

April 27, 2021

To,

Listing Department,  
National Stock Exchange of India Limited,  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (E), Mumbai – 400051

Department of Corporate Services,  
BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400001.

**NSE Scrip Symbol: MFSL**

**BSE Scrip Code: 500271**

Dear Sir/Madam,

**Sub:** Clarification on news item appearing in “Hindu Business Line” dated April 26, 2021

This is w r t the publication in Hindu Business Line dated April 26, 2021 carrying an article stating that Proxy advisory firm SES had asked the shareholders of Max Financial Services (MFS) to vote against the company’s proposal of paying compensation to its non-executive chairman Mr. Anajit Singh.

In this regard, please find attached the clarification issued by the Company for your information.

You are requested to take note of above and arrange to disseminate the information to public.

Thanking you,

**For Max Financial Services Limited**



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



Encl: As above

## V Krishnan

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**From:** V Krishnan  
**Sent:** 27 April 2021 11:53  
**To:** 'info@sesgovernance.com'  
**Cc:** Mohit Talwar; Jatin Khanna; Nitin Thakur  
**Subject:** Clarification on Proxy advisory report issued by SES on the postal ballot notice issued by Max Financial Services Limited  
**Attachments:** MFSL - SE Disclosure April 19, 2021.pdf

Tracking:	Recipient	Delivery
	'info@sesgovernance.com'	
	Mohit Talwar	Delivered: 27-04-2021 11:53
	Jatin Khanna	Delivered: 27-04-2021 11:53
	Nitin Thakur	Delivered: 27-04-2021 11:53

To SES Proxy Advisory Team;

This is w r t the publication in Hindu Business Line dated April 26, 2021 carrying an article stating that Proxy advisory firm SES has asked the shareholders of Max Financial Services (MFS) to vote against the company's proposal of paying a hefty compensation to its non-executive chairman Analjit Singh.

In this regard, we would like to state as under:

1. As a responsible and well reputed Advisory Firm, you generally give an opportunity to companies to explain their position before publishing your proxy reports like other advisory firms engage. Absence of such engagement creates a risk of facts being misunderstood and misplaced.
2. One of your averments is that commission of 2 per cent payable could be as high as ₹16 crore. In this regard, please note that the Company while giving additional disclosure to the members through stock exchanges on April 19, 2021 (copy attached) had stated that the compensation in the form of commission payable to Mr. Analjit Singh for FY 2021 is limited to Rs. 3 Crore to be decided by the Board of Directors at a subsequent meeting.
3. Further, vide the said disclosure, the Company had explained additional details on the rationale for the compensation payable to Mr. Analjit Singh, Chairman of the Company. Gist of the said disclosure is given hereunder for ease of your reference:

*As stated in the explanatory statement to the postal ballot notice, the key areas where Mr. Analjit Singh is providing active steer to the Company, inter-alia includes advising on medium and long term strategies of the Company, Joint Venture relationships, Business partnerships, promoting business interests, review of talent/human capital related subjects, board management, governance processes and Government relations. In specific, we would like to state that:*

- a. Mr. Analjit Singh played an anchor role in ensuring the joint venture arrangement with Axis Bank for the life insurance business carried on through its subsidiary, Max Life Insurance Company Limited and in ensuring continuity of partnership with Mitsui Sumitomo Insurance Company Limited (MSI) by re-aligning MSI as a significant shareholder in the listed holdco, Max Financial Services Limited including ensuring all requisite regulatory approvals in this regard.
- b. By driving/cementing the joint venture arrangement with Axis Bank, he has ensured long term business continuity with the third largest private sector bank thereby ensuring mutual benefit for all the stakeholders including the members of the Company.



*Mr. Analjit Singh would continue to play a crucial role in planning and ensuring the subsequent steps of this complex transaction in terms of Max Financial acquiring the residual stake of MSI and Axis Bank acquiring further 7% stake in Max Life, in the next few years to further cement the JV arrangements in Max Life aimed at maximising shareholder value.*

*Considering the extensive involvement of Mr. Analjit Singh in the strategic developments at the Company, a compensation is proposed in the form of commission to Mr. Analjit Singh for the financial year ended March 31, 2021, for which the limit sought from the shareholders is to upto 2% of the net profits of the Company as detailed in resolution no.1 of the postal ballot notice. We would further like to state that the commission in monetary terms shall not exceed Rs. 3 Crore for the said financial year, which is subject to the decision of the board of directors at a subsequent meeting.*

We therefore would request you to take the aforesaid on record, which is in the public domain and capture suitable clarifications to the report you had published.

Further, we have not received your report. This e mail is sent to you basis the limited information available to us from the publication carried out in Hindu Business Line.

We would appreciate if your team can engage with us before publication of any such report in future to help you share informed opinion and report on these matters with the public at large.

Best regards

V Krishnan  
Company Secretary  
Max Financial Services Limited



Cc:

1. NSE & BSE
2. Hindu Business Line

April 19, 2021

To,

Listing Department,  
National Stock Exchange of India Limited,  
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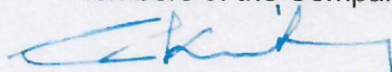
Dear Sirs/Ma'am,

**Sub: Additional information w r t the postal ballot notice dated March 26, 2021.**

This is with reference to our earlier disclosure letter dated March 30, 2021 on the above subject.

Following certain clarifications sought, the Company is furnishing additional information w r t the resolutions that were sent earlier by the Company vide its postal ballot notice dated March 26, 2021 w r t the compensation payable to Mr. Analjit Singh, Chairman of the Company for the kind attention of the members of the Company:

1. As stated in the explanatory statement to the postal ballot notice, the key areas where Mr. Analjit Singh is providing active steer to the Company, inter-alia includes advising on medium and long term strategies of the Company, Joint Venture relationships, Business partnerships, promoting business interests, review of talent/human capital related subjects, board management, governance processes and Government relations. In specific, we would like to state that:
  - a. Mr. Analjit Singh played an anchor role in ensuring the joint venture arrangement with Axis Bank for the life insurance business carried on through its subsidiary, Max Life Insurance Company Limited and in ensuring continuity of partnership with Mitsui Sumitomo Insurance Company Limited (MSI) by re-aligning MSI as a significant shareholder in the listed holdco, Max Financial Services Limited including ensuring all requisite regulatory approvals in this regard.
  - b. By driving/cementing the joint venture arrangement with Axis Bank, he has ensured long term business continuity with the third largest private sector bank thereby ensuring mutual benefit for all the stakeholders including the members of the Company.



MAX FINANCIAL SERVICES LIMITED  
CIN: L26223MH1998PLC00403

Corporate Office: 23rd Max Tower, Plot No. C/100/A/1, Sector 10B, Nanda 201301, P. O. Box 400001, Mumbai 400001. [www.maxfinancialservices.com](http://www.maxfinancialservices.com)  
Head Office: 4th Floor, Max Tower, Sector 10B, Nanda, Nanda, Tehsil Badliwala, Dist. Nawanshahr, Punjab 141 001, India



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- c. Mr. Analjit Singh would continue to play a crucial role in planning and ensuring the subsequent steps of this complex transaction in terms of Max Financial acquiring the residual stake of MSI and Axis Bank acquiring further 7% stake in Max Life, in the next few years to further cement the JV arrangements in Max Life aimed at maximising shareholder value.
2. Considering the extensive involvement of Mr. Analjit Singh in the strategic developments at the Company, a compensation is proposed in the form of commission to Mr. Analjit Singh for the financial year ended March 31, 2021, for which the limit sought from the shareholders is to upto 2% of the net profits of the Company as detailed in resolution no.1 of the postal ballot notice. We would further like to state that the commission in monetary terms shall not exceed Rs. 3 Crore for the said financial year, which is subject to the decision of the board of directors at a subsequent meeting.

You are requested to take note of above and arrange to disseminate the information to public.

Thanking you,

**For Max Financial Services Limited**



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

