



May 10, 2022

National Stock Exchange of India Limited  
Exchange Plaza, Bandra – Kurla Complex  
Bandra (E)  
Mumbai 400051

Dear Sir/ Madam,

Sub: **Submission of a copy of annual report for the financial year ended March 31, 2022 along with the notice of 22<sup>nd</sup> Annual General Meeting (“AGM”) of the Company under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

In terms of Regulation 53 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby submit a copy of the annual report along of the Company for the financial year ended March 31, 2022 along with the notice of 22<sup>nd</sup> AGM of the Company scheduled to be held at a shorter notice today i.e. Tuesday, May 10, 2022 at 1730 hrs IST, which has been sent to the shareholders of the Company post approval of the same by the Board of Directors of the Company in its meeting held today at 1215 hrs IST.

You are requested to kindly take the same on record.

Yours faithfully,

For **Max Life Insurance Company Limited**

**Anurag Chauhan**  
Company Secretary

Encl: As mentioned above

**MAX LIFE INSURANCE CO. LTD.**

3<sup>rd</sup>, 11<sup>th</sup> and 12<sup>th</sup> Floor, DLF Square, Jaccaranda Marg, DLF City Phase II, Gurgaon, Haryana - 122 002, India.  
T +91-124-4121500 F +91-124-6659811 E Service.helpdesk@maxlifeinsurance.com W www.maxlifeinsurance.com  
Corporate Identity Number (CIN): U74899P82000PLC045626, IRDAI Reg. No. - 104

Registered office: 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab - 144 533.



**MAX LIFE INSURANCE COMPANY LIMITED**

**Registered Office:**

419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur Nawan shehar, Punjab - 144533

Tel. +91 124 4121500, Fax: +91 124 6659811, Website: www.maxlifeinsurance.com,

e-mail: service.helpdesk@maxlifeinsurance.com

CIN: U74899PB2000PLC045626

**NOTICE OF 22<sup>nd</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that the Twenty Second (22<sup>nd</sup>) Annual General Meeting (“**AGM**”) of the members of Max Life Insurance Company Limited (“**Company**”) is scheduled to be held at a shorter notice on Tuesday, 10<sup>th</sup> day of May, 2022 at 17:30 hrs IST at 1, Rajesh Pilot Lane (South End Lane), New Delhi – 110011, India to transact the following business(es):

**ORDINARY BUSINESS(ES):**

1. To receive, consider and adopt Audited Financial Statements comprising the Balance Sheet of the Company as at March 31, 2022, Revenue Account (Policyholders’ Account) for the financial year ended March 31, 2022, Profit and Loss Account (Shareholders’ Account) for the financial year ended March 31, 2022, Receipts and Payments Account (Cash Flow Statement) for the financial year ended March 31, 2022, the Management Report together with the report of the Board of Directors and the Auditor’s thereon.
2. To appoint a Director in place of Mr. V. Viswanand [DIN: 08260553], who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mohit Talwar [DIN: 02394694], who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Marielle Theron [DIN: 02667356], who retires by rotation at this Annual General Meeting, and being eligible, offers herself for re-appointment.
5. **Re-appointment of Statutory Auditors of the Company**

To consider and if thought fit, to pass the following resolution with or without modification(s):

“**RESOLVED THAT** pursuant to the provisions of Sections 139, 140, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the underlying rules viz. Companies (Audit and Auditors) Rules, 2014, as may be applicable and the Corporate Governance Guidelines, 2016 issued by IRDAI, M/s. B. K. Khare & Co., Chartered Accountants (FRN: 105102W), be and are hereby re-appointed as the Joint Statutory Auditors of the Company, to hold office for one year from the conclusion of this Annual General Meeting of the Company, until the conclusion of the 23<sup>rd</sup> Annual General Meeting of the Company, on a remuneration (including terms of payment) fixed by the Board of Directors of the Company, based on the recommendation of the Audit Committee, plus all tax(es), as may be applicable, and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the Company.”

**SPECIAL BUSINESS(ES):**

6. **To consider and if thought fit, to pass the following resolution as a Special Resolution for adoption of the ‘Max Financial Employee Stock Option Plan 2022’ (‘ESOP Plan-2022’) for the employees of the Company**

“**RESOLVED THAT** pursuant to all applicable provisions of the Companies Act, 2013 read with the rules made thereunder, and all other statutes, laws, rules, regulations, guidelines, circulars etc. issued by the appropriate authority(ies), if any (including any statutory amendment or modification or re-enactment thereof, for the time being in force) and subject to such other approvals, consents, sanctions

and permissions, as may be necessary from time to time and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any duly constituted committee(s) thereof or such other person(s) authorised by the Board) and pursuant to the recommendation of the Board, consent of the Shareholders of the Company be and is hereby accorded to adopt the 'Max Financial Employee Stock Option Plan 2022' ('ESOP Plan-2022'), as introduced by Max Financial Services Limited (MFS) and to provide recommendation to the Board/ Nomination and Remuneration Committee of MFS by the Company to grant options and transfer shares of MFS on exercise of such options, from time to time, in one or more tranches, to the employees who are the employees or directors of the Company, whether working in India or out of India and to such other persons as may be decided to be recommended by the Board/ Nomination and Remuneration Committee of the Company to MFS's Nomination and Remuneration Committee as permitted under applicable laws (hereinafter referred to as 'Eligible Employees') but does not include an employee who is a promoter or a person belonging to the promoter group, independent director and/or a director(s) who either himself or through his relative or through any body-corporate, directly or indirectly, holds more than 10% of the outstanding equity shares of the Company/MFS, on such terms and conditions, as may be determined in accordance with the provisions of ESOP Plan-2022 and in due compliance with the applicable SEBI Regulations and other applicable laws, rules and regulations and as may be decided by the Board under ESOP Plan-2022, and on such terms and conditions including the grant price as the Board/ Nomination and Remuneration Committee of the Company may decide, from time to time, in accordance with the applicable SEBI Regulations or other provisions of the law as may be prevailing at the relevant time, within the ceiling and in the manner mentioned in the ESOP Plan-2022."

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolution, the Board/ Nomination and Remuneration Committee of the Company be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem fit, necessary, expedient or proper and to settle all questions, difficulties or doubts that may arise in relation to adoption of the ESOP Plan-2022 at any stage, without requiring the Board to secure any further consent or approval of the shareholders of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**"RESOLVED FURTHER THAT** the Company shall conform to the accounting policies prescribed from time to time under the applicable SEBI Regulations and any other applicable laws, act, rules and regulations to the extent relevant and applicable to ESOP Plan-2022."

**"RESOLVED FURTHER THAT** during any one year, no Eligible Employee shall be granted Options under the ESOP Plan-2022 equal to or exceeding 1% of the issued capital excluding outstanding warrants and conversions (as understood under applicable SEBI Regulations) of MFS at the time of Grant of Options."

**"RESOLVED FURTHER THAT** the Board/ Nomination and Remuneration Committee of the Company be and is hereby authorised to do all such acts, deeds and things as it may in its absolute discretion, deem fit and necessary, including authorising or directing the appointment of various intermediaries, experts, professionals, independent agencies and other advisors, consultants or representatives, being incidental to the effective implementation of the ESOP Plan-2022 and also to prefer applications to the appropriate authorities, parties and the institutions for their requisite approvals and all other documents required to be filed in the above connection and to settle all such questions or difficulties whatsoever which may arise and take all such steps and decisions in this regard."

**"RESOLVED FURTHER THAT** the copies of the foregoing resolution, certified to be true by any of the Directors and/or Company Secretary of the Company, may be furnished to any relevant person(s)/ authority(ies) as and when required."

7. **To consider and if thought fit, to pass the following resolution as a Special Resolution for extending financial assistance/ provisioning of money by the Company to the Max Financial Employee Welfare Trust to fund the acquisition of the equity shares of Max Financial Services Ltd, in terms of the ESOP Plan-2022**

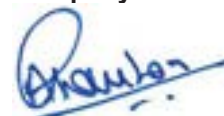
**“RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 2013 read with the rules made thereunder, and all other statutes, laws, rules, regulations, guidelines, circulars etc. issued by other appropriate authority(ies), if any (including any statutory amendment or modification or re-enactment thereof, for the time being in force) and in line with the Memorandum and Articles of Association of the Company and subject to such other approvals, consents, sanctions and permissions, as may be necessary from time to time and further subject to such terms and conditions as may be prescribed while granting such approvals, consents, permissions and sanctions and which may be agreed to and accepted by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any duly constituted committee(s) thereof or such other person(s) authorised by the Board) and pursuant to the recommendation of the Board, consent of the Shareholders of the Company be and is hereby accorded to grant loan on such terms and conditions as may be decided by the Board, to Max Financial Employee Welfare Trust (hereinafter referred to as “Trust”) set-up by MFS in one or more tranches, where the value of shares to be purchased together with the amount of loan shall not exceed 5% (Five percent) of the aggregate of the share capital and free reserves of the Company for the purpose of purchase of equity shares of MFS by the Trust/ Trustees, in one or more tranches, subject to the ceiling of equity shares as may be prescribed under ESOP Plan-2022, or any other employee/ plan or share based employee benefit plan which may be introduced by MFS or the Company from time to time, with a view to deal in such equity shares in line with contemplated objectives of the said ESOP Plan or for any other purpose(s) as permitted under and in due compliance with the Companies Act, 2013 and rules therein and other applicable laws and regulations.”

**“RESOLVED FURTHER THAT** any loan provided by the Company shall be repayable to and recoverable by the Company from time to time during the term of the ESOP Plan-2022, subject to Exercise Price being paid by the Eligible Employees on exercise of Employee Stock Options under the ESOP Plan-2022.”

Dated: May 10, 2022

Place: New Delhi

**By order of the Board  
For Max Life Insurance Company Limited**



**Anurag Chauhan  
Company Secretary  
Membership No. F9899**

**Notes:**

1. Notice of the AGM is sent through email to all members as on May 10, 2022 i.e. date of 101<sup>st</sup> Board meeting in which notice is approved, on their registered email ids available with the Company and no physical copy of the same would be dispatched. If any member desires to update his/ her registered email id, may send the request for the same at the following e-mail address of the company i.e. [anurag.chauhan@maxlifeinsurance.com](mailto:anurag.chauhan@maxlifeinsurance.com) or may contact at (+91) 9650922332.
2. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend the AGM and, on a poll, to vote instead of himself and the Proxy need not be a member of the Company. The instrument of Proxy in order to be effective, should be deposited with the Company, duly completed and signed, before the Meeting. A proxy form is enclosed herewith.
3. Corporate Members intending to attend the meeting through their authorized representative(s) are requested to send to the Company a Certified True Copy of the Board Resolution/ Letter of Authority authorizing their representative(s) to attend and vote on their behalf at the meeting, at the following e-mail address of the company i.e. [anurag.chauhan@maxlifeinsurance.com](mailto:anurag.chauhan@maxlifeinsurance.com), unless such resolution/ letter has been already shared with the Company.
4. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act shall be produced at the commencement of the AGM and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
5. An Explanatory Statement pursuant to Section 102(1) of the Act setting out the material facts in respect of special businesses as set out under item no. 6 and 7, is annexed hereto and forms an integral part of the notice. The relevant details, pursuant to Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") in respect of Directors seeking re-appointment on retirement by rotation at this meeting are also annexed as Annexure- I.
6. All documents referred to in the Notice and accompanying Explanatory Statement are open for inspection in physical or electronic form at the registered office and Corporate Office of the Company and at the venue of the meeting for the duration of the meeting.
7. The meeting shall be conducted, subject to consent from all the shareholders of the Company have been received for convening the meeting at short notice and at a place other than the city where registered office is situated.
8. Enclosed herewith is the Attendance slip to record the presence of the members/ authorized representatives. Members are requested to fill and hand it over at the entrance of the hall or share the same through e-mail at the following e-mail address i.e. [anurag.chauhan@maxlifeinsurance.com](mailto:anurag.chauhan@maxlifeinsurance.com).

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

### **Item no. 2, 3 & 4**

#### **Mr V. Viswanand**

An industry veteran with a dynamic presence in the financial services sector for nearly three decades, Mr. V. Viswanand is Deputy Managing Director at Max Life Insurance and a member of the Board. In his role, he is responsible for Distribution, including Proprietary Channels, Bancassurance and Third Party Business, Institutional Sales, Business Development and Distribution Operations. He also steers the strategic direction and growth of the company through his deep involvement in the strategy formulation processes.

A Founder Team Member of Max Life, Mr. V. Viswanand has been associated with the Company for more than two decades and has consistently demonstrated qualitative leadership across diverse verticals including Agency, Bancassurance, Direct Sales, Product Development, Persistency management, Operations, Technology, Quality, Innovation & Service Excellence.

Over the years, Mr. V. Viswanand has played an instrumental role in not only propelling Max Life to emerge as the industry leader in Customer Retention, Claims Paid Ratio and Customer Loyalty but also had led the Company's wins in several global and national accolades in Quality and Technology, including the coveted Gold medal at ASQ, USA and RBNQA.

Prior to joining Max Life Insurance, Mr. V. Viswanand was a retail banker with ANZ Grindlays Bank for nearly a decade.

He holds a Master's degree in Management Studies from BITS, Pilani.

#### **Mr Mohit Talwar**

Mr. Mohit Talwar has been associated as a Non-executive Director of the Company w.e.f January 30, 2016 and he is the Managing Director of Max Financial Services Limited (MFSL), the listed parent company of Max Life.

During his stint at the Max Group, he has successfully leveraged his strong relationships with institutional investors, hedge funds, banks, and private equity firms, and led several complex corporate finance and financial structuring deals to ensure adequate investment and liquidity for the Group's operations. He played a central role in executing key transactions, including the joint venture transaction between Max Life and Axis Bank and the restructuring of Max India with divestment of its healthcare and health insurance businesses. Some of the other corporate transactions in the past where he played a key role include the mega restructuring of the erstwhile Max India into three new listed companies, which received a significantly positive reaction from capital markets, setting up of Max Bupa Health Insurance in 2010, joint venture partnerships between Mitsui, Japan and Max Life, and Life Healthcare, South Africa, and Max Healthcare.

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

He is Post Graduate (Arts) from St. Stephen College, Delhi University and completed his Management Studies in Hospitality from the Oberoi School.

#### **Ms. Marielle Theron**

Ms. Marielle Theron was appointed as a Director of the Company with effect from May 5, 2009. Ms. Marielle Theron is a Fellow of the Society of Actuaries, has 39 years' working experience in the financial service industry. She is a Principal of Erlen Street Corporation, Switzerland, a company that specializes in strategic investment and management consulting solutions.

Prior to that, Ms. Marielle Theron worked in both consulting and corporate roles for multi-national companies and governments across Europe, Asia, Australia, New Zealand and South Africa, advising on insurance and investment related solutions.

She holds a B.Sc. majored in Actuarial Science from Laval University, Canada and is a Fellow of the Society of Actuary (FSA).

Except Mr. V. Viswanand, Mr. Mohit Talwar and Ms. Marielle Theron, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested financially or otherwise except to extent of their shareholding, if any, in the respective resolutions as set out as Item No. 2,3 & 4.

Pursuant to the Secretarial Standard - 2, issued by the Institute of Company Secretaries of India, please find the details of Mr. V. Viswanand, Mr. Mohit Talwar and Ms. Marielle Theron appended in **Annexure I**.

Your Directors recommend the resolutions at item no. 2, 3 & 4 for your approval.

**Item no. 6 & 7**

The following Explanatory Statement sets out all the material facts relating to the resolutions no. 6 & 7 given in the accompanying Notice.

Stock Options have long been recognised internationally as an effective instrument to align the interest of employees with those of the company and its shareholders, providing an opportunity to employees to share the growth of the company and to create long- term wealth in the hands of the employees. It creates a sense of ownership between a company and its employees, paving the way for a unified approach to the common objective of enhancing overall shareholders value.

Max Financial Services Limited (herein referred to as "MFS") has structured this ESOP Plan-2022, primarily for Eligible Employees of the Company, whose present and potential contributions are important to the success of MFS and its subsidiary companies, by offering them an opportunity to participate in MFS's future and also acquire a proprietary interest in MFS by award of Options. Key objectives of this ESOP Plan-2022 are as under:

- a) Create a sense of ownership amongst Eligible Employees through equity-based compensation and provide them an opportunity to partner in the success of business
- b) Promote long-term financial interest of MFS and its group companies
- c) Attract premium talent to join MFS and its group companies
- d) Retain key talent within MFS and its group companies
- e) Recognize contributions of the Employees who are crucial for the success of MFS and its group companies in the long run.
- f) Provide an opportunity for wealth-sharing with Eligible Employees

These objectives/ purposes are sought to be achieved by the Company through the Grant of Options to Eligible Employees (as defined below) under this ESOP Plan -2022.

Based on the recommendation of the Nomination and Remuneration Committee ('Committee') and subject to the approval of members, the Board of Directors of the Company, at its meeting held on May 9 and 10, 2022 respectively.

**Main features of ESOP Plan-2022 are as under:**

Sl. No.	Particulars	Main features
1.	<b>Brief description of the ESOP Plan-2022:</b>	The ESOP Plan-2022 provides for grant of Options to the eligible employees and/ or directors of MFS, its subsidiary companies (present and future), in India or outside India, if any, as may be permissible under the SEBI Regulations (hereinafter referred to as 'Employees'). Each option will be, upon Exercise,

		converted into one fully paid-up equity share of MFSL of face value of INR 2/- (Rupees Two).
2.	<b>The total number of options to be granted</b>	Total Options up to 1,72,55,738 convertible into 1,72,55,738 equity shares of the face value of INR 2/- (Rupees Two) each fully paid-up would be available for being granted under the ESOP Plan-2022. Each option when exercised would entitle Option holder to one equity share of MFSL of INR 2/- (Rupees Two), fully paid-up. Vested options lapsed due to non-exercise and/or unvested options which get lapsed due to any reason as specified in the ESOP Plan-2022 or otherwise, would be available for being re-granted at a future date.
3.	<b>Identification of classes of employees entitled to participate and be beneficiaries in the ESOP Plan-2022</b>	<p>The class of Employees of the Company eligible for participating in the ESOP Plan-2022 is subject to such criteria as may be decided by the Nomination and Remuneration Committee of MFSL at its own discretion, including, but not limited to the band of the Employee, criticality of the role, period of service with the Company, future potential, or any other criteria, as the Committees determine. It is clarified that Employees working abroad (if any) will be entitled to participate in this ESOP Plan-2022' subject to compliance of Applicable Laws including applicable laws of the jurisdiction in which such Employee is working for the Company and /or its subsidiary companies (present and future).</p> <p>Based on the eligibility criteria as described above, the Nomination and Remuneration Committee of MFSL will decide the Employees eligible for Grant of Options under this ESOP Plan-2022 and provide recommendation to the Nomination and Remuneration Committee of MFSL. Accordingly, MFSL acting through its Nomination and Remuneration Committee would grant the Options to the identified Employees of the Company, through the ESOP Trust.</p> <p>Except as provided in ESOP Plan-2022, Options held by a Grantee are not transferable to any Person except the Beneficiary or Nominee as the case may be, and as specified in the Nomination Form in the event of death of the Grantee. The Options cannot be pledged, hypothecated, charged, mortgaged, assigned, alienated, or disposed of in any manner.</p>
4.	<b>Appraisal process for determining the eligibility of employees for the ESOP Plan-2022</b>	The appraisal process for determining the eligibility of the employees of the Company will be in accordance with the ESOP Plan-2022 or as may be determined by the Nomination and Remuneration Committee of MFSL, at its sole discretion.
5.	<b>Requirements of vesting and period of vesting and maximum period within</b>	Vesting Period shall mean a maximum period of 4 years, during which the vesting of Options granted under this ESOP Plan-2022 shall take place.



	<b>which the options shall be vested</b>	
6.	<b>Exercise price or pricing formula</b>	The Exercise Price of the Vested Options shall be as determined by the Nomination and Remuneration Committee of MFSL which shall be equivalent to the volume weighted average share price of MFS during any time period ranging upto 90 trading days immediately preceding three days prior to the date of Grant, on the stock exchange with the higher trading volume for MFS Shares or such other equivalent price as may be decided by the NRC of Max Life. The Exercise Price shall be provided in the Letter of Grant in pursuance of ESOP Plan-2022.
7.	<b>Exercise period and process of Exercise</b>	<p>“Exercise Period” means a period of 3 years commencing on the Vesting Date, as prescribed by the Committee in the Letter of Grant (for each tranche of Options, during which the Grantee /Beneficiary (as the case may be) must Exercise his right to apply for Shares of MFSL against the Vested Option in pursuance of ESOP Plan-2022.</p> <p>A Vested Option shall be deemed to be validly exercised only when the Trust or any other person authorized by the Board and/or the Committee of MFSL in this regard, receives written and signed notice of Exercise Application from the Grantee / Beneficiary and the full payment of the Exercise Price, taxes (wherever arising) and any other sums due, as referred to in ESOP Plan-2022 in respect of Exercise of the Option. Notwithstanding anything else contained in ESOP Plan-2022, if the Grantee / Nominee does not Exercise his/her Vested Options within the time period as specified by terms of ESOP Plan-2022, the Options shall automatically lapse at the end of the period specified in ESOP Plan-2022. All such Vested Options that lapse shall revert to the Share Pool and may be granted at the discretion of the Committee to any Eligible Employee</p>
8.	<b>The Lock-in period if any</b>	The Shares transferred pursuant to the Exercise of the Vested Options shall not be subject to a lock-in as is also specified under the ESOP Plan-2022
9.	<b>Maximum number of options to be issued per employee and in aggregate</b>	<p>The maximum Options per employee shall not exceed 1% of the issued capital of MFSL.</p> <p>The maximum number of Options that may be granted to Eligible Employees shall not exceed 1,72,55,738 Options convertible into equivalent Shares (i.e., 5 % of the paid-up equity share capital of MFSL as on March 31, 2022)</p>
10.	<b>Maximum quantum of benefits to be provided per employee under the ESOP Plan-2022</b>	The maximum quantum of benefits will be the difference between the fair value of shares on the date of exercise and Exercise Price paid by the Employee, subject to applicable taxes.

11.	<b>Method which the Company shall use to value its options</b>	The value is to be calculated in accordance with generally accepted accounting standards and valuation principles as may be applicable in India and shall be determined by the Board/Committee on the basis of the valuation report submitted by an independent external valuer of repute appointed by the Board/Committee if required.
12.	<b>The conditions under which option vested in employees may lapse e.g., in case of termination of employment for misconduct</b>	<ol style="list-style-type: none"> <li>1. Upon non-exercise of Options within the Exercise Period or such other time period as stipulated under the ESOP Plan-2022.</li> <li>2. Termination of employment with cause</li> <li>3. Abandonment of office of employment</li> </ol>
13.	<b>The specified time period within which the employee shall Exercise the vested options in the event of a proposed termination of employment or resignation of employee</b>	<ol style="list-style-type: none"> <li>1. In case of death – Beneficiary of the deceased employee can exercise the options within 180 days from the date of death of the employee</li> <li>2. In case of permanent disability – within 90 days from such date</li> <li>3. On attainment of superannuation age - Within the Exercise Period as per the vesting schedule applicable post retirement</li> <li>4. Termination of employment with cause – All vested options shall be automatically forfeited on the termination date</li> <li>5. Termination of employment without cause – to be exercised by the last date of employment</li> </ol>
14.	<b>Statement to the effect that the company shall conform to the accounting policies specified in Regulation 15 of SEBI Regulations</b>	The Company conforms to the accounting policies specified in Regulation 15 of SEBI Regulations and the accounting standards prescribed by regulatory authorities from time to time.
15.	<b>Whether the ESOP Plan-2022 is to be implemented and administered directly by the Company or through a Trust</b>	The ESOP Plan-2022 is proposed to be implemented and administered through Max Financial Employees Welfare Trust or such other name as the Board of Directors of MFSL may deem expedient.
16.	<b>Whether the ESOP Plan-2022 involves new issue of shares by the Company or secondary acquisition by the Trust or both</b>	The Trust shall acquire the Shares only by means of Secondary Acquisition through stock exchange mechanism.

17.	<b>The amount of loan to be provided for implementation of the ESOP Plan-2022 by the Company to the Trust, its tenure, utilisation, repayment terms, etc.</b>	<p>Subject to the provisions of the applicable laws, the Company may provide loan to the Trust to acquire the Shares of MFSL, for and on behalf of respective Eligible Employees of the Company by means of Secondary Acquisition and such other terms and conditions as may be provided in the Loan Agreement to be entered into with the Trust, for the purpose of implementing the ESOP Plan-2022.</p> <p>For avoidance of doubt, it is clarified that in respect of grant of Options to Eligible Employees of the Company, the loan shall be either granted by the Company or third-party loans to the Trust shall be arranged by the Company on such other terms and conditions as may be provided in the Loan Agreement to be entered into with the Trust for this purpose.</p>
18.	<b>Terms &amp; conditions for buy-back if any of specified securities covered under SEBI Regulations</b>	MFSL does not contemplate any buy back of any underlying Shares acquired by the Grantees in terms of ESOP Plan-2022 under SEBI Regulations.
19.	<b>Maximum percentage of secondary acquisition (subject to limits specified under the SEBI Regulations) that can be made by the Trust for the purposes of the ESOP Plan-2022:</b>	The Trust and the Company shall ensure that the Shares acquired through Secondary Acquisition are within the limits provided under the SEBI Regulations. The Trust can undertake secondary acquisition of Shares of MFSL so that the total number of Shares under secondary acquisition held by the Trust shall not exceed, at any time, 5% of the paid-up equity capital of MFSL as on March 31, 2022. Further, the number of Shares of MFSL that can be acquired by the Trust from the secondary market in any financial year shall not exceed 2% of the paid-up equity capital of MFSL as at the end of the previous financial year.
20.	<b>Particulars of the trustees or Employees in whose favour such shares are to be registered:</b>	The ESOP Plan-2022 is proposed to be administered through Trust. The Trust shall acquire equity shares of MFSL from the secondary market. The equity shares acquired by the Trust through secondary market shall be transferred to the employees on Exercise of options. ESOP Direct shall be the sole trustee to the Trust. Details of Trustee are provided as part of this explanatory statement.
21.	<b>Any interest of key managerial personnel, directors or promoters in such ESOP Plan-2022 or Trust and effect thereof:</b>	As per the SEBI Regulations, the promoters and independent directors of the Company are not entitled to any Options. The key managerial personnel and non-independent directors of the Company may be deemed to be concerned or interested in the ESOP Plan-2022 or Trust to the extent of Options that may be granted to them pursuant to the ESOP Plan-2022.
22.	<b>Detailed particulars of benefits which will accrue to the Employees from the</b>	The Employees will be entitled to Exercise the options granted to them at the Exercise Price during the Exercise Period as provided in the ESOP Plan-2022.

	<b>implementation of the ESOP Plan-2022:</b>	
23.	<b>Details about who would Exercise and how the voting rights in respect of the shares to be purchased or subscribed under the ESOP Plan-2022 would be exercised:</b>	The voting rights in respect of the Shares will be exercised by the Employees on transfer of Shares by the Trust to them upon Exercise of the Options. The trustee of the Trust shall not vote in respect of the Shares held by the Trust.

**Particulars of Trust and name, address, occupation and nationality of sole trustee and its relationship with the promoters, directors or key managerial personnel, if any:**

<b>Name of the Trust</b>	<b>Name of the Trustee</b>	<b>Address of the Trustee</b>	<b>Occupation of Trustee</b>	<b>Nationality of Trustee</b>	<b>Relationship with promoters, directors and key managerial personnel</b>
Max Financial Employees Welfare Trust (Proposed to be incorporated)	KP Corporate Solutions Limited ("ESOP Direct")	Preetkamal, S.No. 256/254, Bungalow No.2, Green Park Society, Behind Anand Park, Baner, Pune-411007.	ESOP Management Consultant, Corporate Trustee and Corporate Compliance Services	Indian	Nil

A copy of the ESOP Plan-2022, Trust deed and the draft loan agreement will be kept open for inspection by shareholders of the Company during the Annual General meeting.

None of the Directors, key managerial personnel of the Company and their relatives are concerned or interested in these resolutions, except to the extent of their respective shareholding, if any, in the Company and number of options which may be granted to them, if any, pursuant to the ESOP Plan-2022.

The Board recommends the special resolutions set out in item no. 6 and 7 of the Notice for approval by shareholders.

Dated: May 10, 2022  
Place: New Delhi

**By order of the Board  
For Max Life Insurance Company Limited**

**Anurag Chauhan  
Company Secretary  
Membership No. F9899**

**Information pursuant to the provisions of the Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, pertaining to Directors seeking re-appointment at the 22<sup>nd</sup> Annual General Meeting:**

**Annexure I**

Name of the Director	Mr. V. Viswanand	Mr. Mohit Talwar	Ms. Marielle Theron
Age	52 years	62 years	60 years
Qualification	Master of Management Studies - BITS, Pilani	Post Graduate (Arts) from St. Stephen College, Delhi University and Management Studies in Hospitality from the Oberoi School.	Fellow of Society of Actuaries, USA and B.Sc. majored in Actuarial Science, Laval University, Canada.
Experience	<p>A Founder Team Member of Max Life, Mr. V. Viswanand has been associated with the Company for more than two decades and has consistently demonstrated qualitative leadership across diverse verticals including Agency, Bancassurance, Direct Sales, Product Development, Persistency management, Operations, Technology, Quality, Innovation &amp; Service Excellence.</p> <p>Prior to joining Max Life, Mr. V. Viswanand was a retail banker with ANZ Grindlays Bank for nearly a decade.</p>	<p>A veteran in the Corporate Finance and Investment Banking industry, Mr. Mohit Talwar has a wealth of experience in Corporate Finance and Investment Banking, having spent 24 years in Wholesale Banking across global organizations such as Standard Chartered, ANZ Grindlays and Bank of Nova Scotia, prior to joining the Max Group.</p> <p>During his stint at the Max Group, he has successfully leveraged his strong relationships with institutional investors, hedge funds, banks, and private equity firms, and led several complex corporate finance and financial structuring deals to ensure adequate investment and liquidity for the Group's operations.</p>	<p>Ms. Marielle Theron has 39 years' working experience in the financial service industry. She is a Principal of Erlen Street Corporation, Switzerland, a company that specializes in strategic investment and management consulting solutions. She joined the Board of Max Life in May 2009.</p> <p>Prior to that, Ms. Marielle Theron worked in both consulting and corporate roles for multi-national companies and governments across Europe, Asia, Australia, New Zealand and South Africa, advising on insurance and investment related solutions.</p>
Date of first appointment on the Board	January 1, 2019	January 30, 2016	May 5, 2009
Terms and conditions of appointment or re-appointment	No change proposed	N.A.	N.A.
Details of remuneration sought to be paid	No change proposed	Nil	Nil
Remuneration last drawn	INR 9,55,55,797(For FY 2021-22)	Nil	Nil
Shareholding in the company	10 equity shares (as a nominee of Max Financial Services Limited)	10 equity shares (as a nominee of Max Financial Services Limited)	Nil

Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None	None	None
Number of Meetings of the Board attended during the year	6/6 during FY 2021-22	6/6 during FY 2021-22	6/6 during FY 2021-22
Other Directorships as on May 10, 2022	None	<ul style="list-style-type: none"> <li>• Max Financial Services Limited</li> <li>• Max India Limited</li> </ul>	None
Membership/ Chairmanship of Committees of the Boards of other companies	None	As per the disclosures	None

**MAX LIFE INSURANCE COMPANY LIMITED**

**Registered Office:**

419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, Nawan shehar, Punjab - 144533

Tel. +91 124 4121500, Fax: +91 124 6659811, Website: [www.maxlifeinsurance.com](http://www.maxlifeinsurance.com),

e-mail: [service.helpdesk@maxlifeinsurance.com](mailto:service.helpdesk@maxlifeinsurance.com)

CIN: U74899PB2000PLC045626

**ATTENDANCE SLIP**

**22<sup>nd</sup> Annual General Meeting held on Tuesday, May 10, 2022 at 17:30 hrs IST**

Name of the attending member (in block letters)	
Folio no.*	
DP Id no./ Client Id no.	
No. of shares held	
Name of Proxy (in block letters, to be filled in if the Proxy attends instead of the member)	

\* Applicable in case of Shares held in Physical Form

I, hereby record my presence at the 22<sup>nd</sup> Annual General Meeting of the Company held on Tuesday, May 10, 2022 at 17:30 hrs IST at 1, South End Lane, New Delhi – 110 011, India.

Member's/ Proxy's Signature \_\_\_\_\_

**NOTE:**

1. Please fill this attendance slip and hand it over at the entrance of the hall or send the same through e-mail at [anurag.chauhan@maxlifeinsurance.com](mailto:anurag.chauhan@maxlifeinsurance.com).
  2. Shareholder(s) present in person or through registered proxy shall only be entertained.
-

**FORM NO. MGT-11**

**22<sup>ND</sup> ANNUAL GENERAL MEETING**

**PROXY FORM**

*[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]*

**CIN:** U74899PB2000PLC045626

**Name of the Company:** MAX LIFE INSURANCE COMPANY LIMITED

**Registered Office:** 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur Nawanshahr, PB 144533 INDIA

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We \_\_\_\_\_, being the member (s) holding..... shares of the above named Company, hereby appoint

1. Name: .....  
Address:  
E-mail Id:  
Signature:....., or failing him

2. Name: .....  
Address:  
E-mail Id:  
Signature:....., or failing him

3. Name: .....  
Address:  
E-mail Id:  
Signature:.....,

as my/our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 22<sup>nd</sup> Annual general meeting of the Company, to be held on the 10<sup>th</sup> day of May, 2022 at 1630 hrs ISI at 1, Rajesh Pilot Lane (South End Lane), New Delhi – 110011

and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt Audited Financial Statements comprising the Balance Sheet of the Company as at March 31, 2022, Revenue Account (Policyholders' Account) for the financial year ended March 31, 2022, Profit and Loss Account (Shareholders' Account) for the financial year ended March 31, 2022, Receipts and Payments Account (Cash Flow Statement) for the financial year ended March 31, 2022, the Management Report together with the report of the Board of Directors and the Auditor's thereon.
2. To appoint a Director in place of Mr. V. Viswanand [DIN: 08260553], who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.



3. To appoint a Director in place of Mr. Mohit Talwar [DIN: 02394694], who retires by rotation at this Annual General Meeting, and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Ms. Marielle Theron [DIN: 02667356], who retires by rotation at this Annual General Meeting, and being eligible, offers herself for re-appointment.
5. Re-appointment of M/s. B. K. Khare & Co., Chartered Accountants (FRN: 105102W), as Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting of the Company until the conclusion of the 23<sup>rd</sup> Annual General Meeting of the Company.
6. To adopt and approve the Employee Stock Option Plan ("ESOP") scheme of Max Financial Services Limited.
7. To approve the loan agreement to be entered into between the Company and the ESOP trust (which shall manage the above-mentioned ESOP Scheme).

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2022



Signature of Shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office or Corporate Office of the Company, before the commencement of the Meeting.**

## Venue Route Map

1, Rajesh Pilot Lane (South End Lane), New Delhi – 110 011



**DIRECTORS' REPORT OF MAX LIFE INSURANCE COMPANY LIMITED ("Company" OR "Max Life")**

Your directors are pleased to present its Twenty Second Annual Report of your Company with the audited accounts for the Financial Year ended March 31, 2022.

(INR crore)

<b>Particulars</b>	<b>Financial Year 2022 (Apr. 21 – Mar. 22)</b>	<b>Financial Year 2021 (Apr. 20 – Mar. 21)</b>	<b>Growth %</b>
<b>Financial Performance</b>			
New Business Premium (First Year Premium and Single Premium)	7,905	6,826	16%
Adjusted Individual First Year Premium*	5,442	4,870	12%
Renewal Premium	14,509	12,192	19%
Commission Expenses**	1,403	1,227	14%
Operating Expenses (Policyholders)	3,019	2,701	12%
Shareholders Profit / (Loss) After Tax	387	523	-26%
<b>Key Business Parameters</b>			
Solvency Ratio	201%	202%	-100 bps
Share Capital (including Reserves and Surplus)	3,195	2,978	7%
Assets Under Management	107,510	90,407	19%
No. of Policies In-Force (individual) ('000s)	4,774	4,586	4%
Sum Assured In-Force	1,174,515	1,087,987	19%
No. of Employees	15,224	14,975	2%
No. of Offices	269	277	-3%

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

\*\*Incl. of rewards

# Net of dividend distribution tax in FY'20. From FY'21, the same has been abolished.

## **BUSINESS HIGHLIGHTS**

Highlights for the Financial Year (FY) ended March 31, 2022 are as under:

### **THE STATE OF INDIAN ECONOMY**

The last two years were marked by difficulties for the Indian economy due to the COVID-19 pandemic. Repeated waves of COVID-19 with high infection rates, supply-chain disruptions, and, more recently, inflation have created particularly challenging times for policy-making.

The Indian government, faced with these uphill challenges, responded with safety nets to cushion the impact on vulnerable sections of society and the business sector. Its focus on increasing capital expenditure and the implementation of supply-side measures prepared the economy for a sustained long-term expansion.

Despite COVID-19 impacts, strong industrial output and rapid vaccination coverage provided strong momentum to India's economy, with estimated GDP growth of 9.2 percent for FY22.<sup>1</sup>

The government's emphasis on capital spending and exports is likely to boost production capacity and aggregate demand in the future. This would also entice private capital and help boost investment activity buoyed by a favourable financial environment. According to the Reserve Bank of India's (RBI) surveys, capacity utilization is increasing, which will in turn encourage investment and consumption demand.

Today, multiple parameters like enhanced GST collections, growing adoption of UPI-based transactions, positive growth in the Index of Industrial Production (IIP), and growing private consumption point towards an encouraging economic recovery.

While various macroeconomic parameters signal sustained growth, possible new waves of COVID-19 and recent geopolitical tensions like the Russia-Ukraine conflict did have spill-over effects, causing a surge in inflation led by increasing oil prices, rising input costs, and supply chain disruptions.

As we move into a new fiscal, India remains at the cusp of unlocking growth, with recovery expected in the agriculture, manufacturing, and service sectors.

The Monetary Policy Committee (MPC) of the Reserve Bank of India has maintained an accommodating stance to achieve economic growth while keeping inflation under control. While there are several factors including climate-related challenges, new COVID-19 variants, and ongoing unemployment and infrastructure healthcare challenges, however, India's robust economic foundations provide the necessary cushion to sustain the growth momentum.

The RBI's monetary policies and government initiatives like Product Linked Incentives (PLI), the National Monetisation Plan (NMP), and PM Gati Shakti - National Master Plan are expected to boost future growth and signal a resurgence of the economy.

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<sup>1</sup> <https://home.kpmg/in/en/home/insights/2021/04/indian-economy-insights.html>

## **LIFE INSURANCE INDUSTRY OVERVIEW**

The insurance industry in India has witnessed an impressive growth rate over the last two decades that has been driven by greater private sector participation and an improvement in distribution capabilities, along with substantial improvements in operational efficiencies. According to the Insurance Regulatory and Development Authority of India (IRDAI), the life insurance industry's combined new business premium growth rate was 13 percent year over year in FY22.<sup>2</sup>

The industry saw strong growth in the protection business during the year, as awareness and risk perception among consumers grew owing to the pandemic and the growing impact of variants. Guaranteed and annuity products also have witnessed significant demand from consumers.

Though it had its share of challenges owing to the pandemic and lingering uncertainty, increased awareness and the need for protection helped the industry turn headwinds into tailwinds.

The pandemic strengthened the growing customer confidence toward insurance as a safe financial instrument, especially in times of uncertainty. This mind-shift, perceiving life insurance as one of the best safeguards against risk and not merely a savings instrument, will continue in 2022.

Today the Indian life insurance industry stands at a pivotal moment. The low product penetration in the country will continue to provide significant headroom for the sector to grow. Given these trends, the demand for suitable life insurance offerings will remain strong in 2022, and the long-term opportunities for growth will remain as compelling as ever.

Value-based personalised purchasing, digital adoption, and increased awareness will further shape customer behaviours in 2022. Such trends will be a game-changer for the life insurance industry and provide avenues to innovate and offer granular, value-based integrated products to meet customer needs.

## **MAX LIFE OVERVIEW**

In FY22, Max Life secured a 9.9% market share amongst the private players in terms of individual adjusted first year premium, maintaining its fourth rank despite losing 90 bps from FY21. In the fiscal, Max Life secured a 6.8% market share overall in terms of total new sales, losing 41 bps.

During the year, the total new business premium (individual + group) of Max Life increased by 16% to INR 7,905 crore. In terms of individual adjusted first year premium, your Company recorded a 12% growth to INR 5,442 crore. Further, the renewal premium income (including group) grew by 19% to INR 14,509 crore, taking gross written premium to INR 22,414 crore, an increase of 18% over the previous financial year.

Your Company generated a post-tax shareholders' profit of INR 387 crore in FY22, as compared to INR 523 crore in the previous financial year, recording a decline of ~26%. Lower profit in the current year includes the impact of INR 100 crore towards pandemic reserves flown through the revenue account.

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<sup>2</sup> <https://www.moneycontrol.com/news/business/life-insurance-companies-record-37-rise-in-new-business-premium-in-march-8382231.html>

## **THE STATE OF YOUR COMPANY'S AFFAIRS**

### **STRATEGISING FOR CONSISTENT AND PROFITABLE GROWTH**

Max Life creates a three-year strategy and reviews it periodically. With Axis Bank becoming a co-promoter of Max Life in FY22, the Company's management team decided to chart a new growth trajectory by combining the forces of the third largest private bank in India with the fourth largest private life insurer. The management team undertook a detailed review of the market landscape and opportunities to redefine our growth ambitions and sharpen our strategic framework to drive consistent and profitable growth.

The redefined comprehensive strategic framework comprises six pillars to drive sales, profitability, and customer and employee outcomes.

#### **1. Consistent market outperformance by focus on priority areas**

- a. **Leadership in e-commerce:** The online life insurance market is poised to grow rapidly in India given the lower digital penetration vs Asian/western economies. Your Company will continue to maintain leadership in term and scale-up savings business through innovative product introductions, building conversion efficiencies, and expanding ecosystem partnerships.
- b. **Building fastest growing profitable proprietary distribution:** A robust proprietary channel is necessary for sustained growth of the life insurance sector. Your Company will continue to drive improvements in the agency business across agent and leader retention, repeat activation, top agent growth, and variable growth.
- c. **Leadership in Protection & Health:** India has one of the highest mortality protection gaps in the Asia-Pacific region. Despite accelerated protection growth over the last few years, there still remains a large addressable population. Further, COVID-19 has provided an impetus to the demand for protection and health. Your Company will continue to improve individual protection penetration by accessing new segments, simplifying onboarding, and strengthening distribution execution.
- d. **Building Retirement Business:** India's pension market is highly under-penetrated and has a huge growth potential. Changes in demographics, the emergence of nuclear families, and the advancement of healthcare facilities are leading to a pronounced need for pension products. Your Company incorporated and registered Max Life Pension Fund Management entity to further the retirement agenda, and will continue to improve annuity penetration.

2. **Leverage synergies with Axis Bank:** Axis Bank is the third-largest private sector bank in India and offers the entire spectrum of financial services to customer segments covering large & mid-corporates, MSME, agriculture, and retail businesses. Your Company will leverage the strategic partnership with Axis Bank to drive synergies across all its distribution channels and gain access to new customer pools through Axis Bank and other subsidiaries.

Your Company will continue to strengthen the Axis Bank partnership by augmenting deployed manpower and improving productivity through focused onboarding, training rhythms, and sales management practices.

3. **Inorganic expansion (M&A) & Business Development:** Your Company will continue exploring opportunities to further augment Banca partnerships, along with building proprietary fintech capabilities for accelerated growth.
4. **Digitization for efficiency and intelligence:** We are in a world where information travels in real-time and is accessible to all. Digitization is no more just an enabler but has become an integral part of every function. Your Company aims to continue with its digitization agenda, build artificial intelligence, offer best in class customer/distributor service experience, and reduce back-office costs.

Your Company has launched various digital assets over time, adopted a “Cloud-First Approach” for all new workloads, and has embedded intelligence to drive efficiency. Your Company was the first life insurance partner to go live on the Axis Bank marketplace to ensure seamless customer onboarding.

5. **People Capability:** Employees are the backbone of any organization and are its greatest asset. Your Company believes in engaging and retaining top talent, enable key cultural shifts to drive superior employee outcomes, and building organizational capabilities to prepare for the future.
6. **Creating a sustainable business (ESG):** Your Company has always believed in long-term value creation through sustainable growth and will continue to progress on the Environmental, Social & Governance (ESG) agenda through identified imperatives around work, people & community, green operations, and financial responsibility.

Overall, your Company is happy to report a strong performance across various operational areas.

## **STRENGTHENING DISTRIBUTION CHANNELS**

The pandemic has increased the need for life insurance protection plans, and stock market volatility has increased the demand for guaranteed savings plans. Your Company has invested in and nurtured a diverse multi-channel distribution architecture that reaches people across the length and breadth of the country to offer these product solutions. With our proprietary channel at the core, the distribution architecture has grown through a strong Agency channel, direct Customer Advisory Team, new-age e-commerce online channel, and efficient partnership distribution relationships that have helped your Company reach its target audience with the best-in-class products and services.

## **PROPRIETARY DISTRIBUTION CHANNELS**

At Max Life, proprietary distribution channels have been the core of consistent growth. This congregation of Agency Distribution, Customer Advisory Team (CAT), and e-commerce have combined to enable a stronger growth momentum for your Company and have ensured exemplary performance in terms of the business quality. This focus has enabled Max Life to become a leader in new distribution models such as Insurance Marketing Firms (IMF), Agency Partner Channels, Rakshak (focused Defence Channel), etc. The proprietary channels recorded a growth of 13% during the year and closed the year with a 28% share in adjusted individual first-year premium in FY22.

Max Life aspires to build profitable proprietary distribution franchise during FY22 where your organisation has launched a multi-year project called ‘Mission Uday’ focused on growing proprietary channels and creating new business categories for the organisation, the outcomes will be visible from FY23 onwards across all the proprietary channels.

**Agency Distribution** – Being the oldest and most mature channel, propelling Max Life’s growth over the years, Agency distribution weathered two lock-downs and came out stronger with 8% YoY growth, hence enabling your Company to build a high-growth proprietary distribution by improving the efficiency and productivity of agency distribution. To enhance the scope of business and increase the share of proprietary channels overall, the focus will be on growing top-performing advisors base exponentially along with activation and retention of agent advisors by building a strong performance culture with growth & entrepreneurial mind-set.

Within the agency distribution, your Company has carved out the Agency Partners Channel driven by a variable agency model and leverages recruitment through a higher variable construct. This Agency Partners Channel recruited more than 1411 agency leaders and 4959 agent advisors during FY22. This model has shown promise with strong growth in its third full year of functioning.

As Army and Paramilitary personnel of the country remain at the forefront to protect the country, to bring additional focus to this segment, your Company had created a specialist team within Agency distribution to provide relevant life insurance solutions to them and has rapidly acquired ~26% market share in FY22. These new initiatives have provided further impetus to the growth momentum of the Agency distribution. Variable business share in Agency distribution stood at 36% in FY22, your Company will continue to focus on building the variable Agency distribution model in future.

**Customer Advisory Team** – At Max Life, no customer is unaided as we have created a Customer Advisory Team (CAT) to meet the needs of customers whose agent advisors are no longer part of the Max Life system. The service-to-sales model for this direct-to-customer channel worked well during FY22, including an expansion of its team to record high growth. The channel started to incubate new business models to grow exponentially in the coming years by serving the customers who were acquired via online sales channels and it continues to lead the 13th-month persistency across your Company's multiple channels and record high margins due to productivity enhancement and adroit product-mix management.

**Online Channel** – The Indian consumer behaviour has started to evolve over years. In the past, the consumer used to research online and buy offline. However, today customers are getting increasingly comfortable buying online. The pandemic has resulted in greater awareness and action around the need for pure protection products, especially in the online channel. In FY22, this channel registered a superlative 47% growth. Your Company has been maintaining a leadership position in term plans purchased through life insurers' websites, leading web aggregators, and digital brokers in India. Going forward, the online channel aspires to replicate this success in the savings business by scaling it up while maintaining the leadership in the protection business through innovative product introductions, building conversion efficiencies through smarter journeys, and expanding ecosystem partnerships in FY23.

## **PARTNERSHIP DISTRIBUTION**

- **Axis Bank** – The vision of the Max Life and Axis Bank distribution relationship is to be the most admired bancassurance partnership in India. The partnership is one of the fastest-growing bancassurance relationships in the Indian life insurance industry, with both partners are committed to providing superior value to their customers. Despite the implementation of open architecture at the bank, Max Life continued to dominate the life insurance counter in the bank in both individual and group business.
- **YES Bank** – The YES Bank and Max Life bancassurance relationship has completed 16 years of successful partnership in FY22. Despite an open architecture set up in the Bank, both the partners are committed to growing the business multi-fold in FY23.
- **Other bancassurance partnerships** – Our Urban Cooperative Banks' partnership business grew despite being impacted due to the pandemic with geographic concentration of these bank branch networks in Maharashtra.
- **Group Business** – Group business that has focused largely on Credit Life's business set a new sales record by registering robust 54% growth despite multiple challenges during the pandemic period. Group business also continued to add new clients in Group Term Life business despite the impact of COVID-19 Wave II.



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

Prompt settlement of death claims is the most important promise a life insurer makes while selling a life insurance policy. Timely & hassle-free claim settlement is the most important moment of truth for the life insured and life insurer relationship. We endeavour to keep promises and keep dreams alive at the time of the customer's utmost need by paying death claims within one day for eligible policies.

During FY22, there was a significant increase in the inflow of claims, driven by the deaths due to the COVID-19 pandemic. Your Company's prudential risk management of holding reserves for tail risk events (such as this pandemic) helped absorb a large part of the financial strain caused by the excess claims, resulting in minimal impact on the Company's financials (shareholders' profits).

Max life has paid in-total 30,830 death claims worth INR 2,009 crore during FY22. Since its inception, Max Life Insurance has paid INR 6,133 crores towards death claims on 1,63,698 policies.

With the InstaClaim™ initiative for our vintage policyholders (i.e. policies that have been in force for at least 3 continuous years with us), your Company endeavours to provide death claim payment within one day. Currently, 30% claims are settled in a day.

Long-term customer retention is of critical importance in creating a win-win for customers, distributors, and your Company. Ongoing improvements in our structural solutions and services to improve the persistency is one of the key focus areas for your Company. In FY22, the 13th-month persistency of Max Life Insurance was at 86.1%, and the 61st-month persistency stood at 52.9% (Cumulative).

In FY22, your Company also tracked performance on customer engagement and satisfaction through Net Promoter Score (NPS) across key customer touchpoints and at the overall Company relationship level, reflecting the difference between promoters and detractors of a Company. By doing so, your Company has generated greater insights into what delights or detracts customers and recommend our solutions and further implemented corrective actions to ensure that we meet our customers' expectations. During FY22, your Company witnessed an improvement of 5 points (11%) in the NPS scores to 49.

## **PRODUCT INTERVENTIONS TO ENABLE PLANNED PRODUCT MIX**

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

During FY22, your Company added new products to its portfolio in the individual as well as the group space. For the individual business, your Company has launched a blockbuster Smart Wealth Income Plan (with an early income option) and a protection plan (Smart Secure Plus Plan) with Industry-First features as well as competitive rates.

In the Group retirement space, we made a foray into the NPS market as well as targeting the Superannuation proceeds with the launch of an annuity plan - Smart Guaranteed Pension Plan.

Protection and Retirement continued to be key focus areas in FY22. One in 3.5 individual policies underwritten by Max Life was a Protection policy. Of the new business premium, including individual and group business, protection share decreased marginally from 14.2% in FY21 to 13.5% in FY22. This also resulted in 8% increase in Sum Assured of in-force policies to INR 11,74,515 crore.

## **REINSURANCE ACTIVITY**

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

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

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

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

## **COST MANAGEMENT**

The operating expenses (policyholders) to net premium ratio reduced from 14.4% in FY21 to 13.7% in FY22 due to effective cost management efforts and higher business growth. The cost (Commission plus total operating expenses) to net premium reduced to 20.1% in FY22 from 21.0% in FY21.

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

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

**1) Onboarding:** A state-of-the-art cloud Native issuance and underwriting system – Dolphin was scaled up to ~99% to optimize the issuance & Underwriting TAT's & increase the straight through processing of transactions (~74 % retail business was human-less underwriting in March FY22).

Max Life also scaled up the common customer on-boarding platform to all products (Term, ULIP & Traditional) which was built on digital first cloud native platform using open-source technologies; this has helped achieve industry leading page load performance – (<3 seconds as verified by Google) and has helped increase the session to quote funnel by over 10%. This has also helped in reducing the time to market for new products by 25%.

We have re-architected our core system to enable policy issuance in 6 minutes for all eligible straight pass cases.

As part of our commitment for seamless integrations with Bank partners, Axis Bank Marketplace was launched for top 3 selling products. 150 Cr+ business was logged in via Axis marketplace. This has opened gates for MLI via mobile banking app & net banking.

**NIS: New Insurance System (Easy Nsure) – Yes Bank Market Place** was launched where the current penetration is more than 25% of the business. Alongside, CRM Integration with YBL is also completed. This has resulted in ~1000 leads logged per day.

**2) Digital Distribution:** Governance and Activity Management tool - mSmart was launched for Agency channel. This will help in increasing sales productivity through Sales FOD, Agent performance reports, Agent & ADM PRP, ADM Monthly planning.

We also moved to virtual training from physical training through implementation of Smartclass. It was rolled out in 105 offices and enabled sharing of trainers across offices leading to effectiveness of training and sales productivity.

**3) Customer Services:** In-house BOT platform was scaled up for servicing & escalation desks to drive automation in customer service Process. Over 20% of the customer emails are answered by the BOTS automatically. This gives an instantaneous response to the customer queries and optimizes the customer service team's effort. The accuracy of response improved to 80% from 60%.

a) **New age centralized communication engine – CCMS** was launched which acts as a single platform to manage and maintain all trigger logics, templates, reporting for all customer communication bringing "One View of All Customer Communication". In Phase 1, 200+ renewal documents moved to CCMS.

b) **Customer service Portal (AGRIM)** was given a major revamp to ensure seamless customer experience and best in class customer load. This has resulted in 10 points uplift in website NPS.

**4) Enterprise Digitization:** As part of improving employee experience, a new HRMS system (SAP Success factor) was launched. It is a one-stop shop to support recruitment, onboarding, training, performance management, succession planning, leave, attendance, payroll and many other services.

**New Investment Management system – SAP treasury (Project Maximus)** was launched enabling future ready & scalability system to support a 5X current AUM. This system has enabled enhanced controls and resilience in our investment management operations – near real-time DR, superior performance on cloud.

New-age AML sanction screening process was implemented for New Business, claims, DSDO, POS, HR & Banca Partners. This has enabled "Pre-onboarding" screening for both customers & sellers rather than "Post facto".

**5) Technology Modernization:** We have continued to bring agility, cost-efficiency and scalability of our IT infrastructure through transformation to cloud native apps and services. We have modernized our legacy systems by moving to cloud. 3 very complex platforms - BRMS, MyFlow and CRM application were migrated to cloud, which has resulted in ~45% of infrastructure now on Cloud.

## **ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE AT MAX LIFE**

Max Life continues playing a leading role in creating a more sustainable tomorrow and making the world a better place to live. Our transformational, long term ESG Strategy is reflective of our purpose, our values, and our position as one of the leaders in the life insurance industry in India.

The four pillars of our ESG Framework are:

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

### **WORKING ETHICALLY & SUSTAINABLY**

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

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

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

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

### **CARE FOR PEOPLE AND COMMUNITY**

Max Life's overall compensation philosophy rests upon the pillars of 3P's.

- **Position:** Competitive pay based on the market benchmarks and position
- **Person:** The value that the person brings to the Company in terms of knowledge, skills, and competencies
- **Performance:** Compensation increase and promotions are directly co-related

Our robust Performance Management System (PMS) backs this transparent and fair approach to rewards, simplifies the entire goal-setting process and enhances the interplay of performance & values to drive business objectives & create a high-performance culture.

In line with our commitment to invest, grow, and strengthen leadership pipeline, we have a focussed Future Leaders Program that involves hiring Management Trainees from premier Business Schools in India. Our annual engagement survey administered through Willis Towers Watson is a useful tool to understand employee engagement and perceptions. Organization Talent Review (OTR) is an annual process with close involvement of all CXOs and leaders to identify Best Bets within Max Life.

Employees' emotional and mental well-being has been of paramount importance, it took centre stage particularly during Covid-19, and thus led to the introduction and enhancement of various initiatives like counselling sessions, mental wellbeing sessions, etc.

We have a robust D&I framework at the Company level. In pursuit of this commitment, we have launched a differential employee referral incentive for People with Disabilities (PWD) hiring.

Max Life runs a robust CSR program where we have partnered with NGOs like Teach for India, Simple Education, Kshamtalya Foundation and Saajha – to spread value education and to conduct sessions on Financial Literacy.

## **FINANCIAL RESPONSIBILITY**

Max Life has a fiduciary responsibility towards policyholders and strives to achieve the best practices in investment and governance practices. We have started to monitor our investment framework with an objective to incorporate Environmental, Social, and Governance (ESG) risks as part of our decision-making process.

We have four key focus areas in our quest to integrate ESG in our Investments Framework:

- A. We are integrating a section on ESG risks and opportunities in the investment note of every investee Company which is considered while making a decision to invest in a company
- B. We are constantly tracking to ensure 75% ESG compliance in our equity portfolio at all times
- C. We are ensuring 100% ESG compliance in 100% of Shareholders' funds' equity portfolio
- D. We are also on track to launch an ESG Index fund in Q1 2022

We have implemented a comprehensive stewardship policy and disclose a detailed summary of our voting actions quarterly. This stewardship code describes our approach to the stewardship responsibilities as set out under each principle and how its Code and procedures meet the requirements of the Guidelines. This Code is also available on our Company's website.

There is a dedicated Board Committee called the Products and Actuarial Committee (PAC), that has the mandate to review product development and performance. The PAC is chaired by a Non-Executive Director. Further, the PAC, as per the assessment, may also refer some matters to the Policyholder Protection Committee (PPC) to ensure that all relevant aspects related to responsible product offering are considered.

## **GREEN OPERATIONS**

We are currently assessing Max Life's Carbon Footprint (Scope 1 and Scope 2) and building a roadmap to achieve the carbon neutrality target by FY2028.

We aim to completely ban-single use plastic usage in our offices in the next few years. Our current emphasis is on recycling plastic at tuck shops and pantries at the Head Office. We have used 10,000 kg of plastic in FY22 (3,000kg is single-use plastic usage and 7,000 kg is recycled plastic usage). We plan to reduce plastic consumption by 100kg in FY23. We also intend to replace plastic water jars with RO water. We have already reduced 537 tons of CO2 emission by eliminating 81,378 kg of plastic by FY22. All of our discharged water in our head office is recycled with the help of STP: We are continuously recycling 30-kilo liters per day and will continue to do so in our Head office. Reduction in water consumption by the use of tap sensors and water aerators: 100% tap sensors and water aerators in place in Ho. With the help of these, ~70% of water consumption is reduced. Our goal is to replace all CFLs in offices with LED lights Pan-India to reduce energy consumption. In the last three years, the replacement has been undertaken across 30% offices that has helped achieve ~3% energy reduction.

We are planning to implement and maintain a ratio of 1 green plant/employee in our head-office.

## ENHANCED ENGAGEMENT WITH EMPLOYEES

Inspiring leadership, improving the employee experience and contemporizing people practices are key drivers of your Company's high-performance culture. Some key highlights are:

- Max Life has been ranked 18<sup>th</sup> amongst 'India's Best Companies to Work For' in 2021. The Company has been bestowed upon this honour for the tenth time in the most comprehensive employee survey of workplace culture conducted by the Great Place to Work Institute. Max Life has also been recognized amongst the top 30 Best Workplaces in BFSI; and retains its position amongst Top 50 Best Workplaces for the fifth consecutive year of participation, as per the Great Place to Work Institutes (GPTW) 2021 study.
- In the FY22 annual employee engagement survey, over 94% of employees shared their feedback, with 95% favorable scores.
- At our Founders' Day in FY22, 323 employees were recognized with long service awards for completing 10, 15, and 20 years of service with Max Life.

## VALUES FRAMEWORK

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

- **CARING:** Respect people, Act with compassion
- **COLLABORATION:** Stronger together
- **CUSTOMER OBSESSION:** Customer at the core
- **GROWTH MINDSET:** Curious to learn, Hungry to win

**With INTEGRITY at its core**

## DIVERSITY AND INCLUSION (D&I)

Diversity is a fact in an organization and its definition binds itself as a mix of people, ethnicities, gender, and social aspects, but mostly, the richness of diversity comes from the variety of thoughts that are beyond the obvious definitions. Additionally, the essence of inclusion stems from creating a safe space for everyone to express their thoughts without inhibitions.

With an unprecedented pandemic facing us, the focus on inclusion commitment at Max Life has become much more imperative today. Our D&I commitment is no longer just a social or even a human rights issue but has become a business imperative critical to the long-term success of our organization. The latest trends in Environment and Social Governance (ESG) count D&I to be a critical component. There is heightened importance of gender and cultural diversity and social inclusion to mitigate the risks faced by the organization and improve employee productivity that has significantly contributed to improving the Company's profitability and correspondingly, its financial performance.

In line with the purpose of making Max life an inclusive and diverse great place to work, your Company continues to work through regional diversity and inclusion councils to integrate D&I into the culture of Max Life Insurance, building organizational capability, enhancing diversity footprint and enhanced rigour for the spirit of D&I to cascade to every individual in the organization to make each employee an ally.

Diversity & Inclusion is at the heart of our business strategy, and not just a component of the people strategy. Because of this, we won some accolades for our efforts in the year.

- Max Life featured in the Top 100 Great Place to Work for Women in the Large Companies category
- Max Life Insurance was awarded “Excellence in Gender Diversity” at the 4<sup>th</sup> Annual D&I Summit & Awards by Transformance Forums

**We have devised the C.O.R.E. framework to guide our D&I journey:**

**C – Culture**

**O – Organization Capability**

**R – Recruitment & Retention**

**E – Engagement & Connect**

### **CULTURE**

- Diversity & Inclusion Founder’s Day Awards given out for the first time to 3 D&I Champions
- Progressive policies were introduced like Sabbatical Policy, enhancement of Paternity Leave, and Inclusion of mental health in the scope of Sick leave
- D&I Toolkit devised for all Supervisors to understand the behaviour & actions of an inclusive leader

### **ORGANIZATION CAPABILITY**

- Capability building programs for women at all levels of their career journey
- Mentorship & Coaching assistance for women leaders
- To cover all employees at scale we also developed 2 e-modules on D&I

### **RECRUITMENT & RETENTION**

- Overall gender diversity at Max Life stands at 25% compared to 23% in FY’21
- Increase in the hiring of people with disability and enhancing this footprint by 3 times
- 84% of Max Life Insurance consists of Millennial or Gen Z population. This pegs us as an organization poised for growth with high energy

### **ENGAGEMENT & CONNECT**

- Celebration of the “Diversity & Inclusion Week” for the third year from March 7<sup>th</sup> – 12<sup>th</sup> 2022. The week was enriched by several activities from panel discussions, and expert speakers to gratitude campaigns.
- Celebration of D&I spotlight per channel to drive employee participation and recognize the stars.
- Utilization of social media platforms to communicate our belief in thoughts and actions around the theme of Diversity & Inclusion

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

## INVESTMENT PERFORMANCE

Your Company's assets under management (AUM) were INR 1,07,510 crore as on 31<sup>st</sup> March 2022. This is a growth of 19% over the previous year. Your Company ensures that its investment assets are managed in accordance with its asset-liability management guidelines for Traditional policies and a market-oriented approach for its unit-linked (ULIP) policies. The performance of both traditional and unit-linked funds is commensurate with the risks assumed in the respective funds.

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

Indian equity markets rallied by 17% in FY22, outperforming many markets globally. The rally in the market was however interspersed with phases of high volatility. The mid and small cap indices rallied ahead of large-caps and were up 23% and 26%, respectively. Negative developments such as Covid waves, unstable geopolitical outlook, rising yields, and disruptions in global supply chains were offset by an increase in the pace of vaccinations and 'opening up' of the global economy. Our equity markets saw record foreign investor outflows as these investors reallocated to other geographies, dominated by commodity producers. However, domestic flows into the equity markets, remained supported by domestic institutional and retail investors. Therefore, equity market performance was not impacted due to such large outflows by the foreign investors.

FY22 marked the return of growth and inflation after the Covid-related lockdowns. Despite a severe second Covid wave, activity levels resumed swiftly as compared to the first wave. Higher Government capital spending and pent-up consumption demand supported growth. Government continues to provide support to economy with keeping higher fiscal deficit targets leading to higher Government securities issuance. Economy geared towards bottoming of interest rate cycle with higher growth, higher inflation, higher fiscal deficit and tightening by global central banks.

Fixed income markets witnessed rising yields. Reserve bank of India and Monetary Policy Committee (MPC) continued with accommodative policies to support economic growth over inflation. RBI took steps in the form of open market operations, Government Securities Acquisition Plan (G-SAP) to manage high borrowing programme in a non-disruptive manner. Systemic liquidity remained in huge surplus.

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

Long-term performance of our ULIP funds remained strong with above-benchmark returns overall. Yield on our traditional funds was in line with long-term objectives of various plans.

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



## AWARDS AND RECOGNITION

Being in the business of building 'Customer Delight', Max Life has always strived to bring the best of experiences to its stakeholders. It is in this regard, that our business performance and practices have earned sectoral admiration and have won us multiple awards and recognition. In this fiscal, your Company has won more than 30 awards and recognitions amongst industry forums, including but not limited to the following:



**Awarded Gold in Life insurance provider of the year at Outlook Money Awards 2020**



**Awarded Excellence in Digital Transformation, Excellence in Customer Experience, Excellence in Brand Management, Excellence in Consumer Insights/Market research at the ACEF Asian Leaders Awards for Branding, Marketing & CSR 2021**



**Awarded Gold in 'Best Internal Communications' at AFAQs Digies awards 2021**



**Excellence in Digital Sales and Process Enablement at FICCI Insurance Industry Awards 2021**



**Gold in Best Use of Internal Communications at Fulcrum Awards 2021**

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

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

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

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

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

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

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

The Company's overall approach to managing risks is based on the 'Three Lines of Defence' model with clear segregation of roles and responsibilities for all the lines. Business managers are part of the first line of defence and have the responsibility to evaluate the risk environment and put in place appropriate controls to mitigate such risks or avoid them. The risk management function, along with the compliance function, forms the second line of defence. The internal audit function guided by the Audit Committee is the third line of defence and provides independent assurance to the Board.

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

As the pandemic Covid-19 is still to end, the business continuity team under the risk management function continues to work proactively to ensure business continuity while giving primacy to the safety and security of our people.

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

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

During FY22, your Company received 17 complaints under the sexual harassment category. All these complaints were investigated and 11 complaints were closed. The investigation of the balance 6 complaints is in progress, and the same would be closed within the prescribed timelines. Your Company is compliant with respect to making requisite filings to the competent authority in this regard.

Further, your Company has complied with provisions relating to the constitution of the Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

In addition, 13,750 employees were certified on the prevention of sexual harassment by an e-learning module and 42 training sessions conducted through various interventions like new employee induction, refresher training, and through digital platforms (Zoom and Disha), etc.

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

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

## **MAX LIFE PENSION FUND MANAGEMENT LIMITED**

In FY22, your Company has promoted and enabled the incorporation of a wholly-owned subsidiary by the name of “Max Life Pension Fund Management Limited”. The main objective of this subsidiary is to carry on the business of fund management in general, and pension fund management in particular, in any part of India or outside of India, and to manage pension, provident, annuity or retirement funds or benefits or schemes.

Your Company is the promoter and sponsor of the said Max Life PFM company.

## **GENERATING INSURANCE AWARENESS AMONGST CUSTOMERS**

Max Life believes that it is important that Indian consumers should be aware of the true purpose of life insurance. Various surveys by leading research agencies have indicated that, while majority of Indians are aware of life insurance plans, ownership of term insurance is low, and consumers are not aware of the role life insurance can play in building a financially secure nation. During FY22, Max Life led the industry initiative on insurance awareness. This was supported by digital and social media initiatives and PR campaigns. Max Life supported this industry initiative through its continued work towards increasing life insurance awareness amongst its existing customers and prospective life insurance customers.

Your Company worked on four specific themes:

- ***Campaign on the benefits of life insurance***

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

In FY22, the Company conducted 3 mass media campaigns spread over 8 weeks to educate prospective customers about the importance of Claims Paid Ratio and planning for a protected future. Social media has become an integral part of the life of a large part of Indian population. Being online, connected and updated with information has become the need of the hour.

To leverage this digital revolution, Max Life Insurance has engaged with people at large through our own social media assets to educate them about the importance of life insurance as a financial solution for protection and meeting life stage needs. On social media through 52 static posts and 67 video based posts on Youtube, Facebook, LinkedIn and Instagram we reached out to 7,99,40,650 people. In addition, many knowledge articles related to life insurance were posted on leading portals reaching 60,09,861 readers. The Company also utilised the reach of print and digital media through participation in life insurance related stories and 38 authored articles.

Max Life in partnership with Kantar, conducted the fourth edition of its consumer survey, India Protection Quotient (IPQ) across cities to check India’s financial protection status. Conducted entirely online, the India Protection Quotient 4.0 surveyed 5,729 respondents across 25 Indian cities [between 10 December 2021 to 14 January 2022], making this one of the most comprehensive financial studies carried out during the recent wave of Covid-19.

With increasing immunization coverage and a growing positive outlook beyond COVID-19, the ‘Protection Quotient’ of urban India has moved 3 points to 50, witnessing a gradual rise from previous IPQ editions. The trend line reflects steady growth in the country’s overall financial protection that has led to prioritizing financial security overall aspects.

The survey indicates a marginal increase in urban India's knowledge index from 68 to 69, while the security index increased by 5 points to 56%. Metros, Tier 1 and Tier 2 cities also witnessed an increase in the protection index, while Tier 2 saw a significant rise in life insurance awareness from 61 to 68. This indicates a strong potential in Tier 2 markets for life insurance adoption. The findings of the survey were published in multiple print and online publications and major news channels in the country, thus creating a lot of buzz around the need for protection.

- ***Campaign focusing on protection of consumers***

Fraudulent activities and spurious calling to defraud life insurance consumers are a reality that the life insurance industry is tackling through individual and joint efforts. During FY22, messages related to protecting oneself from such activities were shared with your Company's existing policyholders by incorporating such messages in most customer communication. Similar information was also shared through SMS and articles with policyholders.

- ***Campaign for customers***

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

## **CORPORATE SOCIAL RESPONSIBILITY**

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

During FY22, Max Life supported 8 leading NGOs towards Social, Emotional, and Ethical Learning benefitting 38,366 children directly, and additionally 54 lakh children of Tamil Nadu and Tripura were reached indirectly through NGO partner - The Education Alliance. Through these NGOs, support was also provided for the training of 40 fellows, 1,393 teachers, and 515 community members.

Intending to participate and contribute to diverse community service initiatives, Max Life Insurance CSR; Pehal, continued with significant momentum in FY22. Overall, through various initiatives under Pehal, the Company was able to positively impact approximately 1.5 Lakh beneficiaries across the country.

### **Financial Literacy & Insurance Awareness**

Max Life partnered with Haqdarshak, a social enterprise that conducts financial literacy & insurance awareness camps in Haridwar (Uttarakhand) & Purbi Singhbhum (Jharkhand). The project trained 30 women from the local community to enrol eligible citizens into government welfare & insurance schemes, thus creating sustainable livelihood for them and positively impacting nearly 15,000 beneficiaries.

### **Covid19 support initiatives**

Contribution of around 60,000 safety kits across 350+ locations to Police and Defence officials, healthcare workers, frontline workers in state administration and education sector, leading to recognition of Max Life as a responsible corporate citizen.

## **Environment Conservation**

**Metro greening project with Gurugram Metropolitan Development Authority (GMDA):** The greening and maintenance work of the central verge of the 4.5 km stretch from IFFCO Chowk, Gurugram to the Delhi border was completed as per plan. A total of 43,200 saplings were planted during this period, that led to 21 metric tons of carbon sequestering. Maintenance work involved watering, weeding, pruning, and pest control. We also installed dustbins and benches along the left and right verge of the stretch.

**Water Conservation Project:** 75 RWA's in & around Delhi NCR were contacted, and camps were held raising awareness of residents on the importance of water conservation. Approximately 65,000 water nozzles were distributed along with fitment assistance. These water nozzles result in a 70% reduction in water consumption in a household.

**Healthcare – curbing malnutrition:** Max Life distributed “Happiness Kits” to 2,500 impoverished families in the Haridwar district in collaboration with NGO Akshaya Patra. The kits had supplies of dry rations for families particularly impacted by the pandemic and stationary for children to support the right to education of socio-economically disadvantaged children.

**Joy of Giving – Office activities:** Employees continued the volunteering momentum in Covid times. Teams volunteered to provide necessary materials and rations to marginalized sections of the society across the country. Volunteers provided infrastructural support like computers to differently-abled children in schools. They also contributed uniforms, sweaters, and books to underprivileged school children felicitated the Kargil war veterans and undertook a plantation drive. 400 volunteers contributed to the betterment of 21,000 beneficiaries.

Engagement with NGOs supported through Max India Foundation – virtual volunteering: Max Life engaged senior leaders for 9 virtual volunteering sessions. We partnered with various NGOs on virtual sessions on topics like Financial Literacy, Career Counselling, and Health & Hygiene.

In line with the requirements under section 135 of the Companies Act, 2013, your Company contributed INR 9.49 crore towards these CSR activities during FY22 through its execution partner, Max India Foundation, and through the Company directly. The detailed Annual Report on the CSR activities undertaken by your Company is placed in **Annexure-II**.

## **CORPORATE GOVERNANCE**

Your Company has an optimum combination of executive, non-executive, and independent directors on its Board which comprises 2 executive directors, 8 non-executive (non-independent) directors (including 1 (one) woman director) and 4 independent directors. Your Company believes that well informed and Independent Board is essential to ensure the high standards of Corporate Governance. Your Company has had a woman Director on its Board even before this became a mandatory requirement and continues to benefit from a diversified Board composition.

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

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

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

- Satisfying the spirit and not just the letter of the law.
- Going beyond the law in upholding corporate governance standards.
- Driving the business based on of the belief and 'when in doubt, disclose'.
- Maintaining transparency and a high degree of disclosure.
- Making a clear distinction between personal convenience and corporate resources.
- Communicating externally in a truthful manner about the Company's financial results and operational practices.
- Having a simple and transparent corporate structure driven by business needs.
- Embracing a trusteeship model in which the Management is the trustee of the Shareholders' and Policyholders' funds.

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

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

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

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

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

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

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

## **BOARD OF DIRECTORS AND COMMITTEES**

There were conscious efforts to continue to strengthen the board of directors, in terms of its diversity, effectiveness and corporate governance. The following changes were made in the board composition of your Company:

1. Appointment of Mr. Mitsuru Yasuda, Mr. Rajesh Kumar Dahiya, Mr. Rajiv Anand and Mr. Subrat Mohanty was regularized as Non-Executive Directors of the Company by the members at their 21<sup>st</sup> Annual General Meeting held on May 7, 2021.
2. Appointment of Mr. Girish Srikrishna Paranjpe and Mr. Rajesh Khanna was regularized as the Independent Directors of the Company by the members at their 21<sup>st</sup> Annual General Meeting held on May 7, 2021.

In the opinion of the Board, the said independent directors are eminent personalities with integrity and have significant expertise and experience and proficiency that has strengthen the overall composition of the Board. With regard to their proficiency, it shall be noted that Mr. Girish Srikrishna Paranjpe has successfully passed the online proficiency self-assessment test as required under the provisions of Rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Mr. Rajesh Khanna is exempted from passing the said test in terms of the exemption provided in the aforesaid rule.

In accordance with the provisions of the Companies Act, 2013, Mr. V. Viswanand, Mr. Mohit Talwar and Ms. Marielle Theron shall retire by rotation, and being eligible, have offered themselves for reappointment in the ensuing annual general meeting.

A resolution seeking reappointment of Mr. V. Viswanand, Mr. Mohit Talwar and Ms. Marielle Theron has been included in the notice convening the forthcoming annual general meeting of your Company.

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

## **KEY MANAGERIAL PERSONNEL (“KMP”) U/S SECTION 203 OF THE COMPANIES ACT, 2013**

During the financial year 2021-22, the Key Managerial Personnel of your Company were:

- a) Mr. Prashant Tripathy as Managing Director & CEO;
- b) Mr. V. Viswanand as Deputy Managing Director (Whole-time director);
- c) Mr. Amrit Pal Singh as Chief Financial Officer;
- d) \*Mr. Mandeep Mehta as Chief Financial Officer (Internal Designation of Deputy CFO) w.e.f. September 9, 2021
- e) Mr. Anurag Chauhan as Company Secretary.

*\* Mr. Mandeep Mehta ceased to be associated with the Company with effect from May 1, 2022.*

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

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



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

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

## **ANNUAL EVALUATION**

For FY22, the annual evaluation of the performance of the board, the committees, individual directors including independent directors and the chairman has been carried out in line with requirements under the Companies Act, 2013. This was carried out by obtaining feedback from all directors through an online survey mechanism/ hard copy questionnaires. The outcome of the said performance evaluation was placed before the nomination and remuneration committee of your Company and the Board on May 9<sup>th</sup> and 10<sup>th</sup>, 2022 respectively.

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

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

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

- i) They meet with the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.
- ii) They have duly complied with the provisions of sub-rule (1) & (2) of Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014 i.e. inclusion of their names in the databank for independent directors.

## **DECLARATION BY THE DIRECTORS REGARDING FIT & PROPER CRITERIA AS PRESCRIBED UNDER IRDAI REGULATIONS**

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

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

All the related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. The requisite disclosure of the related party transactions has been made in the notes to accounts of your Company's financial statements for FY22. In addition, the particulars of contracts or arrangements as entered with related parties of your Company are enclosed herewith in the prescribed format i.e. Form AOC-2, as **Annexure III**.

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

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

[https://www.maxlifeinsurance.com/content/dam/corporate/public-disclosures/2021-22/Q4-FY-21-22/annual-return\\_FY2021-22.pdf](https://www.maxlifeinsurance.com/content/dam/corporate/public-disclosures/2021-22/Q4-FY-21-22/annual-return_FY2021-22.pdf)

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

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

#### **a. Information relating to the design and structure of remuneration processes and the key features and objective of remuneration policy**

The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully. The interests of CEO/ MD/ WTD are aligned with the business strategy, risk tolerance and adjusted for risk parameters as mentioned in Nomination & Remuneration Policy. The remuneration of Managing Director and CEO/ Dy. Managing Director is inclusive of fixed pay, perquisites, bonus, allowances, short term/long-term incentives, retiral (superannuation or any other pension plan, gratuity, provident fund), Employee Phantom Stock Option, severance package (by whatever name called) and other components. Your Company's remuneration structure does not have guaranteed bonus of any kind as part of the remuneration plan of CEO/ MD/ WTD except sign on/joining bonus, if required.

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

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

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

Relationship of remuneration to performance is clear, meeting appropriate performance benchmarks and consistent with the "pay-for-performance" principle. Remuneration to Directors and Key Managerial Personnel involves a balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals. Nomination and Remuneration Committee (NRC)/ Board tracks the performance of the risk parameters of the relevant line of business every year. In case of negative performance, NRC/ Board will review the same and, based on appropriate facts, may consider appropriate measures for clawback. For further details, please refer to the Nomination & Remuneration Policy.

**SECRETARIAL AUDIT REPORT**

Your Company, in a meeting held on August 10, 2021, appointed M/s Chandrasekaran Associates, Company Secretaries, Delhi, to conduct a secretarial audit for FY22 as per the requirement under Section 204 of the Companies Act, 2013. M/s Chandrasekaran Associates has shared its report for FY22 in the prescribed format i.e. form no. MR-3, which is enclosed herewith as **Annexure V** for your reference.

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

**(a) Statutory Audit**

**Joint Statutory Auditors** i.e. M/s Fraser and Ross, Chartered Accountants and M/s. B. K. Khare & Co., Chartered Accountants, have no qualification, reservation, disclaimers and adverse remarks in their joint auditors' report for FY22.

**(b) Secretarial Audit**

M/s. Chandrasekaran Associates, Company Secretaries, Delhi, Secretarial Auditors of the Company have no qualification, reservation, disclaimers and adverse remarks in the Secretarial Audit Report for FY22.

## **DEMATERIALIZATION OF SECURITIES:**

The status of dematerialization of shares of the Company as on March 31, 2022, is given below:

<b>Mode of holding</b>	<b>% to paid-up capital</b>
Electronic	100% (approx.)
Physical	0.00% (approx.)
Total	100.00 (approx.)

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

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

## **SHAREHOLDERS DIVIDEND**

During FY 22, the Board of Directors of your Company in its meeting held on May 7, 2021, announced a final dividend of 9.20% of the face value of each share i.e. INR 0.92 per share for its shareholders amounting to INR 176.53 crores, for the financial year ended on 31<sup>st</sup> March, 2021.

## **ISSUE AND LISTING OF NON-CONVERTIBLE DEBENTURES**

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

## **PARTICULARS OF DEPOSITS**

Your Company has not accepted any deposits under Section 73 of the Companies Act, 2013.

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

In accordance with section 186(11) (a) of the Companies Act, 2013 read with clarification issued by Ministry of Corporate Affairs on February 13, 2015, Section 186 does not apply to an Insurance Company. Accordingly, your Company does not have any loan given, investment made or guarantee given or security provided as required under Section 186 of the Companies Act, 2013.

## **CHANGE IN THE NATURE OF BUSINESS, DURING THE FINANCIAL YEAR**

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

## **MATERIAL CHANGES AND COMMITMENT**

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

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

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

## **AUDITORS**

The joint statutory auditors of the Company viz; M/s B.K. Khare & Co., Chartered Accountants, shall retire at the conclusion of the ensuing annual general meeting. M/s. B. K. Khare, Chartered Accountants have expressed their willingness to be re-appointed respectively at the forthcoming annual general meeting.

Further, M/s Fraser and Ross, Chartered Accountants, have been appointed for five years in the 18<sup>th</sup> annual general meeting of the Company held on May 18, 2018, till the conclusion of 23<sup>rd</sup> annual general meeting of the Company.

Your Company proposes to reappoint M/s B.K. Khare & Co., Chartered Accountants from the conclusion of the ensuing annual general meeting till the conclusion of the 23<sup>rd</sup> annual general meeting.

Your Company has received certificates from the respective Statutory Auditors that their re-appointment and continuation as Statutory Auditors, if made, shall be in accordance with the conditions laid down in the Companies (Audit and Auditors) Rules, 2014 and Annexure 7 of Corporate Governance Guidelines issued by IRDAI and satisfies the criteria provided in Section 141 and Section 144 of the Companies Act, 2013.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

The board of directors of your Company confirms that:

- a) In the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company at the end of the financial year and of the profit and loss of the Company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis; and

- e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

**MAINTENANCE OF COST RECORDS**

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

**DETAILS OF THE DEBENTURE TRUSTEE**

**Name of the Debenture Trustee:** IDBI Trusteeship Services Limited

**Contact details of IDBI Trusteeship Services Limited as notified to the Company as on date:**

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

Phone: 022 40807000

Contact Person: Mr. Aditya Kapil

e-mail: itsl@idbitrustee.com

**ADDITIONAL INFORMATION**

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the year ended March 31, 2022, is as follows:

A.	Conservation of energy	NA
B.	Technology absorption	As below
C.	Foreign Exchange Earnings/Inflow and Outgo	Year ended 31.03.2022  (INR crore)
	Earnings/ Inflow (including equity infusion)	24.76 Crore
	Outgo	98.12 Crore
	Activities relating to exports, initiatives taken to increase exports, develop new export markets, export plan, etc.	NA

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

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

**MAINTENANCE OF COST RECORDS**

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

**ACKNOWLEDGMENTS**

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

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

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

**Date: May 10, 2022**

**Place: New Delhi**

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

**Sd/-**

**Prashant Tripathy**

**Managing Director & CEO**

**DIN: 08260516**

**Sd/-**

**V. Viswanand**

**Deputy Managing Director**

**DIN: 08260553**

**“Certification for compliance of the Corporate Governance Guidelines”**

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

**Sd/-**

**Anurag Chauhan**

**Company Secretary**

**(Membership No. F9899)**

Place: New Delhi

Date: May 10, 2022



## List of Annexures

S. No.	Particulars	Relevant Rules	Relevant Form	Annexure No.
1.	Disclosures for Financial Year 2021-2022	IRDAI Corporate Governance Guidelines	-	I
2.	Corporate Social Responsibility Report	Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Report) Rules, 2014	Prescribed format as per Annexure to the Companies (Corporate Social Responsibility Report) Rules, 2014	II
3.	Contracts and arrangements with Related Parties	Section 188(1) read with Section 134(3)(h) of the Companies Act, 2013	Form AOC-2	III
4.	Nomination & Remuneration Policy	Section 178(4) of the Companies Act, 2013 read with Section 134(3)(e)	NR Policy	IV
5.	Secretarial Audit Report	Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014	Form MR-3	V

## Annexure I: Disclosures as per the Corporate Governance Guidelines

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

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

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

During FY 22, the Board of Directors met six times as follows and the time gap between two successive Board meetings did not exceed 120 days:

- April 6, 2021
- May 7, 2021
- August 10, 2021
- September 8, 2021
- November 9, 2021
- January 28, 2022

Number of Board meetings held and attended by the Directors during FY ended March 31, 2022 and the attendance of directors at the Annual General Meeting (AGM) held during said FY:

Name of the Director	Designation	No. of Board Meetings held	No. of Board Meetings attended	21 <sup>st</sup> Annual General Meeting held on May 7, 2021  Attended: Yes/No
Mr. Analjit Singh	Chairman, Non-executive Director	6	6	No
Mr. Prashant Tripathy	Managing Director & CEO	6	6	Yes

Mr. V. Viswanand	Deputy Managing Director	6	6	Yes
Mr. Girish Srikrishna Paranjpe	Independent, Non-executive Director	6	6	Yes
Mr. K. Narasimha Murthy	Independent, Non-executive Director	6	6	Yes
Ms. Marielle Theron	Non-executive Director	6	6	Yes
Mr. Mitsuru Yasuda	Non-executive Director	6	6	Yes
Mr. Mohit Talwar	Non-executive Director	6	6	Yes
Mr. Pradeep Pant	Independent, Non-executive Director	6	6	Yes
Mr. Rajesh Khanna	Independent, Non-executive Director	6	6	Yes
Mr. Rajesh Kumar Dahiya	Non-executive Director	6	6	Yes
Mr. Rajiv Anand	Non-executive Director	6	5	Yes
Mr. Sahil Vachani	Non-executive Director	6	4	Yes
Mr. Subrat Mohanty	Non-executive Director	6	6	Yes

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

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

During FY22, the Audit Committee met 4 times as follows:

- May 6, 2021
- August 9, 2021
- November 8, 2021

- January 27, 2022 (adjourned and reconvened on January 28, 2022)

Constitution of the Audit Committee, number of meetings held and attended by the Members during FY ended March 31, 2022:

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

During FY2022, there was no such incident when your Company's Board of Directors did not accept any recommendation of the Audit Committee.

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

During FY22, the Investment Committee met 4 times as follows:

- May 6, 2021
- August 9, 2021
- November 8, 2021
- January 27, 2022

Constitution of the Investment Committee, number of meetings held and attended by the Members during FY ended March 31, 2022:

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

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

During FY22, the Policyholder Protection Committee met 4 times as follows:

- May 6, 2021
- August 9, 2021

- November 8, 2021
- January 27, 2022

Constitution of the Policyholder Protection Committee, number of meetings held and attended by the Members during FY ended March 31, 2022:

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

Further, Mr. Kapil Mehta, External Customer Expert, attended all the meetings (4 out of 4) of the Policyholder Protection Committee held during the FY 22.

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

During FY22, Risk, Ethics and ALM Committee met 4 times as follows:

- May 6, 2021
- August 9, 2021

- November 8, 2021
- January 27, 2022

Constitution of the Risk, Ethics and ALM Committee, number of meetings held and attended by the Members during FY ended March 31, 2022:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. K. Narasimha Murthy	Chairperson, Independent Non-executive Director	4	4
Mr. Jose John	Member, Appointed Actuary	4	4
Ms. Marielle Theron	Member, Non-executive Director	4	4
Mr. Mitsuru Yasuda	Member, Non-executive Director	4	4
Mr. Prashant Tripathy	Member, MD & CEO	4	4
Mr. Sahil Vachani	Member, Non-executive Director	4	1
Mr. Subrat Mohanty	Member, Non-executive Director	4	4
Mr. V. Viswanand	Member, Deputy MD	4	4

Further, Mr. Sachin Saxena, Chief Risk Officer of the Company attended all the meetings (4 out of 4) of the Risk, Ethics and ALM Committee held during the FY 22.

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

During FY22, the Product & Actuarial Committee met 2 times as follows:

- May 6, 2021

- November 9, 2021

Constitution of the Product & Actuarial Committee, number of meetings held and attended by the Members during FY ended March 31, 2022:

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

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

During FY22, the Nomination and Remuneration Committee met 5 times as follows:

- May 7, 2021
- August 10, 2021
- November 9, 2021
- November 22, 2021
- January 28, 2022

Constitution of the Nomination and Remuneration Committee, number of meetings held and attended by the Members during FY ended March 31, 2022:



Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. Pradeep Pant	Chairperson, Independent Non-executive Director	5	5
Mr. K. Narasimha Murthy	Member, Independent Non-executive Director	5	5
Mr. Mitsuru Yasuda	Member, Non-executive Director	5	5
Mr. Mohit Talwar	Member, Non-executive Director	5	5
Mr. Rajesh Khanna	Member, Independent Non-executive Director	5	5
Mr. Rajesh Kumar Dahiya	Member, Non-executive Director	5	5

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

During FY22, With Profits Committee met 2 time as follows:

- May 7, 2021
- January 28, 2022

Constitution of the With Profit Committee, number of meetings held and attended by the Members during FY ended March 31, 2022:

Name of the Member	Designation	No. of Meetings held	No. of Meetings attended
Mr. K. Narasimha Murthy	Chairperson, Independent Non-executive Director	2	2

Mr. Amrit Singh	Member, Chief Financial Officer	2	1
Mr. Jose John	Member, Appointed Actuary	2	2
Mr. Prashant Tripathy	Member, MD & CEO	2	2
Mr. Sai Srinivas Dhulipala	Member, Independent Actuary	2	2

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

During FY22, the Corporate Social Responsibility Committee met 2 times as follows:

- May 7, 2021
- November 8, 2021

Constitution of the Corporate Social Responsibility Committee, number of meetings held and attended by the Members during FY ended March 31, 2022:

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

j. During FY22, the Independent Directors met on May 7, 2021, attendance by members is as follows:

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

k. Details of Board of Directors and other Committee Members, designation, qualification, field of specialization, status of directorship held for FY22 as on March 31, 2022:

Name	DIN	Designation	Qualifications and Field of Specialization	#Status of Directorship held in other companies
Mr. Analjit Singh	00029641	Non-executive Chairman	Graduate from Shri Ram College of Commerce, University of Delhi, MBA from Graduate School of Management, Boston University, USA. Awarded with the Degree of Honorary Doctorate by Amity University.  Field of Specialization - Business Leader and Industrialist	12
Mr. Prashant Tripathy	08260516	Managing Director & Chief Executive Officer	B TECH (chemical engineering) - IIT Kharagpur, PGDBM – IIM Bangalore  Field of Specialization - Finance, Strategy, Business Development, Risk Management, Business Leadership	1
Mr. V. Viswanand	08260553	Deputy Managing Director	Master of Management Studies - BITS Pilani  Field of Specialization - Industry veteran in financial services sector	Nil
Mr. Girish Srikrishna Paranjpe	02172725	Independent, Non-executive Director	B. Com, Associate Member of the Institute of Chartered Accountants of India and Associate of the Institute of Cost and Works Accountants of India  Field of Specialization - Finance and Technology	4

Name	DIN	Designation	Qualifications and Field of Specialization	#Status of Directorship held in other companies
Mr. K. Narasimha Murthy	00023046	Independent, Non-executive Director	B.Sc., Fellow member of the Institute of Chartered Accountants of India (ICAI), Fellow member of Institute of Cost & Works Accountants of India (ICWAI).  Field of Specialization - Chartered Accountant and Cost & Management Accountancy	9
Ms. Marielle Theron	02667356	Non-executive Director	Fellow of Society of Actuaries, USA and B.Sc. majored in Actuarial Science, Laval University, Canada.  Field of Specialization - Actuarial and Financial services	Nil
Mr. Mitsuru Yasuda	08785791	Non-executive Director	BA in Social Science from Waseda University, Tokyo  Field of Specialization – Accounting and Finance	1
Mr. Mohit Talwar	02394694	Non-executive Director	Postgraduate from St. Stephen’s College and completed his Management Studies in Hospitality from the Oberoi School  Field of Specialization - Corporate Finance, Investment Banking, M&A and Strategic Planning for large businesses	2
Mr. Pradeep Pant	00677064	Independent, Non-executive Director	Masters degree in Management Studies (MMS) from Jamnalal Bajaj Institute of Management Studies, Bombay University and Bachelor’s Degree with Hons in Economics from Shri Ram College, Delhi University.  Field of Specialization – Consumer facing business with expertise in General Management, Marketing and Sales	3
Mr. Rajesh Khanna	00032562	Independent, Non-executive Director	PGDM from the Indian Institute of Management, Ahmedabad and a Chartered Accountant  Field of Specialization – Investments	1

Name	DIN	Designation	Qualifications and Field of Specialization	#Status of Directorship held in other companies
Mr. Rajesh Kumar Dahiya	07508488	Non-executive Director	Bachelor of Engineering (Civil), Masters in Human Resources Management  Field of Specialization - Corporate Governance, Sustainability, Regulatory requirements, Human Resource	1
Mr. Rajiv Anand	02541753	Non-Executive Director	Chartered Accountant and a commerce graduate  Field of Specialization - Accounting	4
Mr. Sahil Vachani	00761695	Non-Executive Director	Bachelor's degree in Management Sciences from the University of Warwick, U.K. backed up by an Executive Management Programme on Disruptive Innovation from the Harvard Business School  Field of Specialization - Business Leader, Strategy	19
Mr. Subrat Mohanty	08679444	Non-Executive Director	BE (Hons), MBA (IIM Calcutta)  Field of Specialization - Insurance, Strategy, Operations	1
Mr. Amrit Singh	NA	Chief Financial Officer	Bachelor of Engineering from Pune University in Computers, 2002, Post Graduate Programme in Management at ISB Hyderabad in Analytical Finance and Strategic Marketing, 2006  Field of Specialization – Strategy, Finance	Nil
Mr. Jose John	NA	Appointed Actuary	B. TECH, MBA (Finance), Cardiff Business School, Fellow member of the Institute and Faculty of Actuaries, UK (FIA), Fellow of the Institute of Actuaries, India (FIAI)  Field of Specialization - Actuarial	Nil
Mr. Mihir Vora	NA	Chief Investment Officer	B.E., Mechanical - Maharaja Sayajirao University, Baroda, 1991; Post Graduate Diploma in Management - IIM, Lucknow, 1994; and	Nil

Name	DIN	Designation	Qualifications and Field of Specialization	#Status of Directorship held in other companies
			Chartered Financial Analyst - Association for Investment Management and Research (AIMR), USA, 2004  Field of Specialization - Investments	
Mr. Sachin Saxena	NA	Chief Risk Officer	B. Tech (Mechanical Engineering), IIT – Varanasi (earlier IT- BHU), Year 2002, Fellow of Institute of Actuaries of India, Year 2009, Fellow of Institute and Faculty of Actuaries, UK, Year 2009, LL.B., Chaudhary Charan Singh University, Meerut, Year 2018  Field of Specialization - Risk Management, Products and Pricing	Nil
Mr. Sai Srinivas Dhulipala	NA	Independent Actuary	Fellow of Institute of Actuaries of India, B.Sc. (Andhra University)  Field of Specialization – Consulting Actuary	1

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

- l. Brief profile of the Directors of your Company as on date may be read on <https://www.maxlifeinsurance.com/about-us/board-of-directors>
- m. All pecuniary relationships or transactions of the Non-executive Directors.

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

- i. insurance policies, if any, taken by any of them in the ordinary course of business.
- ii. shares held by certain Non-executive Directors as a nominee of Max Financial Services Limited, and sitting fees for attending Board and Committee meetings and commission on profits paid to Independent Directors.

During FY22, your Company paid profit-based commission to the independent directors for FY21, not exceeding 1% of net profits the Company, amounting as follows:

Independent Director		Commission paid in FY22 for FY21 (in INR)
Mr. K. Narasimha Murthy	:	10 lacs
Mr. D.K. Mittal	:	10 lacs
Mr. Deepak Bhattasali	:	10 lacs
Mr. Pradeep Pant	:	10 lacs

In addition to the above, your Company paid sitting fees to its Independent Directors for attending the Board and Committees meetings of your Company held during FY22. Details of which are hereunder:

Independent Director	Total Meetings attended in FY 22	Total amount paid in INR
Mr. Girish Srikrishna Paranjpe	11	11,00,000
Mr. K. Narasimha Murthy	22	22,00,000
Mr. Pradeep Pant	18	18,00,000
Mr. Rajesh Khanna	24	24,00,000

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

(In INR)

<b>Total Fixed Pay</b> Includes Basic, Retirals (PF, Gratuity), Flexible Benefits Plan (including expenses on account of Car, Medical Reimbursement, Communication, LTA etc)	14,76,29,613/-
<b>Total Bonus</b> Variable Plan contingent on Company and Individual Performance @108.5% Bonus pool in FY 2020-21, Deferred Bonus, LTIP	10,18,72,950/-
PSP amount	19,39,20,140/-

**Note:**

- This includes the remuneration details of KMPs except Managing Director, Deputy Managing Director, CFO/ Dy. CFO, Company Secretary and other Directors, the details for which are provided elsewhere in the Directors' Report.
  - Key Management Persons as defined under IRDAI Corporate Governance guidelines includes members of the core management team of an insurer including all whole-time directors/ Managing Directors/ CEO and the functional heads one level below the MD/CEO, including the CFO, Appointed Actuary, Chief Investment Officer, Chief Risk Officer, Chief Compliance Officer and the Company Secretary.
- o. Details in respect of remuneration paid to the Executive Directors:

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

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

- Service contracts, key terms;

**1. Mr. Prashant Tripathy**

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

**2. Mr. V. Viswanand**

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

- p. Disclosure in respect of remuneration or commission, if any, received by Managing or whole-time director of your Company from the holding company or subsidiary company, who is also in receipt of commission from the Company:
- i. Mr. Prashant Tripathy, Managing Director & Chief Executive Officer of the Company did not receive any commission or remuneration from the holding company or the subsidiary company of the Company during the FY 2022.
  - ii. Mr. V. Viswanand, Deputy Managing Director of the Company did not receive any commission or remuneration from the holding company or the subsidiary company of the Company during the FY 2022.

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

Place: New Delhi  
Date: May 10, 2022

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

**Sd/-  
Prashant Tripathy  
Managing Director & CEO  
DIN: 08260516**

**Sd/-  
V. Viswanand  
Deputy Managing Director  
DIN: 08260553**



## Annexure II

### **Annual Report on Corporate Social Responsibility Activities**

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

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

As per the CSR Policy, your Company decided to execute and undertake Education as a key focus area which includes support to NGOs in the field of educating children and also training teachers.

Through its volunteering programme, Pehal, your Company decided to undertake multiple activities in key areas of financial literacy, insurance awareness, healthcare, environment preservation, supporting Covid-19 front-line workers and other volunteering activities under its *Joy of Giving* initiative.

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

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

In FY '22, Max Life supported 8 leading NGOs working in the field of education. These NGOs have been long-standing partners with the Company. The list of NGO partners include Teach for India, Network for Quality Education Foundation, Shally Education Foundation, Foster & Forge Foundation, iPartner India, Simple Education Foundation, Kshamtalaya Foundation and Raphael Ryder Cheshire International Centre.

Through these NGOs, Max Life Insurance supported education of 45,552 children and also provided support for 1927 teachers and 41 fellows. In partnership with the Tamil Nadu and Tripura government, the Company reached approximately 54 lakh students of local government schools through the initiative of The Education Alliance.

During FY 2022, the company provided financial support of INR ~749.35 lakh to 8 NGOs benefitting children, teachers and fellows.

- b. Employee Initiatives under Pehal** – With an objective to participate and contribute towards diverse community service initiatives, Pehal gained significant momentum in its fifth year in FY '22. The contributions have been truly significant considering the unforeseen situation of the Covid-19 pandemic through the year. Overall, through various initiatives under Pehal, the company was able to positively impact approximately 1.5 Lakh beneficiaries across the country.

During the Financial Year 2021-22, Pehal covered the following activities through various employee initiatives:

**Fighting the Covid-19 pandemic** – During this difficult time of coronavirus, your company and its employees helped fight the pandemic by supporting the frontline workers and the affected communities in the country. We contributed 50,000 safety kits across 350+ locations to Police and Defence officials, healthcare workers, frontline workers in state administration and education sector leading to active engagement. These safety kits comprised of face masks, face shield and sanitizer. In the event of the unexpected 3rd wave of the pandemic, your company contributed 8,500 safety kits to Police officials on their request, leading to recognition of Max Life as a responsible corporate citizen. These safety kits comprised of ten N95 masks and hand sanitizer per kit.

INR 42.5 lacs were booked as expenses under this head in FY '22.

**Environment protection** – Max Life signed a public-private-partnership agreement with the Gurugram Metropolitan Development Authority (GMDA). The organization has adopted nearly 4.5 kms of high traffic road stretch for tree plantation, maintenance and sustainable solutions to preserve the environment. The stretch has been developed with plantation of more than 42,000 saplings, creation of a green park with iron benches and outdoor gym equipment, and installation of dustbins.

Under the Water Conservation drive, 65,000 numbers of the low cost water nozzles were distributed to residents of condominiums in & around Delhi NCR in FY '22.

**Healthcare** – Max Life distributed immunity, hygiene and educational supplies under the 'Happiness Kits' initiative in partnership with Akshaya Patra to 2500 impoverished families in Haridwar district. The kits had supplies of dry ration for families particularly impacted by the pandemic and stationary for children to support right to education of socio-economically disadvantaged children of Haridwar under the Aspirational Districts Program set out by the Government of India. Max Life agent advisors from the local offices actively volunteered for the distribution drives.

**Financial Literacy & Insurance Awareness** – Max Life partnered with Haqdarshak a social enterprise to conduct financial literacy & insurance awareness camps in Haridwar (Uttarakhand) & Purbi Singhbhum (Jharkhand). On conducting on-ground need assessment survey we found that insurance awareness and awareness of welfare schemes was negligible. Often, citizens were disappointed and frustrated with middle-men and difficult enrolment procedures. The project trained 30 women from the local community to enroll eligible citizens into government welfare & insurance schemes and hand hold them till the benefit was received by the citizen. 15000 beneficiaries have been positively impacted by the project.

**Volunteering & Joy of Giving** – At the heart of all our interventions, lies employee volunteering and engagement. Employees continued the volunteering momentum in Covid times. Teams volunteered to provide necessary materials and ration to marginalised sections of the society across the country. Volunteers provided infrastructural support like computers to differently abled children in schools, contributed uniforms, sweaters and books to underprivileged school children, felicitated the Kargil war veterans and undertook plantation drives. 400 volunteers contributed for the betterment of 21,000 beneficiaries.

Engagement with NGOs supported through Max India Foundation – virtual volunteering: Max Life engaged senior leaders for 9 virtual volunteering sessions. We partnered with various NGO's on virtual sessions on topics like Financial Literacy, Covid awareness, Career Counselling and Health & Hygiene.

A total of INR 200 lacs were booked as expenses under all the above Pehal projects in FY '22.

**2. Composition of the CSR Committee:**

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

**3. Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the Board are disclosed on the website of the Company:**

Composition of CSR Committee:

[www.maxlifeinsurance.com/content/dam/corporate/csr-and-media-centre-policies/csr-policies/FY-2022-23/Composition\\_of\\_CSR\\_Committee\\_Max\\_Life.pdf](http://www.maxlifeinsurance.com/content/dam/corporate/csr-and-media-centre-policies/csr-policies/FY-2022-23/Composition_of_CSR_Committee_Max_Life.pdf)

CSR Policy including CSR Projects approved by the Board:

[https://www.maxlifeinsurance.com/content/dam/corporate/csr-and-media-centre-policies/csr-policies/FY-2022-23/CSR\\_Policy\\_including\\_CSR\\_Projects.pdf](https://www.maxlifeinsurance.com/content/dam/corporate/csr-and-media-centre-policies/csr-policies/FY-2022-23/CSR_Policy_including_CSR_Projects.pdf)

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

**Not Applicable**

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

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

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

During the Financial Year 2021-22, your Company decided to spend INR 949.35 lacs, which is above the minimum calculation of 2% of the average Profit Before Tax of your Company in the last three years, on CSR initiatives (including the amount of INR 108.96 lacs which was carried forward from FY 2021). The calculation of the CSR expenditure for the Financial Year 2021-22 is as follows:

Annual CSR Expenditure FY22 – Max Life Insurance Company Limited (INR in Rupees)	
Profit Before Tax FY 19	466.59 Crs
Profit Before Tax FY 20	427.17 Crs
Profit Before Tax FY 21	295.15 Crs
Average Profit Before Tax	396.30 Crs
<b>2% of Average PBT</b>	793.00 Lacs
Discretionary contribution	47.40 Lacs
CSR Budget FY '22	840.40 Lacs

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

As provided above in point no. (6), 2% of the average net profits of the Company as per Sec. 135(5) for FY 2021 - 22 is INR 793.00 lacs plus the discretionary amount of INR 47.40 lacs.

**(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years**

Nil

**(c) Amount required to be set off for the financial year, if any**

Nil

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

INR 840.40 lacs

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

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
INR 949.35 lacs	Not Applicable		Not Applicable		

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

Nil

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

Sl. No.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs. lacs)	Mode of implementation - Direct (Yes/No).	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
1.	Education-through NGOs support	(ii) promoting education, including special education and employment enhancing	Yes	All over India		749.35	No	Max India Foundation	CSR0000 4734

		vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.						
2.	Healthcare including Covid-19 support	Eradicating hunger, poverty and malnutrition, promoting health care, supporting life-saving surgeries of children, covid-relief efforts to help front line workers	Yes	All over India	83.00	Yes	Not Applicable	
3.	Financial Literacy & Insurance Awareness	Financial Literacy in Districts adopted as per IRDAI guidelines	Yes	Haridwar and Purbi Singhbhum	28.5	No	Haqdarshak	NA
4.	Environment	Green Gurugram Project with GMDA, Water conservation project	Yes	Delhi NCR	68.0	Yes	Not Applicable	
5.	Employee volunteering		Yes	All over India	20.5	Yes	Not Applicable	
	<b>Total</b>				<b>949.35</b>			

**(d) Amount spent in Administrative Overheads**

INR 26.75 lacs

**(e) Amount spent on Impact Assessment, if applicable**

Not Applicable

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

INR 949.35 lacs

**(g) Excess amount for set off, if any**

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	793.00 lacs
(ii)	Total amount spent for the Financial Year	949.35 lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	156.35 lacs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil

(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil
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**9. (a) Details of Unspent CSR amount for the preceding three financial years:**

Nil

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

Not Applicable

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

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

**(b) Amount of CSR spent for creation or acquisition of capital asset – NA**

**(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. – NA**

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

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

Not Applicable

Sd/- Prashant Tripathy Managing Director & CEO DIN: 08260516	Sd/- Pradeep Pant Chairman, CSR Committee DIN: DIN: 00677064
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**Annexure - III  
Form AOC-2**

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm length transactions under third proviso thereto

**A Details of contracts or arrangements or transactions not on arm's length basis for FY 21 - 22**

**Related Party Transactions**

S.No.	Name of the related party	Nature of Relationship	Nature of Contract	Amount spent / received in Transaction Period (2021-22)	Duration of the Contract	Salient Terms of contract or arrangements or transactions including the value	Dates of approval by the Board, if any	Amount Paid as advance if any
1	Max Financial Services Limited	Holding Company	Sub-licencing agreement	Nil	Continuing	Sub-licencing to Max Life for using the trademark owned by Max India Limited	04.08.2016	Nil

**B Details of contracts or arrangements or transactions at arm's length basis for FY21 - 22**

**Related Party Transactions**

S.No.	Name of the related party	Nature of Relationship	Nature of Contract	Amount spent / received in Transaction Period (2021-22)	Duration of the Contract	Salient Terms of contract or arrangements or transactions including the value	Dates of approval by the Board if any	Amount Paid as advance if any
1	Max Financial Services Limited	Holding Company	Expenses - Functional support services	16,00,00,000	01-04-2021 to 31-03-2022	Allocated Cost of Group Expenses	Not Applicable as per the Companies Act	Nil
2	Max Financial Services Limited	Holding Company	Expenses - D&O Insurance Policy	3,90,000	01-09-2021 to 31-08-2022	Payment towards cost allocation of D&O Policy	Not Applicable as per the Companies Act	Nil
3	Max Financial Services Limited	Holding Company	Final Dividend paid	1,44,46,11,704	Not Applicable	Final Dividend	Not Applicable as per the Companies Act	Nil
4	Max Skill First Limited	Any body corporate whose BODs, MD or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager	Recovery of expense - Rent of office space	-11,43,162	01-04-2021 to 09-07-2021	Rental Income	Not Applicable as per the Companies Act	Nil
5	Max Skill First Limited	Any body corporate whose BODs, MD or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager	Recovery of expense - IT support	-44,670	01-04-2021 to 09-07-2021	IT support Income	Not Applicable as per the Companies Act	Nil
6	Max Skill First Limited	Any body corporate whose BODs, MD or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager	Recovery of expense - Gratuity / Bonus & others	-2,66,70,243	01-04-2021 to 09-07-2021	One Time Gratuity / Bonus & Other payments	Not Applicable as per the Companies Act	Nil
7	Max Skill First Limited	Any body corporate whose BODs, MD or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager	Expenses - Training services	2,70,99,928	01-04-2021 to 09-07-2021	Training Services	Not Applicable as per the Companies Act	Nil
8	Max Ventures and Industries Limited	A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital	Income - Insurance Premium	-1,12,257	01-04-2021 to 31-03-2022	Group Term life insurance	Not Applicable as per the Companies Act	Nil
9	Max Ventures and Industries Limited	A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid-up share capital	Income - Rental of office space	-3,35,77,364	01-04-2021 to 31-03-2022	Rental Income	Not Applicable as per the Companies Act	Nil
10	Max Towers Pvt Ltd (erstwhile Wise Zone Builders Pvt. Ltd)	A private company in which a director or his relative is a member or director	Expenses - Vaccination Charges	5,91,600	Not Applicable	Vaccination Charges	Not Applicable as per the Companies Act	Nil
11	Max Towers Pvt Ltd (erstwhile Wise Zone Builders Pvt. Ltd)	A private company in which a director or his relative is a member or director	Income - Rental of office space	-2,56,09,665	01-04-2021 to 31-03-2022	Rental Income	Not Applicable as per the Companies Act	Nil
12	Axis Bank Limited	An investing company or the venturer of the Company	Income - Insurance Premium	-4,86,70,53,778	06-04-2021 to 31-03-2022	Group Term life insurance	Not Applicable as per the Companies Act	Nil
13	Axis Bank Limited	An investing company or the venturer of the Company	Payment - Purchase of non equity instruments	2,19,49,50,143	Not Applicable	Purchase of non equity instruments	Not Applicable as per the Companies Act	Nil
14	Axis Bank Limited	An investing company or the venturer of the Company	Income - Income on Investments	-39,70,13,051	06-04-2021 to 31-03-2022	Income on Investments	Not Applicable as per the Companies Act	Nil
15	Axis Bank Limited	An investing company or the venturer of the Company	Expenses - Commission	9,18,10,51,657	06-04-2021 to 31-03-2022	Commission on Insurance business	Not Applicable as per the Companies Act	Nil
16	Axis Bank Limited	An investing company or the venturer of the Company	Expenses - Bank Charges	9,23,61,843	06-04-2021 to 31-03-2022	Bank Charges paid	Not Applicable as per the Companies Act	Nil
17	Axis Bank Limited	An investing company or the venturer of the Company	Final Dividend paid	17,65,30,782	Not Applicable	Final Dividend	Not Applicable as per the Companies Act	Nil
18	Axis Bank Limited	An investing company or the venturer of the Company	Receipt - Maturity/Sale of Non Equity Instruments	-44,00,00,000	Not Applicable	Maturity/Sale of Non Equity Instruments	Not Applicable as per the Companies Act	Nil
19	Max Ventures Private Limited	A private company in which a director or his relative is a member or director	Income - Insurance Premium	-3,78,326	01-04-2021 to 31-03-2022	Group Term life insurance	Not Applicable as per the Companies Act	Nil
20	Max India Limited	A public company in which a director or manager is a director and holds along with his relatives, more than 2% of its paid up share capital	Income - Insurance Premium	-6,61,942	01-04-2021 to 31-03-2022	Group Term life insurance	Not Applicable as per the Companies Act	Nil
Note: We are reporting Max Asset Services Limited in NTA, however we are not reporting the same in Form AOC-2 since it is a group entity.								
For and on behalf of Board of Directors of Max Life Insurance Company Limited								

Sd/-

Prashant Tripathy  
Managing Director & CEO (DIN: 08260516)  
Date: May 10, 2022  
Place: New Delhi

Sd/-

V. Viswanand  
Deputy Managing Director (DIN: 08260553)

## Annexure IV

### **NOMINATION AND REMUNERATION POLICY Max Life Insurance Company Limited**

#### **I. PREAMBLE**

1.1 Max Life Insurance Company Limited ("**Company**") has in place a Nomination and Remuneration Committee ("**Committee**") which shall at all times comprise 3 (Three) or more non-executive Directors, of which at least half shall be Independent Directors, as required under section 178 of the Companies Act, 2013 as amended from time to time ("**Companies Act**").

1.2 This Nomination and Remuneration Policy ("**Policy**") has been prepared in compliance with Section 178 of the Companies Act read along with Guidelines for Corporate Governance for Insurers in India dated 18<sup>th</sup> May 2016 ("**Corporate Governance Guidelines**"), Insurance Regulatory and Development Authority of India (Remuneration of Non-executive Directors of Private Sector Insurers) Guidelines, 2016 and Insurance Regulatory and Development Authority of India (Remuneration of Chief Executive Officer / Whole-time Director/ Managing Director of Insurers) Guidelines, 2016, both dated 5<sup>th</sup> August 2016 (collectively the "**Remuneration Guidelines**") issued by Insurance Regulatory and Development Authority of India ("**IRDAI**") as amended from time to time. The Remuneration Guidelines are effective from October 1, 2016 or from the date of appointment/ reappointment of MD/ CEO/ WTD and non-executive Directors, whichever is later.

1.3 The Policy will be reviewed annually or as may be required to ensure alignment with statutory and regulatory requirements.

#### **II. DEFINITIONS**

"**Board**" means Board of Directors of the Company.

"**Company**" means Max Life Insurance Company Limited.

"**Director**" means a director appointed to the Board of the Company.

"**Manager**" means a manager as defined under the Companies Act.

"**Employee Phantom Stock Plan**" means the Employee Phantom Stock Plan 2014 or Employee Phantom Stock Plan 2012, as amended from time to time and any other plan that Company may introduce in future.

"**Independent Director**" means a director referred to in Section 149(6) of the Companies Act as amended from time to time.

"**Key Management Personnel**" or "**KMP**" means a member of the core management team of the Company including all:

- (a) Managing Directors ("**MD**"),
- (b) Chief Executive Officer ("**CEO**"),
- (c) Whole-time directors ("**WTD**"),
- (d) Manager,
- (e) Functional heads one level below the MD/CEO, including the Chief Financial Officer, Chief Investment Officer, Appointed Actuary, Chief Risk Officer, Chief Compliance Officer and Company Secretary; and shall also include Key Managerial Personnel as defined under Companies Act."

"**NRC**" or "**Committee**" means the Nomination and Remuneration Committee constituted by the Board of Directors of the Company, in accordance with the provisions of Section 178 of the Companies Act.

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**“Other employees”** means all full time employees of the Company excluding MD/ CEO/ WTD/ Managers and KMPs.

**“Policy”** means this Nomination and Remuneration Policy.

**“Remuneration”** means any money or its equivalent/ benefit/ amenity/ perquisite given or passed to any person for services rendered by him/ her and includes perquisites as defined under the Income-tax Act, 1961.

### **III. GUIDING PRINCIPLES/ OBJECTIVES**

The objective of the Policy is to provide an overall framework for the Remuneration of the Directors, KMPs and other employees of the Company. In this regard, the Policy seeks to ensure that:

- (a) there is effective governance of Remuneration by active Board oversight;
- (b) there is effective alignment of Remuneration to prudent risk taking and that the Remuneration does not induce excessive or inappropriate risk taking that could be detrimental to the interests of the policyholders and / or business;
- (c) the level and composition of Remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMPs and other employees having the quality required to run the Company successfully;
- (d) The interests of MD/CEO/WTD/Manager are aligned with the business strategy, risk tolerance and adjusted for risk parameters (as mentioned in Section 10.1.3), objectives, values, culture and long term interests of the Company;
- (e) Relationship of Remuneration to performance is clear, meeting appropriate performance benchmarks and consistent with the "pay-for-performance" principle;
- (f) Remuneration involves a balance between fixed and incentive pay reflecting short and long-term performance objectives, appropriate to the working of the Company and its goals.

### **IV. ROLE OF THE COMMITTEE**

The role of the Committee shall be to ensure compliance to the relevant provisions of the Companies Act, Corporate Governance Guidelines, Remuneration Guidelines and various other obligations as mentioned in the charter of the Committee as approved by the Board from time to time.

The Committee should recognize the potential conflicts inherent in recommendations from Company’s management dealing with Remuneration and ensure that recommendations from management are supplemented with external advice when appropriate.

### **V. APPOINTMENT AND REMOVAL OF DIRECTOR/ MD/ CEO/ WTD/ MANAGER AND KMPs**

5.1 Any appointment, reappointment, termination of a MD/ CEO/ WTD/ Manager (by whatever name called) or any amendment thereto will be done and will have effect only after prior approval of IRDAI.

5.2 The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person being appointed as Director or KMP and recommend his/ her appointment to the Board.

5.3 A Director or KMP should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment as Director or KMP. The Committee has the discretion to decide whether the qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.

5.4 The Committee shall ensure that a requisite framework exists for appointments and qualification requirements for the human resources and which ensures that the incentive structure does not encourage imprudent behavior.

## **VI. TERM AND TENURE**

### **6.1 MD/ WTD/ Manager:**

The Company shall appoint or reappoint any person as its MD/ WTD/ Manager for a term not exceeding five years at a time. No reappointment shall be made earlier than one year before the expiry of term.

### **6.2 Independent Director:**

(a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

(b) No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible again for appointment, after expiry of three years from date of ceasing to be an Independent Director.

(c) For the purpose of determining the term of Independent Directors, the existing term of the Independent Directors as on April 1, 2014 shall not be counted as a term for the above clauses.

## **VII. EVALUATION**

The Committee shall carry out evaluation of performance of every Director at a yearly interval, in accordance with Section 178 of the Companies Act, 2013 as amended from time to time and present a report thereon to the Board.

## **VIII. REMOVAL**

Due to reasons for any disqualification mentioned in the Companies Act, rules made there under or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board for reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of such Act, rules and regulations.

## **IX. RETIREMENT**

The Director or KMP shall retire as per the applicable provisions of the Companies Act and the prevailing policy of the Company. The Board will have the discretion to retain the Directors/ KMPs in the same position / Remuneration or otherwise even after attaining the retirement age, for the benefit of the Company, subject to passing a special resolution, as applicable.

## **X. PROVISIONS RELATING TO REMUNERATION**

### **10.1 *Remuneration of MD/CEO/WTD/Manager***

#### **10.1.1 *Applicable Laws, Guidelines and Required Approvals***

(a) The Remuneration of MD/CEO/WTD/Manager will be determined by the Committee and recommended to the Board for approval and will require prior approval of IRDAI.

(b) The NRC/ Board shall always maintain a fine balance between reasonableness and fairness, while making Remuneration-related decisions including clawback of any unpaid deferred Remuneration.

(c) The Remuneration and commission to be paid to MD/CEO/WTD/Manager shall be as per the applicable provisions of the Companies Act read with the Insurance Act, 1938 ("**Insurance Act**") and rules, regulations and guidelines made thereunder including the Remuneration Guidelines.

(d) However, where the annual Remuneration of a MD/ CEO/ WTDs/Manager exceeds Rs. One Crore Fifty Lacs (including all perquisites, bonuses, etc., by whatsoever name called), such excess shall be debited to the shareholders' account.

#### 10.1.2 **Components of Remuneration**

The Remuneration of MD/CEO/WTD/Manager is inclusive of fixed pay, perquisites, variable pay, guaranteed pay, allowances, short term/long-term incentives, retiral benefits (superannuation or any other pension plan, gratuity, provident fund), stock options, Employee Phantom Stock Plan, severance package (by whatever name called) and other components.

#### 10.1.3 **Risk and Reward**

(a) Remuneration of MD/CEO/WTD/Manager shall be linked to performance parameters such that:

- It is adjusted for all types of risks (as mentioned in Section 10.1.3.b),
- Remuneration outcomes are symmetrical with risk outcomes,
- The payouts are sensitive to the time horizon of the risk, and
- Pay mix is consistent with risk alignment.

(b) Risk parameters that will be considered by NRC and Board for assessing performance and suitable risk adjustment will cover aspects related to:

- Persistency
- Solvency
- Grievance redressal
- Expenses of Management
- Claim settlement
- Claim repudiations
- Overall compliance status
- Overall financial position such as net worth position, assets under management, etc.

The above parameters are indicative. NRC and Board may formulate and review such parameters from time to time, in line with the business needs of the Company.

In matters related to risk and reward, the NRC shall consider advice from members of the Risk Committee of the Company, the Appointed Actuary or the Chief Risk Officer as appropriate before making its final determinations and recommendations to the Board.

#### 10.1.4 **Pay Mix**

The total Remuneration paid to MD/CEO/WTD/Manager shall have a fixed component and a variable component linked to individual and organizational performance. Proper balance between fixed and variable components will be ensured by the NRC/ Board and in accordance with the Remuneration Guidelines.

(a) **Fixed pay** may comprise basic salary, house rent allowance, other allowances and retiral benefits like provident fund, gratuity and superannuation. The amount of fixed pay shall be reasonable taking into account the Company's overall business performance and industry remuneration scales.

(b) **Variable pay** may be paid in the form of cash, equity/ stock linked instruments or both. It is clarified that employee stock option plans would not be considered as part of variable pay. In case the variable pay constitutes 60% or more of the total Remuneration (i.e. fixed pay + variable pay), it shall be considered as 'substantial' as per Remuneration Guidelines and 40% of the variable pay shall be deferred over a period of 3 years and be paid in three equal installments.

Any future grant (by whatever name called) that is given, if construed as variable pay, should have a proper balance of pay mix in line with Section 10.1.4.

Variable pay is dependent on the Company's overall results as captured in the Company's measures of success outcomes and the parameters defined in section 10.1.3. In case there is deterioration in the same, the variable pay will contract in accordance with adjustment of these parameters.

In the event of termination of employment contract without cause, the variable pay and any other payout which has been awarded but deferred shall be paid at the time of cessation of contract, subject to the final approval of the NRC, Board and IRDAI. However, in the event of termination of employment contract owing to proven misconduct, no variable pay, notice pay, severance payment and any other payout which has been awarded but deferred shall be paid.

In the event of termination of employment contract owing to a resignation, any payout which has been awarded but deferred shall be paid, subject to the final approval of the NRC, Board and IRDAI.

#### 10.1.5 **Stock Options**

The NRC/ Board may consider granting of stock options, including Employee Phantom Stock Plan. Issue of stock options and sweat equity shares shall be governed by the provisions of Remuneration Guidelines, the Companies Act, the Companies (Share Capital and Debenture) Rules, 2014, SEBI (Issue of Sweat Equity) Regulations, 2002 and SEBI (Share based Employee Benefits), 2014 as amended from time to time. Details of stock options to Directors shall be disclosed in line with disclosure requirements stipulated for the financial statements of the Company.

#### 10.1.6 **Clawback of deferred pay**

(a) In case of unvested or unpaid portion of the deferred variable pay, appropriate mechanism will be put into place with respect to clawback of such portion, which shall be appropriately linked to risk parameters as provided in Section 10.1.3.

(b) NRC and the Board shall track performance on the basis of parameters provided in Section 10.1.3. In case of negative trends in Company's performance, the Committee and the Board shall review the same and based on facts and due assessment of what is directly attributable to the MD/CEO/WTD/Manager's actions, the Committee and the Board may take appropriate measures for clawback of unvested or unpaid deferred pay. The Committee and Board's decision shall be final with regard to clawback.

#### 10.1.7 **Guaranteed Bonus**

The Company shall not encourage guaranteed bonus of any kind as part of the Remuneration plan of MD/CEO/WTD/Manager, except sign-on/joining bonus if required. The sign-on / joining bonus may be granted only to new staff and will be limited to first year, however, the payout may be deferred beyond the year of joining. The NRC/Board shall approve such a grant.

#### 10.1.8 **Severance Payments**

Any severance payments, for involuntary separation without cause or due to change of control, to MD/CEO/WTD/Manager shall be made in accordance with contractual obligations and with prior approval of the NRC, Board and IRDAI. Severance payment for this purpose shall not include accrued benefits including gratuity, pension, provident fund, notice period pay, etc.

## 10.2 **Remuneration to KMPs (other than MD/CEO/WTD/Manager) and other employees**

Remuneration to KMPs and other employees will include elements of fixed pay, allowances, short term / long term incentives, retinals, perquisites, stock options and other components with the mix of elements varying with seniority and benchmarked externally. A key unifying element shall be the funds available to support short and long term incentives each year. These are driven by the measures of success determined by the Board as part of the business planning cycle. The measures of success should be clearly defined and capable of objective measurement. The Board will, however, retain a measure of discretion to exercise judgment in determining final outcomes, for instance, where overall outcomes are result of external events completely outside the management's control or generally in respect of factors not susceptible to direct incorporation into the measures of success.

## 10.3 **Remuneration to Non-Executive Directors**

Subject to the approval of Board and shareholders in accordance with the statutory provisions of the Companies Act and the rules made thereunder, the non-executive Directors may be paid profit linked commission from time to time, provided that the Company is making profit. Any such Remuneration shall not exceed amounts as may be specified by IRDAI for each of such non-executive Director.

Subject to the overall limit in this regard, the Board may, with mutual agreement with such Director, determine and pay different commission, to each non-executive Director.

## 10.4 **Stock Options**

(a) An Independent Director shall not be entitled to any stock option of the Company.

(b) The Company may, in line with applicable provisions of Companies Act read with Insurance Act and amendments and rules thereunder, wherever applicable, grant units under Employee Phantom Stock Plan or any other stock option of the Company to any non-executive Director.

## 10.5 **Engagement for Professional Services**

The Company may, in line with applicable provisions of Companies Act, read with Insurance Act and amendments and rules there under, wherever applicable, engage any non – executive Director to provide professional services from time to time. Any such engagement for professional services shall be made if NRC of the Company is of the opinion that such Director possesses the requisite qualification for providing such services.

## 10.6 **Sitting Fees**

A non-executive director may receive Remuneration by way of fees for attending meetings of Board or Committee as may be decided by the Board. Provided, however, that the amount of such fees shall not exceed the maximum amount per meeting as may be prescribed in the Companies Act, Insurance Act or by the Central Government from time to time. The non-executive Directors and Independent Directors shall, in addition to the sitting fees, be entitled for reimbursement of their expenses for participating in the Board and Committee meetings, as may be decided by the Board.

## **XI. DISCLOSURE**

All above Remuneration, including qualitative and quantitative disclosures as mentioned in the Remuneration Guidelines and fees for all Directors will be disclosed annually in Company's annual report.

## **XII. DEVIATIONS FROM THIS POLICY**

Deviations on elements of this Policy in extraordinary circumstances, when deemed necessary, in the interests of the Company, will be made if there are specific reasons to do so in individual cases.

**XIII. OWNER OF THE POLICY**

The Policy is owned by the Committee and shall be administered by the Chief People Officer.

Annexure V

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members  
**Max Life Insurance Company Limited**  
419, Bhai Mohan Singh Nagar, Railmajra,  
Tehsil Balachaur Nawan Shehar,  
Punjab - 144533

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Max Life Insurance Company Limited (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2022 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, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; Not Applicable
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 76 of Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; applicable only to the extent of dematerialization of equity shares and Non-Convertible Debentures of the Company;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable



- (d) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 prior to its repealment; Not Applicable
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 prior to its repealment to the extent applicable;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable
  - (i) The Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 (in relation to obligations of Issuer Company);
- (vi) The other laws, as informed and certified by the management of the Company which are specifically applicable to the Company based on their sector/ industry are:
1. Insurance Regulatory and Development Authority of India Act, 1999,
  2. Insurance Act, 1938 and various Rules, Regulations & Guidelines issued thereunder, including circulars issued from time to time

Insurance Regulatory and Development Authority of India (IRDAI) vide its order dated 27<sup>th</sup> April, 2021 levied a penalty of Rs. 3 lacs on Max Life, with respect to (i) Rs. 2 lacs for non-reporting under outsourcing and (ii) Rs. 1 lac for non-reporting of outsourcing agreement with a related party.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to Non-Convertible Securities.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

We further report that,

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

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

All decisions at Board Meetings and Committee Meetings are carried out unanimously.





with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.:

1. Transfer of 172,731,531 equity shares bearing face value of Rs. 10/- each of the Company held by Max Financial Services Limited to Axis Bank Limited on April 6, 2021.
2. Allotment of 7.50% 4960 unsecured, subordinated, listed, rated, redeemable, taxable, non-cumulative, non-convertible debentures of face value of ₹ 10 Lacs each aggregating to Rs. 496.00 crores (Rupees four hundred ninety six crores only) on private placement basis.
3. The company has listed its securities i.e. Non-Convertible Debentures on the National Stock Exchange of India Limited (NSE) w.e.f August 3, 2021.
4. The Company has incorporated a wholly owned subsidiary as per the provisions of the Companies Act, 2013 and the rules made there namely "Max Life Pension Fund Management Limited" on 28<sup>th</sup> February, 2022.

For Chandrasekaran Associates  
Company Secretaries  
FRN: P1988DE002500  
Peer Review Certificate No. 1428/2021

*Rupesh Agarwal*



Rupesh Agarwal  
Managing Partner  
Membership No. A16302  
Certificate of Practice No. 5673  
UDIN: A016302D000286088

Date: 07.05.2022  
Place: Delhi

Note:

(i) This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

(ii) 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.

## Annexure A

The Members

**Max Life Insurance Company Limited**

419, Bhai Mohan Singh Nagar, Railmajra,  
Tehsil Balachaur Nawan Shehar,  
Punjab - 144533

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Chandrasekaran Associates  
Company Secretaries  
FRN: P1988DE002500  
Peer Review Certificate No.:1428/2021


Rupesh Agarwal  
Managing Partner  
Membership No. A16302  
Certificate of Practice No. 5673  
UDIN: A016302D000286088

Date: 07.05.2022  
Place: Delhi

**Fraser & Ross**

Chartered Accountants  
ASV N Ramana Tower  
52, Venkatnarayana Road  
T. Nagar  
Chennai - 600 017

**B. K. Khare & Co.**

Chartered Accountants  
706 / 708, Sharda Chambers,  
New Marine Lines,  
Mumbai - 400 020

**Auditors' Report on the Financial Results of Max Life Insurance Company Limited for the year ended March 31, 2022 pursuant to Regulation 52 read with Regulation 63(2) of Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with Insurance Regulatory and Development Authority of India (IRDAI) Circular reference: IRDAI/ F&I/REG/CIR/208/10/2016 dated October 25, 2016**

**To The Board of Directors of  
Max Life Insurance Company Limited**

**Introduction**

1. We have audited the accompanying Statement of Financial Results of **Max Life Insurance Company Limited** (the "Company"), for the year ended March 31, 2022 ('Financial Results'), being submitted by the Company, pursuant to the requirement of Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and IRDAI Circular reference: IRDAI/F&I/ REG/CIR/208/10/2016 dated October 25, 2016. These Financial Results have been prepared on the basis of Financial Statements, which is the responsibility of the Company's management and which have been approved by the Board of Directors on May 10, 2022.
2. Our responsibility is to express an opinion on these Financial Results based on our audit of such Financial Statements, which have been prepared by the Company's Management in accordance with the recognition and measurement principles specified under Section 133 of the Companies Act, 2013 (the "Act"), including the relevant provisions of the Insurance Act, 1938 (the "Insurance Act"), the Insurance Regulatory and Development Authority Act, 1999 (the "IRDA Act") and other accounting principles generally accepted in India, to the extent considered relevant and appropriate for the purpose of the Financial Results and are not inconsistent with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 (the "Regulations") and orders/directions/circulars issued by the IRDAI to the extent applicable.
3. We conducted our audit in accordance with the Standards on Auditing and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Results are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts disclosed in these Financial Results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.
4. In our opinion and to the best of our information and according to the explanations given to us these Financial Results:
  - I) are presented in accordance with the requirements of Regulation 52 read with Regulation 63(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and IRDAI Circular reference: IRDAI/F&I/REG/CIR/208/10/2016 dated October 25, 2016 in this regard; and
  - II) give a true and fair view of the net profit and other financial information for the year ended March 31, 2022.

**Emphasis of Matter**

5. We draw attention to Note 4 to the Financial Results in which the Company describes the uncertainties arising from the COVID-19 pandemic.

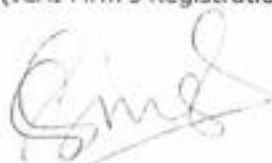
Our opinion is not modified in respect of this matter.



**Other Matters**

6. The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2022, is the responsibility of the Company's Appointed Actuary (the "Appointed Actuary"). The actuarial valuation of these liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists as at March 31, 2022, has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the IRDAI and the Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists, as included in these Financial Results.
7. The Financial Results includes the financial information for the quarter ended March 31, 2022, being the balancing figure between the audited figures in respect of full financial year and the published audited year to date figures up to the third quarter of the current financial year.

For **FRASER & ROSS**  
(Chartered Accountants)  
(ICAI Firm's Registration No: 000829S)



**Satpal Singh Arora**  
(Partner)

Membership No: 098564  
UDIN: 22098564AIRWAAS196

Place: New Delhi  
May 10, 2022



For **B. K. Khare & Co.**  
(Chartered Accountants)  
(ICAI Firm's Registration No: 105102W)



**Padmini Khare Kaicker**  
(Partner)

Membership No: 044784  
UDIN: 22044784AIRVYZ6220

Place: Mumbai  
May 10, 2022



**Max Life Insurance Company Limited**  
**IRDAI registration no. 104 dated November 15, 2000**  
**Statement of Audited Financial Results for the Quarter and Year ended March 31, 2022**

(All amount in INR lakhs, unless otherwise stated)

Sr No.	Particulars	Three Months ended/ As at			Year ended/As at	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		Audited	Audited	Audited	Audited	Audited
<b>POLICYHOLDERS' ACCOUNT</b>						
1	Gross Premium Income :					
	(a) First Year Premium	174,308	154,250	188,631	531,749	483,337
	(b) Renewal Premium	538,081	342,286	452,297	1,450,925	1,219,167
	(c) Single Premium	87,568	63,398	89,664	258,743	199,285
2	Net Premium Income <sup>1</sup>	799,957	559,934	730,592	2,241,417	1,891,789
3	Income from investments: (Net) <sup>2</sup>	97,063	123,544	261,696	876,152	1,216,560
4	Other Income	1,566	1,225	800	5,160	4,102
5	Transfer of funds from Shareholders' Account <sup>3</sup>	229	(1,859)	3,496	13,233	6,736
6	<b>Total (2 to 5)</b>	<b>899,815</b>	<b>682,144</b>	<b>996,584</b>	<b>3,096,052</b>	<b>3,121,301</b>
7	Commission on :					
	(a) First Year Premium	32,445	36,426	32,691	95,875	84,488
	(b) Renewal Premium	14,213	8,592	12,799	36,327	32,577
	(c) Single Premium	1,595	1,115	1,230	4,588	2,854
	Rewards	1,273	787	614	3,512	2,782
8	Net Commission <sup>4</sup>	<b>49,526</b>	<b>56,920</b>	<b>67,334</b>	<b>140,282</b>	<b>122,701</b>
9	Operating Expenses related to insurance business (a+b+c):					
	(a) Employees remuneration and welfare expenses	42,464	44,886	51,742	165,149	162,044
	(b) Advertisement and publicity	19,324	16,049	14,108	58,834	35,347
	(c) Other operating expenses	72,087	20,122	20,969	77,040	72,672
10	Expenses of Management (EOM) (B+9)	<b>133,875</b>	<b>117,977</b>	<b>134,153</b>	<b>442,205</b>	<b>392,764</b>
11	Provisions for doubtful debts (including bad debts written off)	23	79	129	181	402
12	Provisions for diminution in value of investments	39	-	-	5,170	2,355
13	Goods and Service tax charge on linked charges	5,265	4,885	4,951	18,846	16,423
14	Provision for taxes	-	-	-	-	-
15	Benefits Paid <sup>5</sup> (Net)	232,075	223,733	234,871	927,725	700,110
16	Change in actuarial liability	501,749	327,217	570,762	1,645,812	1,962,235
17	<b>Total (10+11+12+13+14+15+16)</b>	<b>872,612</b>	<b>673,891</b>	<b>944,866</b>	<b>3,039,939</b>	<b>3,074,119</b>
18	<b>Surplus/(Deficit) (6-17)</b>	<b>13,203</b>	<b>10,353</b>	<b>24,848</b>	<b>51,304</b>	<b>27,182</b>
19	Appropriations					
	(a) Transfer to Shareholders' Account	8,920	4,053	7,081	27,802	38,617
	(b) Funds for Future Appropriations	4,289	6,282	17,764	25,503	(11,435)
20	Details of Surplus/(Deficit)					
	(a) Interim bonus paid	72	63	87	378	288
	(b) Allocation of bonus to Policyholders	8,367	894	(2,635)	140,348	129,675
	(c) Surplus shown in the Revenue Account	13,208	10,333	24,842	53,304	33,807
	<b>Total Surplus</b>	<b>21,647</b>	<b>15,290</b>	<b>22,294</b>	<b>194,030</b>	<b>466,770</b>
<b>SHAREHOLDERS' ACCOUNT</b>						
21	Transfer from Policyholders' Account	8,920	4,053	7,081	27,802	38,617
22	Total income under Shareholders' Account					
	(a) Investment Income	6,641	7,054	6,150	32,116	23,587
	(b) Other Income	196	34	22	402	1,285
23	Expenses other than those related to insurance business <sup>3</sup>	160	1,438	2,337	5,510	5,671
24	Transfer of funds to Policyholders' A/c	329	(1,859)	3,496	13,233	6,736
25	Provisions for doubtful debts (including write off)	-	-	-	-	-
26	Provisions for diminution in value of investments	-	-	-	(118)	81
27	<b>Profit before tax (21+22-23-24-25-26)</b>	<b>15,366</b>	<b>11,592</b>	<b>7,420</b>	<b>41,695</b>	<b>58,992</b>
28	Provision for tax	768	1,208	(5,147)	3,030	(1,507)
29	<b>Profit after tax and before extraordinary items</b>	<b>14,600</b>	<b>10,354</b>	<b>10,567</b>	<b>38,665</b>	<b>52,299</b>
30	Extraordinary Items (Net of tax expenses)	-	-	-	-	-
31	<b>Profit after tax and extraordinary items</b>	<b>14,600</b>	<b>10,354</b>	<b>10,567</b>	<b>38,665</b>	<b>52,299</b>
32	Dividend per share (INR) (Nominal Value INR 10 per share):					
	(a) Interim Dividend	-	-	1.04	-	1.04
	(b) Final Dividend	-	-	-	0.92	-
33	Debt Redemption Reserve	-	-	-	992	-
34	Profit carried to balance sheet	104,193	89,592	86,173	104,193	84,173
35	Paid up equity share capital	191,881	191,881	191,881	191,881	191,881
36	Reserve & Surplus (including Revaluation Reserve)	127,595	114,370	105,891	127,595	105,891
37	Fair value Change Account and Revaluation Reserve (Shareholders' Account)	110	257	3,613	110	1,013
38	<b>Total Assets:</b>					
	(a) Investments:					
	- Shareholders'	514,770	415,428	384,837	514,770	384,837
	- Policyholders' Fund excluding Linked Assets	6,891,871	6,590,284	5,818,465	6,891,871	5,818,465
	- Assets held to cover Linked Liabilities	3,244,318	3,241,419	2,837,362	3,244,318	2,837,362
	(b) Other Assets (Net of current liabilities and provisions)	82,393	89,740	81,619	82,393	81,619

**Footnotes :**

- 1 Net of reinsurance
- 2 Net of amortisation and losses (including capital gains)
- 3 Includes contribution of funds from shareholders accounts towards excess EOM
- 4 Inclusive of interim bonus
- 5 Includes remuneration of Managing Director (MD)/Chief Executive Officer (CEO)/ Whole Time Directors (WTD) over specified limits and interest on non Convertible Debentures (NCD)



**Max Life Insurance Company Limited**  
**IRDAI registration no. 104 dated November 15, 2000**  
**Balance Sheet as at March 31, 2022**

(All amounts in INR lakhs, unless otherwise stated)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
	Audited	Audited
<b>Sources of funds</b>		
<b>Shareholders' funds:</b>		
Share Capital	191,880	191,880
Reserves and Surplus	127,595	105,890
Credit/(Debit) fair value change account	115	3,013
<b>Sub - total</b>	<b>319,590</b>	<b>300,783</b>
Borrowings (Refer Note 3)	49,600	-
<b>POLICYHOLDERS' FUNDS:</b>		
Credit/(Debit) fair value change account	65,312	96,260
Revaluation Reserve - Investment property	2,621	222
Policy Liabilities	6,728,220	5,589,264
Insurance Reserve	-	-
Provision for Linked Liabilities	2,940,349	2,547,032
<b>Funds for discontinued policies</b>		
Discontinued on account of non-payment of premium	403,968	290,320
Total Discontinued Policyholders Liabilities	403,968	290,320
<b>Sub - Total</b>	<b>10,190,072</b>	<b>8,923,308</b>
Funds for Future Appropriations - Non linked	323,602	298,190
<b>Sub - Total</b>	<b>323,602</b>	<b>298,190</b>
<b>Total</b>	<b>10,833,352</b>	<b>9,122,283</b>
<b>Application of funds</b>		
<b>Investments</b>		
Shareholders' Investments	524,720	384,837
Policyholders' Investments	6,891,871	5,818,465
Asset held to cover linked liabilities	3,144,318	2,837,363
<b>Loans</b>		
Fixed Assets	66,607	53,222
Current Assets:		
Cash and Bank balances	25,040	22,132
Advances and Other assets	66,169	57,923
Sub-Total (A)	295,722	236,874
<b>Current Liabilities</b>		
Provisions	368,441	384,224
Sub-Total (B)	372,144	388,533
<b>Net Current Assets (C) = (A-B)</b>	<b>(10,254)</b>	<b>6,284</b>
Miscellaneous expenditure (to the extent not written-off or adjusted)	-	-
Debit Balance in Profit & Loss Account (Shareholders' account)	-	-
<b>Total</b>	<b>10,833,352</b>	<b>9,122,283</b>
Contingent Liabilities	21,712	25,290



**Max Life Insurance Company Limited**  
 IRDAI registration no. 104 dated November 15, 2000  
**Receipts and Payments account (Cash Flow Statement) for the Year ended March 31, 2022**

(All amount in INR lakhs, unless otherwise stated)

Particulars	Year ended	
	March 31, 2022	March 31, 2021
	Audited	Audited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Premium received from policyholders, including advance receipts	2,232,198	1,944,677
Other receipts	5,147	5,340
Payments to the reinsurers, net of commissions and claims	60,604	(3,337)
Payment to co-insurer, net of claims recovery	-	-
Payments of claims	(1,010,287)	(731,312)
Payments of commission and brokerage	(137,393)	(117,649)
Payments of other operating expenses	(278,611)	(236,713)
Preliminary and pre-operative expenses	-	-
Deposits, advances and staff loans	968	1,543
Income taxes paid (Net)	(2,908)	1,990
Goods and Services Tax (GST) paid	(17,046)	(15,001)
Other payments	-	-
<b>Cash flows before extraordinary items</b>	<b>851,150</b>	<b>855,548</b>
Cash flows from extraordinary operations	-	-
<b>Net cash flows from operating activities (A)</b>	<b>851,150</b>	<b>855,548</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(12,795)	(8,141)
Proceeds from sale of fixed assets	77	66
Purchase of investments	(13,148,117)	(9,106,843)
Sale of investments	11,989,161	8,317,724
Loan disbursed	-	-
Loans against policies	(13,385)	(18,578)
Repayment received	-	-
Revs/Interest/ Dividends received	524,565	451,911
Expenses related to investments	(197)	137
Investments in money market instruments and in liquid mutual funds (Net)	(213,163)	(462,004)
<b>Net cash used in investing activities (B)</b>	<b>(974,651)</b>	<b>(936,268)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of share capital	-	-
Proceeds from borrowing	49,600	-
Repayments of borrowing	-	-
Dividends paid (Incl. DDT)	(17,657)	(19,956)
<b>Net cash flows from / (used in) financing activities (C)</b>	<b>31,943</b>	<b>(19,956)</b>
<b>Effect of foreign exchange rates on cash and cash equivalents (net) (D)</b>	-	-
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C+D)</b>	<b>8,348</b>	<b>17,325</b>
Cash and cash equivalents at beginning of the year	57,923	40,599
<b>Cash and cash equivalents at end of the year</b>	<b>66,271</b>	<b>57,923</b>
<b>Note - Components of Cash and cash equivalents at end of the year:</b>		
Cash in hand	132	168
Stamps in hand	508	476
Cheques in hand	6,620	6,110
Balance with banks		
- Current Account (including Reserves in Transit)	58,909	51,169
<b>Total Cash and cash equivalents</b>	<b>66,271</b>	<b>57,923</b>

The above Receipts and Payments Account has been prepared as prescribed by Insurance Regulatory and Development Authority (Preparation of financial statements and auditor's report of insurance companies) Regulations, 2002 under the Direct method in accordance with Accounting Standard 3 Cash Flow Statements.



**Max Life Insurance Company Limited**  
 IRDAI registration no. 104 dated November 15, 2000  
 Segment Reporting for the Quarter and Year ended March 31, 2022

Sr No.	Particulars	[All amount in INR Lakhs, unless otherwise stated]				
		Three Months ended/ As at		Year ended/ As at		
		March 31, 2022 <i>Audited</i>	December 31, 2021 <i>Audited</i>	March 31, 2021 <i>Audited</i>	March 31, 2022 <i>Audited</i>	March 31, 2021 <i>Audited</i>
1	<b>Segment Income</b>					
A)	<b>Policyholder's:</b>					
	<b>Participating Non Linked - Individual Life</b>					
	Net Premium	301,293	207,238	296,592	820,168	781,082
	Income from investments <sup>1</sup>	81,003	132,340	118,007	449,718	412,527
	Transfer of Funds from shareholder's account	-	-	-	-	-
	Other income <sup>2</sup>	1,441	1,194	738	4,523	3,982
	<b>Participating Non Linked - Pension</b>					
	Net Premium	176	39	190	262	278
	Income from investments <sup>1</sup>	204	208	194	809	788
	Transfer of Funds from shareholder's account	-	-	-	-	-
	Other income <sup>2</sup>	0	0	0	0	0
	<b>Non Participating Non Linked - Individual Life</b>					
	Net Premium	188,527	133,091	138,562	545,578	394,871
	Income from investments <sup>1</sup>	16,811	18,575	13,721	69,032	59,983
	Transfer of Funds from shareholder's account	8,180	(2,074)	-	9,718	-
	Other income <sup>2</sup>	77	22	21	161	52
	<b>Non Participating Non Linked - Annuity</b>					
	Net Premium	30,308	15,466	21,747	74,044	44,008
	Income from investments <sup>1</sup>	2,208	1,889	1,167	7,123	3,412
	Transfer of Funds from shareholder's account	(3,052)	2,041	1,778	74	3,019
	Other income <sup>2</sup>	1	3	8	9	1
	<b>Non Participating Non Linked - Health</b>					
	Net Premium	566	372	1,096	1,803	3,410
	Income from investments <sup>1</sup>	36	40	40	156	165
	Transfer of Funds from shareholder's account	-	-	-	-	-
	Other income <sup>2</sup>	0	0	1	1	2
	<b>Non Participating Non Linked - Group</b>					
	Net Premium	25,271	22,219	24,158	88,405	80,433
	Income from investments <sup>1</sup>	2,272	2,304	2,022	9,005	11,102
	Transfer of Funds from shareholder's account	(6,458)	(2,826)	-	1,889	-
	Other income <sup>2</sup>	3	1	4	7	1
	<b>Non Participating Linked - Individual Life</b>					
	Net Premium	232,294	164,743	218,737	631,036	556,414
	Income from investments <sup>1</sup>	(7,666)	(21,896)	118,738	331,844	483,546
	Transfer of Funds from shareholder's account	-	-	-	-	-
	Other income <sup>2</sup>	42	4	34	56	53
	<b>Non Participating Linked - Pension</b>					
	Net Premium	7,274	6,900	8,613	24,265	26,283
	Income from investments <sup>1</sup>	(210)	16	6,651	22,801	49,354
	Transfer of Funds from shareholder's account	1,357	-	1,718	1,357	1,718
	Other income <sup>2</sup>	0	0	3	2	4
	<b>Non Participating Linked - Group</b>					
	Net Premium	1,355	1,267	4,026	3,138	4,522
	Income from investments <sup>1</sup>	82	69	146	593	1,521
	Transfer of Funds from shareholder's account	-	-	-	-	-
	Other income <sup>2</sup>	-	-	0	0	0
B)	<b>Shareholder's:</b>					
	Income from investments <sup>1</sup>	6,641	7,054	6,150	32,235	23,517
	Other income <sup>2</sup>	196	34	22	602	1,265
2	<b>Segment Surplus/(Deficit) (net of transfer from shareholders' A/C):</b>					
	Participating Non Linked - Individual Life	4,820	4,013	14,434	15,149	14,434
	Participating Non Linked - Pension	11	2	15	16	15
	Non Participating Non Linked - Individual Life	(8,381)	1,074	(7,599)	(9,710)	958
	Non Participating Non Linked - Annuity	3,651	(2,041)	(1,798)	(76)	(1,019)
	Non Participating Non Linked - Health	232	154	712	828	2,354
	Non Participating Non Linked - Group	6,459	2,825	1,303	(1,889)	10,604
	Non Participating Linked - Individual Life	1,383	(195)	(2,985)	8,678	7,374
	Non Participating Linked - Pension	251	71	65	1,624	1,937
	Non Participating Linked - Group	(19)	0	(12)	7	16
	<b>Total</b>	8,691	9,912	3,585	14,570	31,881
	Shareholder's	5,908	4,410	5,202	34,096	20,418
	<b>Grand Total</b>	14,599	18,354	18,787	38,666	52,299





**Max Life Insurance Company Limited**  
**IRDAI registration no. 104 dated November 15, 2000**  
**Segment Reporting for the Quarter and Year ended March 31, 2022**

(All amount in INR Lakhs, unless otherwise stated)

Sr No.	Particulars	Three Months ended / As at				
		March 31, 2022		March 31, 2021		Year ended / As at
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
Audited		Audited		Audited	Audited	
3	<b>Segment Assets:</b>					
	Participating Non Linked - Individual Life	5,445,602	5,253,205	4,752,173	5,445,602	4,752,173
	Participating Non Linked - Pension	10,853	10,654	10,287	10,853	10,287
	Non Participating Non Linked - Individual Life	1,155,536	1,105,767	888,411	1,155,536	888,411
	Non Participating Non Linked - Annuity	157,578	136,995	78,887	157,578	78,887
	Non Participating Non Linked - Health	2,038	2,036	1,541	2,038	1,541
	Non Participating Non Linked - Group	131,532	130,258	109,500	131,532	109,500
	Non Participating Linked - Individual Life	3,103,897	3,007,497	2,609,967	3,103,897	2,609,967
	Non Participating Linked - Pension	202,294	207,458	202,398	202,294	202,398
	Non Participating Linked - Group	15,250	14,620	13,595	15,250	13,595
	<b>Total</b>	<b>10,225,062</b>	<b>9,858,624</b>	<b>8,667,359</b>	<b>10,225,062</b>	<b>8,667,359</b>
	Shareholders' Fund	542,121	436,778	387,405	542,121	387,405
	Unallocated <sup>5</sup>	66,169	41,467	52,519	66,169	52,519
	<b>Grand Total</b>	<b>10,833,352</b>	<b>10,336,871</b>	<b>9,122,383</b>	<b>10,833,352</b>	<b>9,122,383</b>
4	<b>Segment Policy Liabilities<sup>4</sup></b>					
	Participating Non Linked - Individual Life	5,455,496	5,223,026	4,738,589	5,455,496	4,738,589
	Participating Non Linked - Pension	8,234	9,312	8,963	8,234	8,963
	Non Participating Non Linked - Individual Life	1,267,059	1,127,333	813,944	1,267,059	813,944
	Non Participating Non Linked - Annuity	134,141	126,756	80,385	134,141	80,385
	Non Participating Non Linked - Health	1,349	1,148	1,009	1,349	1,009
	Non Participating Non Linked - Group	151,400	141,570	126,121	151,400	126,121
	Non Participating Linked - Individual Life	3,149,266	3,041,774	2,650,099	3,149,266	2,650,099
	Non Participating Linked - Pension	204,494	208,982	204,587	204,494	204,587
	Non Participating Linked - Group	15,795	14,842	13,638	15,795	13,638
	<b>Total</b>	<b>10,409,434</b>	<b>9,904,773</b>	<b>8,737,235</b>	<b>10,409,434</b>	<b>8,737,235</b>
	Shareholders' Fund	355,981	361,527	288,466	355,981	288,466
	<b>Grand Total</b>	<b>10,765,415</b>	<b>10,266,300</b>	<b>9,025,699</b>	<b>10,765,415</b>	<b>9,025,699</b>

**Footnotes:**

1. Segments include:
  - a) Non-Linked:
    1. Participating Policies: (i) Life (ii) Pension
    2. Non-Participating Policies: (i) Life (ii) Annuity (iii) Health (iv) Group
  - b) Linked Policies: (i) Life (ii) Pension (iii) Group
2. Net of provisions for diminution in value of investments.
3. Assets not allocated at segment level.
4. Segment policy liabilities includes fund for future appropriations & Realized Hedge Fluctuation reserve and excludes Credit / (Debit) Fair Value Change Account on Policyholders' funds and Revaluation Reserve.
5. The amount of (2)10 denotes that the value is less than 2012 Lakhs.

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**Max Life Insurance Company Limited**  
 IRDAI registration no. 104 dated November 15, 2000  
**Statement of Analytical Ratios for the Quarter and Year ended March 31, 2022**

(All amount in INR lakhs, unless otherwise stated)

Particulars	Three Months ended/ As at			Year ended/ As at	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	Audited	Audited	Unaudited	Audited	Unaudited
<b>Analytical Ratios<sup>1</sup>:</b>					
(i) Solvency Ratio <sup>2</sup>	301%	207%	202%	301%	202%
(ii) Expenses of Management Ratio	17%	21%	19%	20%	21%
(iii) Policyholder's liabilities to shareholders' fund	3420%	3424%	3062%	3420%	3062%
(iv) Earnings per share (in INR):					
a) Basic EPS before and after extraordinary items (net of tax expense) for the period/ year (not annualized for three and nine months)	0.76	0.54	0.55	2.02	2.73
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period/ year (not annualized for three and nine months)	0.76	0.54	0.55	2.02	2.73
(v) NPA ratios: (for Policyholders' fund)					
a) Gross NPAs					
- Non Linked					
Par	-	-	-	-	-
Non Par	-	-	-	-	-
- Linked					
Non Par	3,000	3,000	16,599	3,000	16,599
Net NPAs					
- Non Linked					
Par	-	-	-	-	-
Non Par	-	-	-	-	-
- Linked					
Non Par	-	-	3,400	-	3,400
b) % of Gross NPAs					
- Non Linked					
Par	-	-	-	-	-
Non Par	-	-	-	-	-
- Linked					
Non Par	0.03%	0.03%	0.20%	0.03%	0.20%
% of Net NPA					
- Non Linked					
Par	0.00%	0.00%	0.00%	0.00%	0.00%
Non Par	0.00%	0.00%	0.00%	0.00%	0.00%
- Linked					
Non Par	0.00%	0.00%	0.04%	0.00%	0.04%
(vi) Yield on Investments (on Policyholders' fund)					
A. Without unrealised gains					
- Non Linked					
Par	6%	10%	11%	9%	10%
Non Par	6%	7%	7%	7%	8%
- Linked					
Non Par	2%	14%	20%	14%	17%
B. With unrealised gains					
- Non Linked					
Par	-1%	2%	1%	5%	12%
Non Par	0%	1%	-7%	4%	7%
- Linked					
Non Par	-2%	-4%	18%	10%	30%
(vii) NPA ratios: (for shareholders' fund)					
(a) Gross NPAs	1,000	1,000	1,000	1,000	1,000
Net NPAs	-	-	-	-	-
(b) % of Gross NPAs	0.19%	0.24%	0.28%	0.19%	0.28%
% of Net NPAs	0.00%	0.00%	0.50%	0.00%	0.00%
(viii) Yield on Investments (on Shareholders' A/C)					
A. Without unrealised gains	7%	7%	7%	8%	7%
B. With unrealised gains	4%	4%	2%	7%	8%



**Max Life Insurance Company Limited**  
 IRDAI registration no. 104 dated November 15, 2000  
**Statement of Analytical Ratios for the Quarter and Year ended March 31, 2022**

(All amount in INR lakhs, unless otherwise stated)

Particulars	Three Months ended/ As at			Year ended/ As at	
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
	Audited	Audited	Unaudited	Audited	Unaudited
(ix) Persistency Ratio <sup>1</sup>					
Persistency Ratio (Regular Premium / Limited Premium Payment under individual category)					
by premium					
12th month	81%	75%	81%	84%	83%
25th month	67%	63%	62%	67%	66%
37th month	57%	58%	56%	60%	59%
49th month	53%	54%	52%	55%	55%
61st month	47%	46%	47%	49%	49%
by count					
12th month	80%	77%	77%	82%	79%
25th month	64%	62%	62%	67%	65%
37th month	56%	56%	55%	59%	57%
49th month	52%	51%	49%	53%	52%
61st month	45%	45%	45%	47%	46%
Persistency Ratio (Single Premium / Fully paid-up under individual category)					
by premium					
12th month	100%	99%	100%	100%	100%
25th month	98%	100%	100%	99%	100%
37th month	100%	100%	100%	100%	100%
49th month	100%	100%	100%	100%	100%
61st month	100%	100%	100%	100%	100%
by count					
12th month	100%	99%	99%	99%	100%
25th month	98%	100%	100%	99%	100%
37th month	100%	100%	100%	99%	100%
49th month	99%	100%	99%	100%	100%
61st month	100%	100%	100%	100%	100%
(x) Conservation Ratio					
Participating Non Linked - Individual Life	87%	90%	85%	90%	85%
Participating Non Linked - Pension	88%	92%	90%	90%	90%
Non Participating Non Linked - Individual Life	90%	87%	87%	89%	87%
Non Participating Non Linked - Annuity	0.00%	0.00%	0.00%	0.00%	0.00%
Non Participating Non Linked - Health	64%	64%	62%	62%	62%
Non Participating Non Linked - Group	107%	109%	60%	138%	62%
Non Participating Linked - Individual Life	76%	74%	75%	76%	75%
Non Participating Linked - Pension	66%	67%	70%	64%	76%
Non Participating Linked - Group	0.00%	0.00%	0.00%	0.00%	0.00%

**Footnotes :**

- Analytical ratios have been calculated as per definition given in IRDAI Analytical ratios disclosure.
- The solvency ratio are as certified by the Appointed Actuary.
- a) The persistency ratios are calculated in accordance with the IRDAI circular no. IRDAI/YSA/CSUMISC/256/09/2021 dated September 30, 2021 and hence are with a lag of one month.  
 b) The persistency ratios for the quarter ended March 31, 2022 have been calculated on 30th April 2022 for the policies issued in the January to March period of the relevant years. E.g.: the 12th month persistency for the current quarter is calculated for the policies issued from January 2021 to March 2021. The persistency ratios for quarter ended 31st December 2021 and 31st March 2021 have been calculated in a similar manner.  
 c) The persistency ratios for year ended as at March 31, 2022 have been calculated on 30th April 2022 for the policies issued in the April to March period of the relevant years. E.g.: the 12th month persistency for the current year is calculated for the policies issued from April 2020 to March 2021. The persistency ratios for year ended as at March 31, 2021 have been calculated in a similar manner.  
 d) The 'quarter ended' persistency ratios are not comparable to corresponding 'year ended' ratios on account of different time period available for renewal for policies. For example - In case of 'quarter ended' persistency as at 31st March, which includes policies issued in the January to March period of relevant years, a policy issued in the month of January will have around 3 months available for renewal of policy. While in case of 'year ended' persistency as at 31st March, which includes policies issued in the April to March period of relevant years, a policy issued in the month of April will have around 12 months available for renewal of policy.  
 e) Persistency ratios include individual business only. Group business policies have been excluded from the persistency calculation.  
 f. Ratios for the previous year's quarter & previous year have been restated / regrouped wherever necessary.



**Max Life Insurance Company Limited**  
IRDAI registration no. 104 dated November 15, 2000

**Statement of Quarter & Year ended disclosures as per Regulation 52(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Particulars	(All amounts in INR lakhs, unless otherwise stated)					
	Three Months ended/As at			Year ended/As at		
	March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021	
	Audited	Audited	Unaudited	Audited	Unaudited	
1 Debt-Equity Ratio <sup>1</sup> (no of times)	0.18	0.17	NA	0.16	NA	
2 Debt service coverage ratio <sup>2</sup> (no of times)	17.75	13.47	NA	17.98	NA	
3 Interest service coverage ratio <sup>3</sup> (no of times)	17.75	13.47	NA	17.98	NA	
4 Outstanding redeemable preference shares (quantity and value)	NA	NA	NA	NA	NA	
5 Capital redemption reserve / corporate redemption reserve	2.63	2.45	NA	2.61	NA	
6 Net Worth <sup>4</sup>	206,263	291,527	200,464	306,181	288,484	
7 Net profit after tax <sup>5</sup>	14,600	10,314	10,567	38,665	52,299	
8 Earnings per share (in INR)						
a) Basic EPS before and after extraordinary items (net of tax expense) for the period year (not annualized for three and nine months)	0.76	0.54	0.55	2.02	2.73	
b) Diluted EPS before and after extraordinary items (net of tax expense) for the period year (not annualized for three and nine months)	0.76	0.54	0.55	2.02	2.73	
9 Current ratio <sup>6</sup>	0.97	1.03	1.02	0.97	1.02	
10 Long term debt to working capital <sup>7</sup>	NA	NA	NA	NA	NA	
11 Total debt to Account receivable ratio <sup>8</sup>	NA	NA	NA	NA	NA	
12 Current liability ratio <sup>9</sup>	0.03	0.03	0.03	0.03	0.03	
13 Total debt to total assets <sup>10</sup>	0.00	0.00	NA	0.00	NA	
14 Debtors turnover <sup>11</sup>	NA	NA	NA	NA	NA	
15 Inventory turnover <sup>12</sup>	NA	NA	NA	NA	NA	
16 Operating margin (%) <sup>13</sup>	NA	NA	NA	NA	NA	
17 Net Profit margin (%) <sup>14</sup>	NA	NA	NA	NA	NA	
18 Asset cover available, in case of non-redeemable debt securities <sup>15</sup>	68%	66%	NA	69%	NA	

**Footnotes:**

- Debt-Equity Ratio is calculated as Total Borrowings divided by Networth. Net worth is shareholders funds including Credit / (Debit) Fair Value Change Account and excluding Realized Hedge Reserve - Policyholder.
- Debt service coverage ratio is calculated as Profit before interest and tax divided by interest expense together with principal repayments of long-term debt during the period.
- Interest service coverage ratio is calculated as Profit before interest and tax divided by interest expense.
- Net worth is shareholders funds including Credit / (Debit) Fair Value Change Account and excluding Realized Hedge Reserve - Policyholder.
- Net profit after tax is the profit after tax as per shareholders' account for year to date.
- Current ratio is current assets (cash and bank balance and advances & other assets) divided by current liabilities and provisions.
- Current liability ratio is computed as current liability divided by total liability. Total liability includes borrowings, policyholder liabilities, Fund for Future Appropriation, current liability, provision and realized hedge fluctuation reserve.
- Total debt to total assets is total borrowings divided by total assets as per balance sheet.
- Not applicable to Insurance Companies.
- The Asset Cover Ratio computation is in accordance with the SEBI Circular SEBI/HO/HRD/SJ/CRAD/1/CSJ/13020/2016 dated November 12, 2016 and net assets are excluding Policyholders funds including realized hedge reserve and Funds for Future Appropriations. Assets Cover ratio is computed as net assets divided by total borrowings.



Max Life Insurance Company Limited  
IRDAI registration no. 104 dated November 15, 2000

Notes to Financial Results for the Quarter and Year ended March 31, 2022

- 1 The results have been prepared in accordance with the requirements of Regulation 52 of the Securities Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2021 w.e.f. September 7, 2021, to the extent applicable, and IRDAI Circular IRDA/PM/REG/CIR/208/10/2016 dated October 25, 2016 on publication of financial results for Life Insurance Companies.
- 2 The results were reviewed by the Audit Committee and subsequently approved by the Board of Directors at their respective meetings on May 09, 2022 and May 10, 2022 and are audited by the joint auditors of the Company.
- 3 The Company has issued and allotted 4,960 unsecured, subordinated, listed, rated, redeemable, taxable, non-cumulative, non-convertible debentures (NCDs) of INR 10 lakhs each on a private placement basis at the interest rate of 7.5% p.a. amounting to Rs 49,600 lakhs, which are listed on the Wholesale Debt market (WDM) segment of National Stock Exchange on August 02, 2021 and are redeemable at the end of 10 years from the date of allotment with a call option to the company to redeem the NCDs post the completion of 5 years from the date of allotment and annually thereafter. The NCDs are rated by CRISIL and ICRA and have been assigned rating of "CRISIL AA+/Stable" and "ICRA AA+/Stable" respectively.
- 4 The Company has assessed the impact of COVID-19 pandemic (COVID-19) on its operations as well as its financial results, including but not limited to the areas of investments, valuation of policy liabilities and solvency, for the year ended March 31, 2022. The impact of COVID-19 in the future may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic condition.
- 5 The Company post receiving the requisite approvals from Pension Fund Regulatory and Development Authority ("PFRDA") and Insurance Regulatory and Development Authority of India ("IRDAI"), has incorporated Max Life Pension Fund Management Limited a public limited pension fund company in India as its wholly owned subsidiary company on February 28, 2022. The company has been incorporated under the provisions of the Companies Act, 2013, with initial paid up capital of Rs. 5,000 lakhs to manage pension fund business. Initial paid up capital of Rs. 5 000 lakhs has been infused in the month of April 2022.
- 6 The amounts for the quarter ended March 31, 2022 are balancing amounts as per audited accounts for the year ended March 31, 2022 and nine months ended December 31, 2021. Similarly, the amounts for the quarter ended March 31, 2021 are balancing amounts as per audited accounts for the year ended March 31, 2021 and nine months ended December 31, 2020.
- 7 Previous year/period figures have been regrouped wherever necessary, to conform to current year/period's classification.

For and on behalf of the Board of Directors



Prashant Tripathy  
Managing Director & CEO  
CIN: 08260516

Place: New Delhi  
Date: May 10, 2022



# B. K. Khare & Co.

## Chartered Accountants

706/708, Sharda Chambers, New Marine  
Lines, Mumbai – 400 020, India

To  
The Board of Directors  
Max Life Insurance Company Limited  
Corporate Office: 3<sup>rd</sup>, 11<sup>th</sup> and 12<sup>th</sup> Floor  
DLF Square Building, Jacaranda Marg, DLF City Phase 2  
Gurugram  
Haryana – 122 002.

Dear Sirs,

**Subject:** Statutory Auditor's Certificate on Asset Cover and compliance with covenants as per Regulation 56(1)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (SEBI LODR) in respect of Non-Convertible Debentures ("the debentures / NCD's) aggregating to **Rs. 496 Crores issued by Max Life Insurance Company Limited ("the Company")**

1. This Certificate is issued in accordance with the terms of our engagement letter dated 8<sup>th</sup> November, 2021
2. We B. K. Khare & Co., Chartered Accountants (Firm Registration No. 105102W), Joint Statutory Auditors of the Company have verified the accompanying Statement of Asset Cover Ratio prepared by the management of the Company and which has been initialed by us for identification purposes.
3. This Certificate is being issued in connection with compliance to the covenants as per the terms of Debenture Trust Deed, with regard to maintenance of asset cover by the Company as at 31<sup>st</sup> March 2022.

### **Management's Responsibility for the Statement**

4. The preparation of the Statement / Annexure A is the responsibility of the Management of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents as well as compliance with the Regulations. This responsibility also includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
5. The Statement has been prepared by the management on the basis of audited Financial Results as of and for the period ended 31 March 2022 of the Company which have been approved by the Board of Directors in its meeting held on 10<sup>th</sup> May 2022.
6. The Company's management is also responsible for ensuring that the Company complies with the terms and conditions including compliances of the covenants as per the Information Memorandum and other agreements and documents executed with Debenture Trustee and Debenture holders and also in compliance with SEBI LODR, as applicable.

### **Auditors' Responsibility**

7. Our responsibility is to provide a reasonable assurance on the Statement, based on the verification of the Audited Financial Results, relevant records, documents, information, explanations and representations given to us by the Company's management and in accordance with our interpretations of the law and related pronouncements.

# B. K. Khare & Co.

## Chartered Accountants

8. Pursuant to the Regulation 56(1)(d) of SEBI LODR, it is our responsibility to provide a reasonable assurance on the Asset Cover and to confirm that the computation has been made based on the Financial Results and other information as considered relevant for this purpose.
9. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
10. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services engagements.

### Opinion

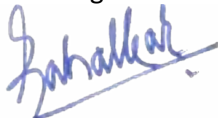
11. Based on the audited Financial Results and the information and explanations given to us and the examination conducted as detailed above and representations provided to us, we certify that nothing has come to our attention that causes us to believe that Company has not complied, in all material respects, with the requirements of SEBI regulations for the maintenance of the hundred percent asset cover, including the compliance with all covenants, in respect of debt securities for the period ended March 31, 2022.

### Restriction on Use

12. This Certificate has been issued at the request of the Company for them to submit it to IDBI Trusteeship Services Limited the Debenture Trustee pursuant to the requirements of SEBI LODR and stock exchange/SEBI and may not be suitable for any other purpose. Therefore, our Certificate is intended solely for the information and use of the Board of Directors, the management of the Company, the Debenture Trustee and stock exchange/SEBI and is not intended to be and should not be used by anyone other than these specified parties.

This Certificate should not be circulated, copied, used or referred for any other purpose without our prior written consent.

For **B. K. Khare & Co.**  
Chartered Accountants  
Firm Registration No. 105102W



**Shirish Rahalkar**

Partner

Membership No. 111212

Place: Mumbai

UDIN: 22111212AIRVAV7070

Date: 10<sup>th</sup> May 2022



**Annexure A**  
**Statement of Asset Cover Ratio**

Computation of asset cover ratio as on March 31, 2022 has been computed in accordance with Information Memorandum, Debenture Trust Deed, SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, as amended (SEBI LODR) and based on the financial results as at and for the period ended March 31, 2022 of Max Life Insurance Company Limited which have been audited by our Statutory Auditors and reviewed by Audit committee and approved by the Board of Directors at their respective meetings on May 9, 2022 and May 10, 2022 on which Statutory Auditors have issued an unmodified opinion vide their Audit Report dated May 10, 2022.

Particulars	Amount (In Crs)
Assets available for the Asset Coverage Ratio (A) – Refer Note below	3,560
Total Debts including accrued interest (B)	521
Asset Coverage for the Borrowings (A/B) (in percentage)	684%

**Note:**

**1. Debentures Outstanding as on 31st March, 2022**

Debenture Series	Coupon (in % p.a)	Amount in Cr.	Allotment Date	Redemption Date / Schedule
INE511N08016	7.50%	496	2-Aug-21	Redemption at the end of 10 years from date of allotment with call option to the company to redeem the NCDs post the completion of 5 years from date of allotment and annually thereafter.

**2. Computation of Assets for purpose of computation of Asset Cover Ratio**

Particulars	Amount (In Crs)
Total Assets as per Balance Sheet including net current assets	108,334
Less: Policyholder's fund including realized hedge reserve	101,537
Less: Funds for future appropriations	3,237
<b>Assets available for the Asset Coverage Ratio</b>	<b>3,560</b>

For Max Life Insurance Company Limited

  
Amrit Singh  
Chief Financial officer





UDIN: 22111212AIRVAV7070

Place: New Delhi

Date: May 10, 2022

MAX LIFE INSURANCE CO. LTD.

3rd Floor, 90A, Sector 18, Gurugram, Haryana -122015

E Service.helpdesk@maxlifeinsurance.com W www.maxlifeinsurance.com

Corporate Identity Number - U74899PB2000PLC045626, IRDAI Reg No - 104

Registered Office: 419, Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab 144 533.



**As per Regulation 53(1) (f) of SEBI LODR, 2015 - Related party disclosures as specified in Para A of Schedule V**

**Related Party Disclosure**

(Amount in Rs. '000)

Sr. no.	In the accounts of	Particulars	Disclosures of amounts at the year end and the maximum amount of loans/ advances/ Investments outstanding during the year.
1	Holding Company	<ul style="list-style-type: none"> <li>• Loans and advances in the nature of loans to subsidiaries by name and amount.</li> <li>• Loans and advances in the nature of loans to associates by name and amount.</li> <li>• Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.</li> </ul>	Nil
2	Subsidiary	Same disclosures as applicable to the parent company in the accounts of subsidiary company.	Nil
3	Holding Company	Investments by the loanee in the shares of parent company and subsidiary company, when the company has made a loan or advance in the nature of loan.	Nil

**(2A) Disclosures of transactions of the listed entity with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the listed entity, in the format prescribed in the relevant accounting standards for annual results**

(Amount in Rs. '000)

Sr. No.	Name of the Related Party	Nature of Relationship with Company	Description of Transaction	Amount		Balance outstanding Receivable / (Payable)	
				2021-22	2020-21	As at March 31, 2022	As at March 31, 2021
1	Max Financial Services Limited (Erstwhile Max India Limited)	Holding Company	Expense - Functional Support Services	160,000	150,000	align="right">(135,456)	align="right">(150,233)
			Expenses - D&O Insurance Policy	390	233		
			Recovery of expenses - Disaster recovery site/Procurement services	-	(125)		
			Recovery of expenses - Gratuity	-	(723)		
			Interim Dividend paid	-	1,857,809		
			Final Dividend paid	1,444,612	-		
2	Axis Bank Limited	Shareholder with significant influence	Income - Insurance Premium	(4,867,054)	-	(271,485)	-
			Income - Income on Investments	(397,013)	-	99,593	-
			Expenses – Commission	9,181,052	-	(1,095,302)	-
			Expenses- Bank Charges	92,362	-	-	-
			Final Dividend paid	176,531	-	-	-
			Receipt – Sale / Maturity of Investments	(440,000)	-	-	-
			Payment - Purchase of Investments	2,194,950	-	-	-
			Investments	-	-	8,161,070	-
			Term Deposits	-	-	2,500	-
			Bank Balances	-	-	3,573,188	-