August 6, 2019

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

Scrip Code : 500271

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

Name of Scrip : MFSL

Dear Sir/Madam,

Outcome of Board meeting held on August 6, 2019

Pursuant to SEBI (LODR) Regulations, we would like to inform you that the Board of Directors of the Company in its meeting, which commenced on *1200 hrs* and concluded on 1430 hrs, considered and approved a binding term sheet containing *inter alia* the following:

1. the issuance and allotment of up to 7,35,51,029 (Seven Crore Thirty Five Lakh Fifty One Thousand and Twenty Nine) equity shares of the Company of the face value of INR 2/- each, fully paid up, on a preferential basis to Mitsui Sumitomo Insurance Company Limited ('MSI') for consideration other than cash, being transfer of 38,33,92,784 (Thirty Eight Crore Thirty Three Lakh Ninety Two Thousand Seven Hundred and Eighty Four) equity shares of the face value of INR 10/- each held by MSI in Max Life Insurance Company Limited ('MLIC'), based on the valuation report obtained by the Company in accordance with applicable laws. The shares to be issued by the Company are valued at INR 421.67 per share, i.e. the price determined in accordance with Chapter V (*Preferential Issue*) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations'). The shares to be transferred by MSI of MLIC are valued at INR 80.89 per share. The issuance and allotment of shares as stated above is subject *inter alia* to execution of definitive agreements with MSI and receipt of requisite corporate and regulatory approvals.

   On receipt of requisite approvals as stated above, MSI would subscribe to 7,35,51,029 (Seven Crore Thirty Five Lakh Fifty One Thousand and Twenty Nine) equity shares of the Company having a par value of INR 2/- each at a price of INR 421.67 per share aggregating to 21.45 % of the paid-up equity share capital of the Company on the date of allotment of the aforesaid shares ('Closing Date'). In consideration, the Company will receive 38,33,92,784 (Thirty Eight Crore Thirty Three Lakh Ninety Two Thousand Seven Hundred and Eighty Four) shares of INR 10/- each at a price of INR 80.89 per share translating into 19.98% stake of MLIC. Pursuant to this, the equity stake held by the Company in MLIC will increase from 71.79 % to 91.77 %.

   In this regard, it is proposed to convene an Extra-ordinary general meeting of the shareholders of the Company on Thursday, September 5, 2019.

MAX FINANCIAL SERVICES LIMITED (Formerly Max India Limited)
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Regd. Office: 419, Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab - 144 533, India

2. Further, the Company shall have the right (but not the obligation) ('Call Right') to purchase from MSI its balance shareholding of 5.24% of the equity share capital of MLIC for cash. On the exercise of the Call Right, MSI shall have the obligation to sell to the Company such shareholding in MLIC. MSI shall have the right (but not the obligation) ('Put Right') to require the Company to purchase its balance shareholding of 5.24% of the equity share capital of MLIC for cash. On exercise of such Put Right, the Company shall be under an obligation to purchase such shareholding from MSI.

   Purchase price for equity shares to be acquired by the Company pursuant to exercise of the Call Right / Put Right shall be at INR 80.89 per share ('Option Price'), subject to applicable laws.

You are requested to take the aforesaid information on record.

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

V. Krishnan
Company Secretary & Compliance Officer