



July 31, 2017

The Manager
Department of Corporate Services
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 021.

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

Scrip Code : 500271

Name of Scrip : MFSL

Dear Sir/Madam,

Sub: Update on the Composite Scheme of Amalgamation and Arrangement

This is in continuation to our earlier disclosure of even date on the captioned subject.

Please find enclosed a copy of press release issued by the Company in this regard.

You are requested to take the aforesaid on record.

Thanking you,

Yours faithfully

For **Max Financial Services Limited**

A handwritten signature in blue ink, appearing to read 'Sandeep Pathak', is written over the typed name.

Sandeep Pathak
Company Secretary & Compliance Officer

MAX FINANCIAL SERVICES LIMITED (Formerly Max India Limited)

CIN: L24223PB1988PLC008031

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Max merger with HDFC Life called off

31st Jul 2017 New Delhi

Max Financial Services (MFS), Max India and Max Life today confirmed that the proposed merger with HDFC Life has been called off. The exclusivity agreement with HDFC Life, valid till 31st July 2017, will not be renewed.

The prospective partners had evaluated several alternate structures over the last month. However, the inordinate time associated with finalization and approval of these structures led to this decision.

Max Financial Services was created in 2016, as a result of a demerger of the erstwhile Max India, to provide investors specific and undiluted access to the Group's life insurance business, provide sharper focus to Max Life and unlock shareholder value. This demerger resulted in significant value creation based on the strong intrinsic value and superior performance of Max Life.

The quality of the Max Life business, its superior performance in the market, and the unique position of MFS as a listed entity with sole focus on the life insurance business, made Max Life and MFS attractive potential merger partners for HDFC Life. Max was therefore approached with this merger proposition.

Max Life has grown into one of India's largest, fastest-growing and highest quality private life insurance businesses. The business' success comes through in a comprehensive set of parameters including sales, profits and customer retention and is driven by digital thinking, operational efficiencies, a robust and diversified distribution architecture, highly engaged bancassurance partners, a profitable own agency force and a highly competent and engaged talent pool led by a top quality leadership team.

The company delivered its best performance since inception in FY 2017. It continues to remain strong and is poised for out-performance as the life insurance industry witnesses a return to growth. It reported consolidated revenues of Rs. 12,971 Cr. and shareholder Profit before Tax of Rs. 768 Cr. (50% YoY growth). Its Embedded Value (EV) stands at Rs 6,590 Cr., with 20% Operating Return on EV. Its Assets under Management (as at 31st Mar. 2017) are Rs. 44,370 Cr., a 24% growth over last financial year.

The company will continue on its path to aggressively invest in organic and inorganic growth levers. This will be done through investments in enhancing own channels such as agency and digital, delivering superior policyholder experience, deepening and leveraging existing bancassurance partnerships, and forging new distribution alliances. In addition, it will pursue acquisition opportunities as the industry further consolidates.

Max Life is committed and confident of delivering superior value to all its stakeholders to become India's most admired life insurance company.

About Max Group

The Max Group is a leading Indian multi-business conglomerate with a commanding presence in the Life Insurance, Health & Allied businesses and packaging sectors. In FY 2017, the Group recorded consolidated revenues of Rs. 16,798 Cr. It has a total customer base of 9 million, nearly 240 offices spread across India and people strength of 22,500 as on 31st March 2017. The Group's investor base includes marquee global financial institutions such as Goldman Sachs, KKR, IFC Washington, Fidelity, Vanguard, Ward Ferry, New York Life, Wasatch and Invesco.

The Max Group comprises three holding companies, namely Max Financial Services, Max India and Max Ventures & Industries.

About Max Financial Services Limited

Max Financial Services Limited (MFS), a part of the US\$ 2 billion Max Group, is the parent company of Max Life, India's largest non-bank, private life insurance company. MFS actively manages a majority stake in Max Life Insurance Company Limited, making it India's first listed company focused exclusively on life insurance. Max Life is a joint venture with Mitsui Sumitomo Insurance (MSI), a Japan headquartered global leader in life insurance.

About Max Life Insurance Company Limited

Max Life Insurance offers comprehensive long term savings, protection and retirement solutions through its high quality agency distribution and multi-channel distribution partners. A financially stable company with a strong track record over the last 17 years, Max Life Insurance offers superior investment expertise. Max Life Insurance has the vision 'To be the most admired life insurance company by securing the financial future of our customers'. The company has a strong customer-centric approach focused on advice-based sales and quality service delivered through its superior human capital.

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