

November 22, 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

BSE Scrip Code: 500271**NSE Scrip Symbol: MFSL**

Dear Sir/Madam,

Sub. Submission of Notice of Postal Ballot

We herewith attach the Notice of Postal Ballot (including instructions for e-voting), being sent to the shareholders of the Company, to obtain their consent and approval for the matter as set out in Notice of Postal Ballot by way of remote e-voting.

The details of the calendar of events for the Postal Ballot are as follows:

Sl. No.	Event	Date
1.	Voting rights reckoning date/ Cut-off date	November 19, 2021
2.	Last Date of Completion of dispatch of Postal Ballot notice	November 22, 2021
3.	Voting period Start Date	November 23, 2021
4.	Voting period End Date	December 22, 2021
5.	Date of Submission of Scrutinizer's Report	December 24, 2021
6.	Date of Announcement of Results of Postal Ballot	December 24, 2021

You are requested to take the aforesaid on record.

Thanking you,

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

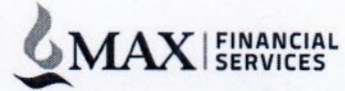


V. Krishnan
Company Secretary

Encl: as above**MAX FINANCIAL SERVICES LIMITED**

CIN: L24223PB1988PLC008031

Corporate Office: L20M(21), Max Towers, Plot No. C-001/A/1, Sector-16B, Noida- 201301 | P: + 91 120 4696000 | www.maxfinancialservices.com
Regd. Office: Bhai Mohan Singh Nagar, Village Railmajra, Tehsil Balachaur, Dist. Nawanshahr, Punjab - 144 533, India



MAX FINANCIAL SERVICES LIMITED
(CIN: L24223PB1988PLC008031)
Registered Office: Bhai Mohan Singh Nagar
Railmajra, Tehsil Balachaur
District Nawanshahr, Punjab – 144 533
Tel: 01881-462000, 462001 Fax: 01881-273607
www.maxfinancialservices.com
E-mail: vkrishnan@maxindia.com

NOTICE OF POSTAL BALLOT

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and the MCA Circulars (as defined below)

To
The Members,

Notice is hereby given pursuant to the provisions of Section 110 read with Section 108 and all other applicable provisions of the Companies Act, 2013 (the "**Act**"), read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the "**Rules**") and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**"), Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India and subject to other applicable laws, rules and regulations, if any including any statutory modifications, amendments or re-enactments thereof for the time being in force and other applicable laws and regulations, if any, for seeking approval of the members for the matters as considered in the resolutions appended below through postal ballot only by means of remote e-voting ("**Postal Ballot**").

The Members may further note that the Ministry of Corporate Affairs (the "**MCA**") vide its General Circular No. 14/2020 dated April 8, 2020 read with General Circular No.17/2020 dated April 13, 2020, No. 22/2020 dated June 15, 2020, No. 33/2020 dated September 28, 2020, No. 39/2020 dated December 31, 2020 and No.10/2021 dated June 23, 2021 and other applicable circulars (the "**MCA Circulars**") and Circular Nos. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by the Securities and Exchange Board of India ("**SEBI Circulars**"), in view of COVID-19 pandemic requiring social distancing, has allowed companies to take all decisions requiring members approval, other than items of ordinary business or business where any person has a right to be heard, through the mechanism of postal ballot / e-voting in accordance with the provisions of the Act and the Rules, without holding a general meeting that requires physical presence of members at a common venue.

The Board of Directors of the Company proposes to obtain the consent of the members by way of Postal Ballot for the matters as considered in the Resolutions appended below. The Explanatory Statement pursuant to Section 102 of the Act pertaining to the appended below Resolutions, setting out material facts and the reasons for the Resolutions, is also annexed. You are requested to peruse the proposed Resolutions, along with the Explanatory Statement, and thereafter record your assent or dissent by means of remote e-voting facility provided by the Company.

In accordance with the said MCA and SEBI Circulars and applicable provisions of the Act and Listing Regulations, this Postal Ballot Notice is being sent in electronic mode to members whose e-mail address is registered with the Company or the Depository Participant(s) and the communication of assent / dissent of the members will only take place through the remote e-voting facility being offered by the Company. This Notice is accordingly being issued to the members through e-mails only whose email addresses are registered with the Company or with the depository(ies) / depository participants as on the cut-off date in compliance with the MCA and SEBI Circulars.

Special Business(s)

1. **To consider and if thought fit, to pass, the following Resolution as a Special Resolution:**

RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198, 203,190,110 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Schedule V and other applicable provisions of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and based on the recommendation of the Nomination and Remuneration Committee and Board of Directors, the consent of the members of the Company be and is hereby accorded to reappoint Mr. Mohit Talwar, (DIN: 02394694) as the Managing Director of the Company for a further period of one year from January 15, 2022 to January 14, 2023 and that the remuneration payable to Mr. Mohit Talwar for the said period including Basic salary, House Rent Allowance/Company owned or leased Accommodation, perquisites and allowances viz., leave travel allowance, children education allowance, management allowance and medical reimbursements shall not exceed Rs. 6.11 crore (Rupees Six crores and Eleven Lacs Only) per annum for the aforesaid period of one year."

"RESOLVED FURTHER THAT in addition to above mentioned benefits, Mr. Mohit Talwar (DIN: 02394694) is also entitled to Non cash benefits in the form of (i) car and driver related reimbursements upto Rs. 12 lakhs per annum; (ii) Post-retirement benefits in the form of (a) Club Membership, i.e., One Corporate club membership for life (DLF Golf Club or Delhi Golf Club or equivalent club in NCR) and (b) Health Insurance coverage for self and spouse with coverage for life of Rs. 25 lacs as part of the Max Group coverage; and (iii) Retirals like Provident Fund and Gratuity in terms of the employment contract."

"RESOLVED FURTHER THAT the Board of Directors/Nomination and Remuneration Committee of the Company be and is hereby authorised to determine the break-up of remuneration within aforesaid limit and also authorised to take all such steps, including issuance of appointment letter and such other steps, as may be deemed expedient in this regard."

"RESOLVED FURTHER THAT during the term of office of Mr. Mohit Talwar as the Managing Director, if the Company has in-adequate profits as computed under the applicable provisions of the Act, he shall be entitled to receive the aforementioned remuneration as the minimum remuneration as provided under the Act."

“RESOLVED FURTHER THAT the Company or Mr. Mohit Talwar shall be entitled at any time to terminate this appointment by giving three months’ written notice or by any shorter notice as may be accepted by the Board.”

2. To consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder, read with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), consent of the members of the Company be and is hereby accorded for allowing usage of trademarks of the Company (‘Max Trademarks’), without any consideration by a wholly owned subsidiary company proposed to be incorporated by Max Life Insurance Company Limited for management of pension assets under National Pension System (“NPS”) for Private Sector subscribers and Government Sector subscribers pursuant to the provisions of Pension Fund Regulatory and Development Authority (Registration of Pension Fund) Guidelines, 2021.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all actions as it may deem expedient for the aforesaid purpose:”

By Order of the Board
For **Max Financial Services Limited**

Place: Noida
Date: November 19, 2021

Sd/-

V. Krishnan
Company Secretary
Membership No. FCS- 6527
Corres. Add: Max Towers, L-21, C-001/A/1
Sector 16-B, Noida - 201301

NOTES

1. Pursuant to Section 102 of the Act, an Explanatory Statement setting out material facts and reasons for the proposed Special Business is appended to the notice.
2. As per Section 108, 110 and other applicable provisions of the Act read with Rule 20 & 22 of the Rules, cut-off date for the purpose of reckoning the voting rights and sending the Notice is the Friday, November 19, 2021(“Cut-off date”). A person who is not a member as on the Cut-off date should treat the Notice for information purpose only.
3. The Notice is being electronically sent to all the Members of the Company, whose name appear in the Register of Members/List of Beneficial Owners) and whose email

addresses are registered with the Company or with the depository(ies) / depository participants as on the cut-off date. It is however, clarified that all members of the Company as on the closure of cut-off date (including those members who may not have received this Notice due to non-registration of their email IDs with the Company or the Depositories) shall be entitled to vote in relation to the resolutions specified in this Notice. As per the MCA Circulars and in view of limited postal / courier services and on account of threat posed by COVID-19 pandemic situation, physical copy of the Notice, Postal Ballot Form and pre-paid business reply envelope are not being sent to the members for this Postal Ballot.

The Notice shall also be uploaded on the website of the Company (www.maxfinancialservices.com), on the website of National Securities Depository Limited ("NSDL"), at www.evoting.nsdl.com and on the websites of National Stock Exchange of India Limited (www.nseindia.com) and BSE Limited (www.bseindia.com).

4. Members who have not registered their e-mail addresses with either the Company or the Depositories are requested to register the same with the Company or the Depositories in accordance with the process specified herein below at point no 8(B).
5. Voting rights shall be reckoned in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date.
6. Dispatch of the Notice shall be deemed to be completed on Monday, November 22, 2021, i.e., the day on which NSDL sends out the communication for the postal ballot process by e mail to the members of the Company.

In accordance with the provisions of Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 108 and 110 of the Act read with Rule 20 & 22 of the Companies (Management and Administration) Rules, 2014 and the Circulars issued by the Ministry of Corporate Affairs, the Company has extended remote e-voting facility for its Members to enable them to cast their votes electronically on the resolutions set forth in this Notice.

7. The e-voting shall commence on Tuesday, November 23, 2021 at 9.00 A.M. (IST) and ends on Wednesday, December 22, 2021 at 05.00 P.M. (IST). The e-voting module shall be disabled by NSDL for voting thereafter. During this period, the members of the Company (including those members who may not have received the Notice due to non-registration of their email address with the Company or the Depositories) holding shares in physical form or dematerialized form as on the Cut-off date, may cast their vote by electronic means in the manner as set out here in Note No. 8(B) below. Once the member cast vote on a resolution, the member shall not be allowed to change it subsequently.

8. **The instructions and other information relating to e-voting are as under**

Steps for vote electronically using NSDL e-Voting system

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:





Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

	<p>NSDL Mobile App is available on</p> <p>  App Store  Google Play </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

5. Password details for shareholders other than Individual shareholders are given below:
 - (a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - (b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - (c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically on NSDL e-Voting system.

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolutions, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to rupesh@cacsindia.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self -attested scanned copy of PAN card), AADHAR (self- attested scanned copy of Aadhar Card) by email to info@masserv.com. with subject line "EMAIL ID REGISTRATION FOR FOLIO NUMBER (MENTION FOLIO NUMBER) OF MAX FINANCIAL SERVICES LIMITED.
2. In case shares are held in demat mode, please update your email id in your demat account. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode**. If you are other than individual and not already registered with NSDL for e-voting please send copy of client master to info@masserv.com with subject line "REQUIRED PASSWORD FOR DPID-CLID (MENTION DPID-CLID) OF MAX FINANCIAL SERVICES LIMITED).
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

Other Information:

- (a) The Board of Directors has appointed Mr. Rupesh Agarwal, Managing Partner (CP No. 5673) and failing him Mr. Shashikant Tiwari (CP No. 13050), Partner of M/s Chandrasekaran Associates, Company Secretaries having office at 11F, Pocket-IV, Mayur Vihar Phase-I, Delhi – 110091, as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- (b) The Scrutinizer after scrutinizing the votes cast through remote e-voting will make a consolidated Scrutiniser's Report of the votes cast in favour or against, if any, shall submit the same within time stipulated under extant regulations to the Chairman of the Company or any other person authorized by him in writing who shall countersign the same.
- (c) The result of the voting on Resolutions by postal ballot and Remote e-voting will be declared by the Chairman of the Company or the authorized person in writing on Friday, December 24, 2021 at the registered and/ or corporate office of the Company. The result along with the scrutinizer's report will be communicated to the Stock Exchange(s) where the shares of the Company are listed and will also be displayed at the Registered office and/or corporate office of the Company and shall also be hosted on the Company's website: www.maxfinancialservices.com and on the NSDL's website: www.evoting.nsdl.com. The resolutions, if passed by the requisite majority, shall be deemed to have been passed as if the same has been passed at a general meeting of the members convened in that behalf and shall be deemed to have been passed on the last date specified by the Company for remote e-voting, i.e., Wednesday, December 22, 2021.
- (d) All the documents referred to in this Notice and Explanatory Statement thereto and Reasons thereto would be made available for inspection at the Registered/ Corporate Office of the Company on all working days between 2.00 P.M. (IST) to 4.00 P.M. (IST) from the date of circulation of this Notice up to the date of declaration of the result of Postal Ballot.
- (e) All documents referred to in the Notice and Explanatory Statement thereto will also be available electronically for inspection without any fee by the members from the date of circulation of the Notice upto the closure of the voting period. Members seeking to inspect such documents can send an email to the Company Secretary at vkrishnan@maxindia.com requesting supply of relevant documents referred in the Explanatory Statement.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 READ WITH SECTION 110 OF THE COMPANIES ACT, 2013

In terms of Section 102 read with Section 110 of the Act, the following Explanatory Statement sets out all the material facts relating to the resolutions given in the accompanying Notice.

Item no. 1

Mr. Mohit Talwar (DIN: 02394694) was appointed as the Managing Director of the Company for a five year period effective January 15, 2016 till January 14, 2021. He was re-appointed as the Managing Director of the Company by members at the last Annual General Meeting held on December 30, 2020 for a period of one year effective from January 15, 2021 till January 14, 2022 at a remuneration of Rs. 6.11 Crore per annum. Accordingly his current term as the Managing Director shall expire on January 15, 2022.

Mr. Mohit Talwar has been associated with the Company since 2007 and his experience and expertise is an asset to the organization and the reappointment of Mr. Mohit Talwar as the Managing Director of the Company is appropriate and in the best interest of the Company to provide continuity to the key initiatives that are currently underway. Thus, the Board of Directors on the recommendation of the Nomination and Remuneration Committee has approved the reappointment of Mr. Mohit Talwar as the Managing Director for a further period of one year w.e.f January 15, 2022 at its meeting held on November 9, 2021 subject to the approval of the members of the company.

Mr. Mohit Talwar is not disqualified from being appointed as a Director under provisions of Section 164 of the Act, nor debarred from holding the office of director by virtue of any SEBI order or any other such authority and has given his consent for the re-appointment as Managing Director.

Copy of the draft letter proposed to be issued to Mr. Mohit Talwar, Managing Director in this regard, is open for inspection by any member of the Company at its Registered Office during business hours on every working day. The same may be treated as written memorandum setting out the terms and conditions of his appointment under Section 190 and other applicable provisions of the Act.

Save and except Mr. Mohit Talwar and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item No. 1.

The Board of Directors accordingly recommends the Special Resolution set out at Item No. 1 of the Notice for the approval of the Members.

The Statement containing additional information as required in Schedule V of the Act is furnished as under:

I. GENERAL INFORMATION:

I. Nature of Industry: The Company is engaged in the activity of holding and nurturing of investments in life insurance business and also providing management consultancy services to group companies.

II. Date or expected date of commencement of commercial production: Not applicable as the Company is not involved in any manufacturing Activity.

III. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : Not applicable

IV. Financial performance based on given indicators: The performance of the Company during last two years was as under:

Particulars	Amount in Rs. Crore	
	2020-21	2019-20
Total Revenue	307.81	495.02
Net Profit/(Loss) before tax	129.47	396.32
Net Profit/(Loss) after tax	99.23	272.54

V. Export performance and net foreign exchange earning: Nil

VI. Foreign investments or collaborators, if any: Xenok Limited, GS Mace Holdings Limited and International Finance Corporation have made equity investments in the Company in the past. M/s Mitsui Sumitomo Insurance Company Limited, our joint venture partner for Max Life Insurance Company has acquired 21.87% of the equity share capital of the Company on December 8, 2020.

II. INFORMATION ABOUT THE APPOINTEE:

a. Background Details: Mr. Mohit Talwar is a post graduate from St. Stephen's College and completed his management studies in Hospitality from the Oberoi School. He possesses wealth of experience of over 35 years in Corporate Finance and Investment Banking. He spent 24 years in Wholesale Banking in Standard Chartered, ANZ Grindlays and Bank of Nova Scotia. Prior to this, he spent almost 6 years with the Oberoi Group. He is associated with Max Group since 2007.

b. Past Remuneration: Mr. Talwar received a remuneration of Rs 19.57 crore from the Company in the FY 2020-21. This includes (i) perquisite value of ESOPs amounting to Rs. 6.46 crore that were granted in previous years to Mr. Mohit Talwar which were since exercised by him during the said financial year and (ii) Long Term incentives/PSPs that were earlier granted to him which were all encashed by him before end of his first five year tenure on January 14, 2021.

c. Recognition or Awards: None

d. Job Profile and his Suitability: As per details stated in the preamble of the explanatory statement.

e. Remuneration Proposed: The proposed remuneration of Mr. Mohit Talwar as the Managing Director of the Company is mentioned in the resolution set out at item no. 1.

f. Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person: Mr. Talwar has an experience of over 35 years. His present job responsibilities include managing the whole of the affairs of the Company under the supervision of the Board. Accordingly, keeping in view the present scenario of pay package being offered by MNC / Class 'A' Indian Corporate(s), the proposed remuneration package of Mr. Talwar matches

to the prevailing remuneration package in the concerned industry, size of the Company, profile of the position etc.

g. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other Director, if any: Mr. Mohit Talwar has no pecuniary relationship directly or indirectly with the Company or its managerial personnel and its directors other than his Remuneration in the capacity of as the Managing Director.

III. OTHER INFORMATION:

a. Reasons of loss or inadequate profits: The Company is having profits, however the managerial remuneration may exceed the limits in case of inadequacy of profits in future.

b. Steps taken or proposed to be taken for improvement: The Company has been taking all measures within its control to maximize overall efficiencies of its operations and minimising various fixed and variable Costs.

c. Expected increase in productivity and profit in measurable terms: It is difficult to forecast the profitability in measurable terms. However, the Company expects that the profitability shall further improve in times to come.

The detailed profile of Mr. Mohit Talwar along with other relevant details as required under Secretarial Standards for general meetings (SS-2) is as under:

Name of the Director: Mr. Mohit Talwar

Date of Birth: September 17, 1959

Age: 62 years

Date of Appointment on the Board: February 14, 2012 (original date of appointment)

Brief resume covering qualification and nature of expertise in functional areas: Mr. Mohit Talwar is a post graduate from St. Stephen's College and completed his management studies in Hospitality from the Oberoi School. He possesses wealth of experience of over 35 years in Corporate Finance and Investment Banking. He spent 24 years in Wholesale Banking in Standard Chartered, ANZ Grindlays and Bank of Nova Scotia. Prior to this, he spent almost 6 years with the Oberoi Group. He is associated with Max Group since 2007.

Related to any other Director/KMPs of the Company: Not related to any other Director/ KMPs of the Company.

Directorships in other Indian Companies (including Listed Companies):

- a) Max India Limited
- b) Max Life Insurance Company Limited

Committee Memberships in other Companies:

Max India Limited– Member of Stakeholders Relationship Committee; and

Max Life Insurance Company Limited – Member of Investment Committee and Nomination and Remuneration Committee.

Number of Board Meetings attended in current financial year: Mr. Mohit Talwar had attended all four meetings held during the financial year 2021-22 till the circulation of this notice to the shareholders of the Company.

Shareholding in the Company: 2,05,958 Equity shares of Rs. 2/- each

Remuneration last drawn: Mr. Talwar received a remuneration of Rs 19.57 crore from the Company in the FY 2020-21. This includes (i) perquisite value of ESOPs amounting to Rs. 6.46 crore that were granted in previous years to Mr. Mohit Talwar which were since exercised by him during the said financial year and (ii) Long Term incentives/PSPs that were earlier granted to him which were all encashed by him before end of his first five year tenure on January 14, 2021.

Item no. 2

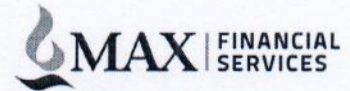
The members of the Company by way of an ordinary resolution passed in the 28th annual general meeting of the Company held on September 27, 2016 permitted the use of trademarks related to the Max Brand including “Max with the Flame” logo, “Max Flame Logo”, “Max Life Insurance” Logo and other related Max Brand logos (“Max Trademarks”) by Max Life Insurance Company Limited (‘Max Life’) without any consideration as it was considered to be in best interest of the Company as the same will help in enhancing of shareholder value by continued usage of trademarks by Max Life. Following the approval of the shareholders as above, the Company had permitted Max Life to use Max Trademarks by entering into a Trademark Sub-License Agreement on October 12, 2016 for the aforesaid purpose.

The Company is pleased to inform the members that Max Life had received the approval from Pension Fund Regulatory and Development Authority (PFRDA), appointing Max Life as a sponsor for management of pension assets under National Pension System (“NPS”) for Private Sector subscribers and Government Sector subscribers.

The said approval authorises Max Life to establish and operationalize a separate limited pension fund company (“PF”), under the provisions of the Act, which shall be entitled to manage NPS contributions of subscribers mentioned above and for managing the funds as permissible under the provisions of PFRDA Act, 2013 and directions etc. issued by the PFRDA from time to time.

In this regard, Max Life is in the process of incorporating a wholly owned subsidiary company (‘WOS’). The Board of Directors of the Company on the recommendations of the Audit Committee, recommends to the shareholders for their consideration to permit the WOS of Max Life to use Max Trademarks without any consideration in keeping with the Company’s objective of enhancing shareholder value and in the best interests of the Company.

It is proposed to execute a Trademark Sub-License Agreement, and / or other ancillary agreements and documents as may be required, between the Company and the WOS of Max Life for sub-license of the “Max Trademarks” and related marks to the WOS, and detail the manner and conditions of usage and other rights between the Parties.



This proposed transaction is a transaction between two related parties (the Company and the WOS of Max Life having holding subsidiary relationship), which is not in ordinary course of business (not being a regular business activity) and not at arms' length basis (being NIL consideration).

As this transaction (together with the previous transactions during this financial year) from Company's perspective is expected to be beyond the thresholds permitted under the Rules framed under the Act, prior approval of shareholders by way of an ordinary resolution is required. Hence, the Board of Directors accordingly recommends an Ordinary Resolution set out at Item No. 2 of the Notice for the approval of the Members.

Mr. Analjit Singh, Mr. K. Narasimha Murthy, Mr. Sahil Vachani, Mr. Mitsuru Yasuda and Mr. Mohit Talwar, are common directors of the Company and Max Life. Mr. Mandeep Mehta is the Chief Financial Officer of the Company and the Deputy Chief Financial Officer of Max Life. Save and except them, none of the other Directors, other Key Managerial Personnel of the Company and their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

By Order of the Board
For Max Financial Services Limited

Place: Noida
Date : November 19, 2021

sd/-
V. Krishnan
Company Secretary
Membership No. FCS- 6527
Add: Max Towers, L-21, C-001/A/1
Sector 16-B, Noida – 201301