



MAX FINANCIAL SERVICES LIMITED

CIN: L24223PB1988PLC008031

Registered Office: Bhai Mohan Singh Nagar, Village Raimajra,
Tehsil Balachaur, District Nawanshahr, Punjab – 144 533

Tel: 01881-462000, 462001 Fax: 01881- 273607

Website: www.maxfinancialservices.com

E-mail: investorhelpline@maxindia.com

June 18, 2020

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

The Manager
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,

Subject: Declaration of Postal Ballot Results with respect to Postal Ballot Notice dated May 13, 2020

This is with reference to our earlier letter dated May 15, 2020, informing Stock Exchanges that the Company is seeking shareholders approval by way of Special Resolution through Postal Ballot (including remote e-voting) for divestment of upto 29% equity stake in Max Life Insurance Company Limited and approvals in terms of Sections 180(1)(a) and 186(3) of the Companies Act, 2013 for re-acquisition of shares in case of exercise of put options by Axis Bank Limited and/or its affiliates ("the Prospective Investors")

Basis the report of Scrutinizer, we would like to inform you that the Members of the Company have accorded their approval with requisite majority for the Special Resolution mentioned above.

In this regard, we enclose a copy of the Scrutinizer's Report for the dissemination of the public. Further, details of Postal Ballot and e-voting results as per Regulation 44(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are being uploaded on the website of the stock exchanges in XBRL mode.

We request you to take the aforesaid on record.

Thanking you,

Yours faithfully
For **Max Financial Services Limited**

V. Krishnan
Company Secretary & Compliance Officer

Encl: As above

SCRUTINIZERS' REPORT

To,

Max Financial Services Limited
Bhai Mohan Singh Nagar, Railmajra,
Tehsil Balachaur, District
Nawanshahr, Punjab-144533

Sub: Scrutinizers' Report on postal ballot including voting by electronic means conducted in terms of Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014, as amended in respect of passing of the resolution contained in the Notice dated May 13, 2020

Dear Sir,

I, Rupesh Agarwal, Company Secretary in Whole-time Practice was appointed as Scrutinizer by the Board of Directors of Max Financial Services Limited for scrutinizing postal ballot including voting by electronic means in respect of passing of the resolution contained in the Notice dated May 13, 2020 ("Notice") in a fair and transparent manner.

I submit our report as under:

1. The management of the Company is responsible to ensure the compliance with the requirements of the relevant provisions of (i) the Companies Act, 2013 and the rules made thereunder including circular dated April 8, 2020 and April 13, 2020; and (ii) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, relating to postal ballot including voting by electronic means. .
2. My responsibility as scrutinizer is restricted to prepare a scrutinizers' report of the votes cast by the members for the resolution contained in the Notice, based on the data downloaded from website of website (www.evoting.nsdl.com) of National Securities Depository (India) Limited ('NSDL') authorised agency engaged by the Company to provide e-voting facilities till the time fixed for closing of the voting process i.e. on or before 5:00 P.M. (IST) on Tuesday, June 16, 2020.
3. The Members of the Company as on the "cut-off date" i.e. Friday, May 08, 2020 were entitled to vote on the proposed resolution to be passed through postal ballot including voting by electronic means as set-out in the Notice of Postal Ballot dated May 13, 2020.
4. The e-voting period remained open from Monday, May 18, 2020 at 9.00 a.m. and ended at the close of working hours i.e. at 5:00 P.M. on Tuesday, June 16, 2020, on the designated website of NSDL, i.e. (www.evoting.nsdl.com).
5. On Friday, May 15, 2020 the Company had completed the dispatch of Postal Ballot notice(s)/ form(s), to its Members whose name(s) appeared in the Register of Members/ List of beneficial owners received from National Securities Depository Limited/Central Depository Services (India) Limited as on the Cut-off date i.e. Friday, May 08, 2020 and whose e-mail IDs were available with the Company and Depositories. Pursuant to the Circulars nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 ('MCA Circulars'), respectively issued by Ministry of Corporate Affairs,

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the Company had dispatched the notices/ forms only through e-mails. The Company has not dispatched the postal ballot notices/ forms to those members whose e-mail IDs were not available with the Company and Depositories. However, the Company has also given an additional option to members to vote by postal ballot in the Postal Ballot Notice dated May 13, 2020, including the process to the members to register their e-mail ids with the Company or their depository participants.

6. Due to COVID-19 pandemic and lockdown announced by the Government of India on all India basis, physical ballot could not be dispatched. Further, the Company has also not received any physical ballot form and accordingly, voting done through e-voting only was considered for this report.
7. As stated in Sub-rule 3 of Rule 22 of Companies (Management and Administration) Rules, 2014, as amended, advertisements were published by the Company in Business Standard (English), all editions and Desh Sewak (Punjabi), Chandigarh edition on May 17, 2020 informing about the completion of dispatch of Postal Ballot notices/ forms, to the Members, those registered their E-mail ids with the depositories along with other related matters mentioned therein.
8. We had monitored the process of electronic voting (i.e. e-voting) through the scrutinizer's secured link provided by NSDL through its designated website.
9. After completion of e-voting, votes cast by the Members, were unblocked in the presence of two witnesses Mr. Lakhan Gupta and Mr. Shashikant Tiwari who are not in the employment of the Company.
10. The particulars of report downloaded from the website of NSDL have been entered in a separate register maintained for the purpose of Postal Ballot.
11. Votes cast by the members through e-voting, were reconciled with the records maintained by the Registrar and Transfer Agent of the Company and authorizations lodged with the Company.
12. This report is based on vote cast through e-voting, which was downloaded from the website www.evoting.nsdl.com.
13. After ascertaining the votes cast by e-voting, we hereby submit the result as under:

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

"RESOLVED THAT pursuant to the provisions of Section 110, Section 180(1)(a), Section 186(3) and other applicable provisions, if any, of the Companies Act, 2013 read with other rules and regulations made thereunder (including any amendments, statutory modification(s) and/or re-enactment thereof for the time being in force) (hereinafter referred to as the '**Act**'), and any other rules, regulations, guidelines, notifications, circulars and clarifications issued by the Government of India and subject to such approvals, permissions, sanctions and consents as may be necessary, including approvals from the Insurance Regulatory and Development Authority of India, Competition Commission of India and the Reserve Bank of India, and on such terms and conditions (including any alterations, modifications, corrections, changes and variations, if any, that may be stipulated while granting such approvals, permissions, sanctions and consents as the case may be) by any regulatory authorities, which may be accepted by the Board of Directors of the Company (hereinafter referred to as '**Board**' which term shall be deemed to include any duly constituted / to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution), the consent, authority and approval of the Company be and is hereby granted to the Board to sell/transfer or otherwise dispose of, in one or more tranches, up to 55,64,94,102 (fifty five crore sixty four lakhs ninety four thousand one hundred and two) Equity Shares of Rs.10/- each amounting to 29% of the equity share capital of Max Life Insurance Company Limited ('**Max Life**'), a material subsidiary of the Company, to Axis Bank Limited and/or its affiliates ("**the Prospective Investors**") for a consideration which shall be arrived basis the valuation of Max Life conducted as per Rule 11UA read with Rule 11UAA of the Income-tax Rules, 1962 as further captured in the explanatory statement and on such terms and conditions as

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Location: NEW DELHI

may be mutually agreed among and between the prospective Investors and the Board including the following:

- (a) The Company will have the right to nominate 4 (four) directors on the Board of Directors of Max Life ('**Max Life Board**') and Axis Bank will have the right to nominate 3 (three) directors on the Max Life Board. Axis Bank will also have the right to appoint 1 (one) director on the Board of Directors of the Company.
- (b) From the completion of the proposed sale ('**Closing Date**'), Axis Bank, promoters of the Company and the Company are subject to restrictions on the transfer of shares as set out below:
 - (i) The Company cannot transfer its shares held in Max Life till such time Axis Bank is a shareholder of Max Life;
 - (ii) Axis Bank will be entitled to transfer up to 2% of the shares held by it in Max Life per year to any third party, not being a competitor as identified in definitive agreements; and
 - (iii) The promoters of the Company have an obligation to maintain a minimum shareholding of 11% in the Company (of which 5.5% is required to be free of any encumbrances) till any of the Value Creation Options (as briefly set out in clause (c) and (d) below) is successfully completed.
- (c) The Company will work towards providing the following options for creating long term value as per the mechanism agreed under the definitive agreements:
 - (i) Merger: The Company, along with Max Life and promoters of the Company, will take all steps to merge the Company into Max Life, resulting into a listed insurance company in terms of applicable law ('**Merger**').
 - (ii) Swap: From the Closing Date, Axis Bank will have the right to subscribe to equity shares of the Company in lieu of all or part of the equity shares held by Axis Bank in Max Life ('**Swap Transaction**') and the Company will undertake all actions to affect the Swap Transaction. Any income tax payable pursuant to the Swap Transaction shall be split equally between the Company and Axis Bank.
- (d) If the Merger is not completed within 5 years from the Closing Date, and Axis Bank has exercised its right for the Swap Transaction, but the Company fails to consummate the Swap Transaction, then Axis Bank shall have the right to require the Company to purchase all the shares held by Axis Bank in Max Life at INR 294 (Indian Rupees Two Hundred and Ninety Four) per share, subject to the terms of the definitive agreements. The put option right shall be subject to receipt of requisite regulatory approvals. In the event, the Company defaults on its put option obligations referred above, then Axis Bank shall have the ability to require the listing of Max Life. If such listing is not achieved, then Axis Bank shall have the right to undertake forced sale of shares held by the Company in Max Life, or freely sell the shares held by Axis Bank in Max Life."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorised on behalf of the Company to agree, accept and negotiate/finalize all such terms, condition(s), modification(s) and alteration(s) of Share Purchase Agreement, Shareholders' Agreement and/ or any other transaction documents, to finalize and execute all such agreements, deeds, documents and writings, to file application(s) and seek requisite approvals from the relevant authorities, including governmental authorities, etc. and to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, deem necessary or desirable for such purpose, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Company or otherwise to the end and intent that the Company shall be deemed to have given their approval thereto expressly by the authority of this resolution"

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Date: 2020.06.17 14:39:27 IST
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Location: NEW DELHI

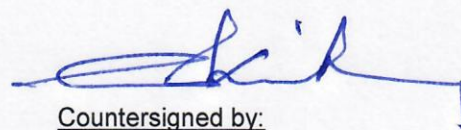
"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of its powers conferred upon it by this resolution to any officer(s) or authorized signatory(ies) to give effect to this resolution including execution of any documents on behalf of the 'Company' and to represent the Company before any governmental or regulatory authorities and to appoint any professional advisors, bankers, consultants, advocates and advisors to give effect to this resolution and further to take all others steps which may be incidental, consequential, relevant or ancillary in this regard."

	Particulars	E-VOTING	
		Number of member(s) voted	Votes held by them
	Number of Members & Shares held by them	392	202,879,090
Less:	Number of Members & Invalid/Rejected Votes	0	0
Less:	Number of Members & abstained from voting	0	0
Less:	Number of Members & Votes not exercised	1*	3,595
	No. of Valid Votes Cast	391*	202,875,495

Particulars	E-VOTING		% of total number of valid votes cast
	Number of members voted	Votes held by them	
Favour	381*	202,663,524	99.90
Against	11	211,971	0.10
Total	392*	202,875,495	100.00

* 1 (one) members holding 1,253,224 equity shares in total, partially exercised their voting rights for 1,249,629 equity shares in favour only and not exercised voting right for 3,595 equity shares .

Thanking You,
Yours faithfully.



Countersigned by:
For Max Financial Services Limited

Chairman or Director/Company Secretary authorized by
him

Rupesh Agarwal
Managing Partner
Membership No.A16302
Certificate of Practice No.5673
UDIN: A016302B000349503

Date: 17.06.2020
Place: Delhi

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