max Financial Services Limited**  
**Analjit Singh**  
**Chairman**  
**DIN: 00029641**

## 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)

Sl. No.	Name of Subsidiary Company	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned	Reporting Currency and Exchange rate as on the last date of relevant financial year in the case of foreign subsidiaries	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	Extent of Shareholding (in %)
1	Max Life Insurance Company Limited	11 July, 2000	31 March, 2020	INR	191,881.29	68,058.38	7,177,242.53	6,917,302.86	6,847,068.71	1,839,088.76	59,784.00	5,846.80	53,937.20	-	72.52%

Part "B" - Associate Companies and Joint-Ventures

Not Applicable, as there are no Associates / Joint Ventures

Franschhoek, South Africa  
May 26, 2020

On behalf of Board of Directors  
for Max Financial Services Limited

Analjit Singh  
Chairman  
DIN: 00029641

## 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 payout 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 buyback 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 31<sup>st</sup> March, 2020

- A. Relevant disclosures in terms of the 'Guidance W 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. 29 of Standalone Financial Statements for the year ended 31<sup>st</sup> March, 2020.*

- 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. 10.11 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	Nil

- 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 :

- iv. Option movement during the year:

Number of options outstanding at the beginning of the period	1,31,015
Number of options granted during the year	1,47,430
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	1,23,708
Number of options exercised during the year	1,23,708
Number of shares arising as a result of exercise of options	1,23,708
Money realized by exercise of options (INR), if scheme is implemented directly by the company	3,44,91,316
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	1,54,737

- i. 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 FY2019-20 was Rs. 509.29 Further, the weighted average fair value of the outstanding options as on 31<sup>st</sup> March 2020 was Rs.85.25 For details, please refer to Note no. 29 of Standalone Financial Statements.*

- ii. Employee wise details of options granted - ESOPs were granted by the Company during the financial year 2019-20.

a) Senior Managerial Personnel	1,47,430
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

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

ESOPs were granted by the Company during the financial year 2019-20.

weighted-average values of share price (at time of grant)	1,15,420 options at the rate of Rs.422.07/- per option and 32,010 options at the rate of Rs.427.66 per option
exercise price	1,15,420 options at the rate of Rs.2/- per option and 32,010 options at the rate of Rs.404.45 per option
expected volatility	1,15,420 options – 42.82% 32,010 options – 35.30% to 37.09%
expected option life (in years)	1,15,420 options - 3 to 3.79 years 32,010 options – 3 to 6 years
expected dividends	NIL
risk-free interest rate	1,15,420 options - 6.66% to 6.93% 32,010 options - 6.58% to 7.09%
any other inputs to the model	
the method used and the assumptions made to incorporate the effects of expected early exercise	Black Scholes Option Pricing
how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Historical volatility
whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	NIL

On behalf of the Board of Directors  
**Max Financial Services Limited**

## 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, 2020**

- 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 FY19 (INR Cr.)	Remuneration for FY20 (INR Cr.)	% Increase in Remuneration in FY20 vs. FY19
1	Mr. Mohit Talwar <sup>1</sup>	Managing Director	9.74	12.52	29%
2	Mr. Jatin Khanna <sup>3</sup>	Chief Financial Officer	—	0.86	NA <sup>6</sup>
3	Mr. V Krishnan <sup>5</sup>	Company Secretary	—	1.01	NA <sup>6</sup>
4	Ms. Sujatha Ratnam <sup>2</sup>	Chief Financial Officer	2.05	3.32	NA <sup>6</sup>
5	Mr. Sandeep Pathak <sup>4</sup>	Company Secretary (MFSL)	0.86	0.19	NA <sup>6</sup>

<sup>1</sup> Mr. Mohit Talwar's remuneration includes the perquisite value of Rs. 2.76 crores, being the value of ESOPs exercised during the year under review against the ESOPs granted earlier (corresponding value in FY19 was Rs. 2.19 crores).

<sup>2</sup> Ms. Sujatha Ratnam had left the Company on June 30, 2019. Her remuneration for FY20 includes a one-time special payment of Rs 2.17 Crs.

<sup>3</sup> Mr. Jatin Khanna was appointed as the CFO in place of Ms. Sujatha Ratnam w.e.f. July 1, 2019.

<sup>4</sup> Mr. Sandeep Pathak got transferred out of the Company on June 30, 2019.

<sup>5</sup> Mr. Krishnan was appointed as the Company Secretary in place of Mr. Sandeep Pathak w.e.f. July 1, 2019.

<sup>6</sup> Since the KMPs changed during the year, the increase in remuneration for them is indeterminable.

- B. The Median Remuneration of Employees excluding Whole-time Directors ("MRE") was Rs. 50,47,311/- in FY 20 as against Rs. 40,37,881/- in FY19. The increase in MRE in FY 20 as compared to FY19 is around 25%.

Further, the Ratio of Remuneration of Mr Mohit Talwar (the only executive director as on March 31, 2019) to the MRE for FY20 is around 24.8:1

- C. The number of permanent employees on the rolls of the Company as on March 31, 2020 was 9, as against 12 permanent employees as on March 31, 2019.
- D. The average increase in fixed remuneration (excluding WTD remuneration) in FY20 over FY19 was around 7.56%. This was based on the industry benchmarks and approval of the Nomination and Remuneration Committee.
- E. The increase in fixed remuneration for WTD was 16% over previous year. Since both the KMPs (CFO & Company Secretary) changed during the year, the increase in fixed remuneration of KMPs is not determinable.

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 FY20, 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.

On behalf of the Board of Directors

**Max Financial Services Limited**

Franschhoek, South Africa  
May 26, 2020

**Analjit Singh**  
**Chairman**  
**DIN: 00029641**



## 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, 2020  
 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.) Held	Last Employment Organisation	Position held
<b>A. Employed throughout the year</b>										
1	Pai, Ramachandra Vishnu	53	Manager - Administration	Administration	2,514,164	B.Com	18.09.1995	32	Johnson & Johnson	Warehousing Supervisor
2	Ramsundar, K K	62	Admn. Assistant, Office of Founder & Chairman Emeritus	Administration	5,598,680	B.Com (P), PGDBA, PGDMM	02.07.1979	44	Ranbaxy Labs Limited	Steno Typist
3	Rao, Anuradha	61	Executive Assistant, Office of Founder & Chairman Emeritus	Executive Assistant	10,740,541	BA (Hons)	03.06.1987	41	Northern Engineering Industries (India) Limited	Assistant cum Secretary
4	Sethi, Jyoti	41	Secretary	Executive Assistant	1,504,377	Graduate	20.01.2017	17	Max Learning Limited	Executive Assistant
5	Soni Vinod	35	Assistant Manager - Facilities and F&B Manager	Administration	1,568,336	Post Graduation Certificate in Food Quality Management, Diploma in Hospitality & Tourism	20.04.2015	14	Faculty Food & Beverage Service	International Institute of Hotel Management
6	Talwar, Mohit	60	Managing Director	General Management	125,186,407	Post Graduate (Arts), Post Graduate (Hospitality Management)	01.11.2007	41	Standard Chartered Bank	Director & Head Wholesale Bank, East India
<b>B. Employed for part of the year</b>										
7	Das Akul	39	Executive Assistant	Executive Assistant	949,689	MBA	23.05.2013	14	Max India Limited	Executive Assistant
8	Khama Jatin	41	Chief Financial Officer	Finance	8,621,784	CA, PGP/MA/ISB	01.07.2019	20	Max India Limited	Chief Financial Officer
9	Khosla, Rahul	61	Executive President	General Management	90,665,426	BA (Hons), CA	18.08.2011	36	Visa	Group Head of Products
10	Krishnan, V	56	Company Secretary	Company Secretary	10,092,821	B.Com - FCS	01.07.2019	35	Max India Limited	Company Secretary
11	Pathak, Sandeep	40	Company Secretary (MFSL) & Head-Legal (Max Corp)	Company Secretary	1,947,820	B.Com (Hons), FCS, FCMA, ACA, LLB	05.07.2016	20	Sembcorp Green Infra Limited	General Manager - Company Secretary
12	Peter Rose Mary	54	Executive Assistant	Executive Assistant	6,091,103	BA	17.11.1986	33	Max India Limited	Executive Assistant
13	Ratnam, Sujatha	56	Chief Financial Officer	Corporate Treasury	33,216,612	B. Com (Hons), ACA	12.07.2004	31	Jubilant Organosys Ltd.	General Manager - Finance
14	Trehan, Vandana	45	Executive Assistant to Executive President	Executive Assistant	4,495,943	PGDBM	16.08.2011	20	TSYS International	Executive Assistant

**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 159,523 equity shares constituting 0.06% 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.

Franschhoek, South Africa  
 May 26, 2020

On behalf of the Board of Directors  
 for Max Financial Services Limited

Anajit Singh  
 Chairman  
 DIN: 00029641

## Annexure – 6 to the Directors' Report

## Business Responsibility Report

<b>Section A</b>	<b>General information about the Company</b>	
1	Corporate Identification Number	L24223PB1988PLC008031
2	Name of the Company	Max Financial Services Limited
3	Registered address	Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr Punjab 144533
4	Website	
5	Email address	<a href="mailto:investorhelpline@maxindia.com">investorhelpline@maxindia.com</a>
6	Financial year reported	1 April 2019 – 31 March 2020
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	1. Investments in subsidiaries (NIC Code – 64200) 2. 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. 53.90 crore
2	Total turnover	Rs. 495.02 crore (revenue from operations)
3	Total profit after tax	Rs. 278.55 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%]	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: Mr. Jatin Khanna Designation: CFO Telephone number: (011) 42598000 Email ID: <a href="mailto:jkhanna@maxindia.com">jkhanna@maxindia.com</a>
2	Principle-wise BR policy/policies	Included in this BR Report
3	Governance related to BR	Included in this BR Report
<b>Section E</b>	<b>Principle-wise performance</b>	
1	Principle-wise performance	Included in this BR 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 BRR in line with the requirements of SEBI. This BRR provides information on key initiatives undertaken by the Company and / or its subsidiary. It further reflects the environmental, social and governance (ESG) practices of the Company highlighting its key business values and the positive impact it has created in the communities it operates in.

MFSL is the holding company of Max Life Insurance Company Limited (an unlisted material subsidiary), which continued to work with Max India Foundation (MIF), the Corporate Social Responsibility arm of the Max Group, to implement its CSR programme in the focus areas of education, 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 are shared across the Group – Sevabhav (spirit of service), Excellence and Credibility.

Since its inception in 2008, MIF has focused on providing quality healthcare for underprivileged communities in the country benefitting almost 35 lakh individuals

in over 800 locations, in collaboration with more than 450 NGO partners.

In April 2019, MIF renewed its focus towards plugging the gaps in India's education system, particularly in areas of value-based education and quality schooling. Thus, in addition to supporting NGOs and organisations in the area of foundational learning, MIF also directly drives and coordinates the science and practice of Social, Emotional Ethical (SEE) Learning, which fosters holistic education and the development of emotional intelligence for students and educators.

**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.

As on March 31, 2020, MFSL's subsidiary, Max Life has an optimum combination of executive, non-executive and independent directors on its Board which comprises of 2 executive directors, 7 non-executive (non-independent) directors and 4 independent directors.

Max Life Insurance Company Limited is a registered Life Insurance Company regulated by the Insurance Regulatory and Development Authority of India (IRDAI or Authority). It's compliance function acts as a second line of defense and is responsible for monitoring the adequacy of the compliance framework across the Company through an integrated risk-based compliance audit plan. Key issues observed as part of this monitoring are reported to the Board Audit Committee, and

implementation of recommendations is actively monitored. Additionally, a quarterly compliance self-certification is driven and monitored through an automated Compliance Management System. Based on the confirmations from respective functions, a compliance status report is placed before the Board Audit Committee, Risk Committee and the Board of directors.

**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. Several efforts around optimizing energy consumption, reducing wastage and recycling have been undertaken at Max Life Insurance Company, that tie back to its focus on key **Environmental, Social, and Governance (ESG) practices**.

As an example, Max Life, a subsidiary of MFSL, has implemented sustainable practices within the offices to ensure a reduction of 23% in paper usage, 36% garbage, and 50% food wastage. Other initiatives undertaken include usage of 100% recycled water at the Head Office, monitoring of food wastage and placement of indoor plants that has helped forward the environmental commitment of the organisation. Digitization efforts also have the potential to promote sustainable business practices. For our operations, it offers opportunities to build efficiencies and enable prudent use of resources while minimizing the impact on the environment. As an example, Max Life has worked on removing physical paper from their journeys through OTPs and digital signatures.

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

As of March 31, 2020, MFSL had a total of 9 employees, which included 2 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 including providing requisite training. Employees are also given opportunities to move across other Group companies to get wider exposure.

Furthering the social practices under its ESG framework, 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 2019-20 and none were pending as of 31 March 2020. The Company does not have any employee association.

MFSL's sole operating subsidiary, Max Life also takes care of employee health and wellness with a focused healthcare benefits programs. These entail medical insurance for employees and their families, specialized healthcare services at home, children's health initiatives, along with workplace counselling services.

**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.

As MFSL's subsidiary, Max Life is one of the leading fair pay organisations that has a well-setup grade of total monetary benefits for the employees distributed across verticals including Fixed Pay, Variable Pay, Long-Term Pay, Benefits and Tools of Trade. These focused benefits help drive performance and align organisational goals to employee efforts.

Max Life employees' spirit of volunteering has stayed alive during the pandemic as well. Employee volunteers have been collaborating with NGOs that we work with across the country to engage with children, young adults, women and other sections through Digital volunteering platform.

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. The Company ensures there is no discrimination of any type against socially disadvantaged sections in the work place.

In addition, MFSL's subsidiary Max Life has established structured platforms and mechanisms with dedicated process owners to resolve grievances with speed and effectiveness. The organisation also seeks feedback on the health of the Grievance Process in Engagement Surveys. The redressal mechanism empowers everyone to report adverse issues in secured, confidential and transparent manner. The employee grievance redressal procedures provide a well-defined structured framework to deal with relationship or procedural challenges at workplace.

All policies of the Company comply with conventionally understood provisions of human rights and the ESG practices of the organization. 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 2019-20.

**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.

The bedrock of MFSL's subsidiary company, Max Life Insurance's Environmental, Social and Governance

(ESG) framework lies in the belief that every action makes a difference and can create long term value for our customers, employees, shareholders and the communities in which we operate. Through an agile organization backed by a strong leadership, ethical business practices and a progressive culture, we are contributing to a sustainable nation by efforts in Energy Reduction, Waste Management, Water Management, Digitization efforts, and maintaining the highest standards of governance and conduct.

At Max Life, various CSR initiatives are undertaken to reduce the impact of carbon footprint. In the year 2019-20, employee volunteers planted more than 35,000 trees across the country. The company also initiated a Water Conservation drive wherein 1,15,000+ water saving nozzles were distributed to educational institutions, Government bodies, RWAs and employees. These nozzles save upto 60% water and the company intends to do its part by saving the depleting water table.

MIF adopted two village clusters in Uttarakhand and one in Punjab, primarily for interventions on health-related and environment issues such as sanitation and waste management to improve the quality of life for villagers.

**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**

MFSL's subsidiary Max Life Insurance has supported 10 NGOs working in the areas of preventive healthcare, health awareness, artificial limbs, rehabilitation of patients, nourishment to children, immunisation and medicines to underprivileged patients thereby benefitting 43,596 people overall. The company also provided financial support for palliative care for cancer patients and towards childhood cancer treatment and cancer awareness, Cancer screening which benefited 2,484 patients and 1,127 care givers.

We also supported education of 51,936 children and provided support for training of 80 teachers. In addition, the company also helped set up 30 libraries in schools.

The company's employees volunteer extensively through the volunteer platform- Pehal. Over 5,400 employees and agent advisors of the Company participated in multiple activities for social good which included environment protection, imparting financial literacy and insurance awareness and joy of giving initiatives covering 180+ offices.

In the fight against the COVID-19 pandemic, Max Life, the sole operating subsidiary of MFSL has dedicated 16% of its total CSR budget towards COVID-19 support initiatives. This budget has been earmarked for contributing 20,000 PPE Kits to healthcare workers, 50,000 safety kits to police officials along with antigen testing kits, recovery kits, health and safety kits and contribution to the PM Cares Fund.

MIF proactively took steps to combat the pandemic by providing direct and indirect relief, through NGOs and social support groups. In April 2020, MIF launched the #StayHomeIndia campaign, encouraging people to adhere to social distancing by pledging to stay at home. MIF also supported Teach for India (TFI) in resuming the education of over 8,000 underprivileged children in Delhi-NCR by providing them internet connectivity for attending e-classes during this disruptive year thus reducing educational inequity and ensuring uninterrupted learning. Additionally, MIF also provided food and essential supplies to children and families to help them survive the pandemic. It also donated protective gear, medical essentials and enabled large-scale distribution of food packets (cooked and uncooked) to various underserved communities.

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.

Additionally, MFSL's subsidiary, Max Life continues to relentlessly focus on customer centricity and is committed to being completely transparent, customer-focused, equitable and fair in dealing with its customers. In pursuance of its commitment to deliver timely insurance claim settlement, the company has bettered its claims paid ratio which now stands at 99.22%, amongst the highest in the industry.

Max Life today settles ~48% eligible policy claims within a day under its Instaclaim initiative for vintage policyholders. The company believes in offering timely and hassle-free claim settlement thus provide value to customers at the most important moment of truth for the life insured and insurer relationship.

Additionally, the company educates its customers and spreads awareness on the role of life insurance in meeting their life stage and protection needs and services offered through varied media including social media, public relations, company website, active customer communications etc.

On behalf of the Board of Directors  
**Max Financial Services Limited**

Franschhoek, South Africa  
May 26, 2020

**Anajit Singh**  
**Chairman**  
**DIN: 00029641**

## Annexure – 7 to the Directors' Report

**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER LISTING REGULATIONS, 2015**

The Members

**Max Financial Services Limited**

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

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 31<sup>st</sup> March 2020. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

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

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

For **Chandrasekaran Associates**  
Company Secretaries

**Rupesh Agarwal**

Managing Partner  
Membership No. ACS 16302  
Certificate of Practice No. 5673  
UDIN: A016302B000311179

Date: May 26, 2020  
Place: Delhi

## Annexure – 8 to the Directors' Report

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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, 2020 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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (iv) 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, 2018;
  - 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, 2018. 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) Securities and Exchange Board of India (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.

We further report that,

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

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

All decisions at Board Meetings and Committee Meetings 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 0.74% equity shares of Max Life Insurance Company Limited (MLIC), subsidiary of the Company from Axis Bank Limited, thereby increasing its stake in MLIC from 71.79% to 72.52% as at March 31, 2020 and the said event is deemed to have major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

We further report that the Company received a demand notice dated February 18, 2020 from the Office of Enforcement Directorate, New Delhi ("ED Office"). The said notice referred to an adjudication order dated June 30, 2004 issued by Office of the Additional Commissioner of Customs, New Delhi imposing a penalty of Rs. 8 crores on the Company (erstwhile Max India Limited) for alleged non-submission of documentary evidence in respect of import of goods against foreign exchange remitted. The Company, has vide its reply dated February 28, 2020, sought time from the ED Office to submit detailed response and also sought assistance in retrieval of facts and relevant background papers involving the adjudication proceedings against the Company. Due to the ongoing lockdown situation, there has been no further development on this matter.

Chandrasekaran Associates  
Company Secretaries

**Rupesh Agarwal**

Managing Partner

Membership No.:16302

Date: 26.05.2020

Certificate of Practice No.:5673

Place: Delhi

UDIN: A016302B000265672

Informatory Notes:

- i. This report is to be read with our letter of even date which is annexed as Annexure-A to this report and forms an integral part of this report.
- ii. Due to restricted movement amid COVID-19 pandemic, we conducted the secretarial audit by examining the Secretarial Records including Minutes, Documents, Registers and other records etc., and some of them received by way of electronic mode from the Company and could not be verified from the original records. The

management has confirmed that the records submitted to us are the true and correct.

- iii. This Report is limited to the Statutory Compliances on laws / regulations / guidelines listed in our report which have been complied by the Company up to the

date of this Report pertaining to Financial Year 2019-2020. We are not commenting on the Statutory Compliances whose due dates are extended by Regulators from time to time due to COVID-19 or still there is time line to comply with such compliances.

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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

Membership No.:16302

Certificate of Practice No.: 5673

UDIN :A016302B000265672

Date: 26.05.2020

Place: Delhi

## Annexure – 9 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**

Franschhoek, South Africa  
May 26, 2020

**Analjit Singh**  
Chairman  
**DIN: 00029641**