

ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance Research and Advisory Firm. SES assists Investors to analyze Governance Practices including matters relating to sustainability, prevalent at Listed Entities and empower Investors to undertake meaningful engagement with Investee Entities.

SES SERVICES

E-BRSR Tool: Online web-based platform to create **BRSR Report** by the Company and generate **XBRL** in seamless, cost and time effective manner

Already subscribed by HUL, Maruti, TVS Motors, Kansai Nerolac, CDSL, Hero, L&T, Wipro, Bharat Forge, Reliance Group and many others. [Read More](#)

Contact for Demo – esgdata@sesgovernance.com

SES AIMS:

Designed primarily for Institutional Investors to carry out their stewardship activities in an efficient manner.

[Read More](#)

Proxy Advisory:

Advises Investors on the matters that require shareholder approval at Listed Entities and identify Governance Issues.

[Read More](#)

ESG Scores:

Analyze sustainability initiatives of Companies based on various environmental, social and governance factors.

[Read More](#)

Corporate Governance Score (CGS):

CGS model measures the Company's compliance and also evaluates the Governance Practices with respect To Global Benchmarks. [Read More](#)

E-Ballot:

A web-based, one-stop vote management system to cater to the requirements of Institutional Investors.

[Read More](#)

Proxy Advisory Report (Addendum)

Max Financial Services Ltd

COMPANY INFORMATION

BSE CODE: 500271

NSE SYMBOL: MFSL

ISIN: INE180A01020

Industry: Life Insurance

Email: investorhelpline@maxfinancialservices.in

Phone: +91 1881 462000, 462001

Registered Office: Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab - 144 533.

MEETING DETAILS

Meeting Type: AGM

Meeting Date: 18th September, 2025 at 3:00 PM

Venue / Mode of Meeting: Video Conferencing (VC) facility or other audio visual means (OAVM)

Notice Date: 7th August, 2025

Notice: [Click here](#)

Annual Report: [FY 2024-25](#)

SES PA Report: [Report](#)

E-VOTING DETAILS

e-Voting Platform: [NSDL](#)

Cut-off Date: 11th September, 2025

Remote E-voting:

- **Start:** 14th September, 2025
- **Ends:** 17th September, 2025

ADDENDUM REPORT RELEASE DATE: 11th September, 2025

Research Analyst: Karishma Yadav

Conflict Disclosure: SES - No Conflict | Analyst - No Conflict



ADDENDUM

There is a change in the SES recommendation on Resolutions #2 & #5 from '**AGAINST**' to '**FOR**' based on the Company's clarification and additional disclosures. There are no other changes apart from the above.

EXISTING RECOMMENDATION					
S. No	Resolution	Type	SES Observation #	Rec.	Rationale
2	Adoption of consolidated financial statements.	O	NC	AGAINST	Non-disclosure of financials of subsidiaries on website.
5	The material RPTs between Axis Max Life Insurance Limited and Axis Bank Limited.	O	LC+TC	AGAINST	Nature of transactions is different from what was proposed by Axis Bank Ltd.
REVISED RECOMMENDATIONS					
2	Adoption of consolidated financial statements.	O	LC	FOR	No concern identified.
5	The material RPTs between Axis Max Life Insurance Limited and Axis Bank Limited.	O	LC	FOR	No concern identified.

O – Ordinary Resolution; Rec. - Recommendation

LC - Legally Compliant, NC -Legally Non-Compliant, TC - Disclosures & Transparency Concern

BACKGROUND

SES as per its policy, had emailed its PA Report ([weblink](#)) to the Company on 5th September, 2025 in respect of the ensuing AGM of the Company.

Post release of PA Report, SES received an email from the Company on 9th September, 2025. The Company, through the email, provided its view point, which is reproduced at the last in [blue text](#).

It may be noted that the email of the Company dated 9th September, 2025 (as per SES policy framed to comply with SEBI Circular dated 3rd August, 2020 [SEBI/HO/IMD/DF1/CIR/P/2020/147](#)) has already been forwarded to SES clients as it is, without any inputs from SES.

This Addendum provides appropriate responses of SES, wherever required.

SES COMMENTS TO COMPANY'S RESPONSE

Company's Views: (in Blue colour) & SES Reply: (in Black colour)

Item # 2 – Adoption of consolidated financial statements: We wish to bring to your attention that the advisory report refers to an incorrect link for accessing the Company's annual reports:

<https://www.maxfinancialservices.com/investorrelations?category=Disclosures>

We humbly submit that the consolidated version of the annual report of the Company for the financial year ended March 31, 2025, is available on the website of the Company, under Annual report tab with file name **ANNUAL REPORT – 2025 (CONSOLIDATED)**. We are also sharing the CORRECT link for your ready reference: <https://maxfinancialservices.com/investorrelations?category=Financial>

SES Comment: SES, in its PA Report, had raised compliance concern on account of non-disclosure of Audited financial statements of subsidiaries of the Company on its website, as required by provision of the Companies Act and SEBI LODR.

In response, the Company has given reference to relevant [weblink](#) where the financials have **now** been uploaded. SES opines that the Company should provide relevant/ specific weblink in the Annual Report, which directly redirects the investors to relevant page, rather than referring the website of the Company.

Since relevant financials are now available, the concern **raised by SES stands addressed**. Therefore, SES is modifying its recommendation on **resolution #2 from '**AGAINST**' to '**FOR**'**.



Item #5 – The material RPT between Axis Max Life Insurance Limited and Axis Bank Limited:

As per SES advisory report, we understand that Axis Bank had also proposed following additional transactions (basis Axis Bank AGM notice 2025). Our comments to below transactions are:

Transactions as proposed in the AGM notice of Axis Bank	Company comments
Subscribing to securities issued by the related party	Specific shareholder approval will be sought prior to execution of any such transaction between AMLI and Axis Bank
Issue of securities of the Bank to related party, and payment of interest and redemption amount thereof	
Money Market Instruments / term Borrowing / term Lending (including repo / reverse repo)	
Funded and Non-Funded Facilities (includes consequential interest / fees)	Not applicable to AMLI as funded and non-funded facilities are not permissible as per IRDAI guidelines
Purchase of securities (of related or other unrelated parties) from related party	There are no primary investments done by AMLI with Axis Bank. These category of investments by AMLI are made through secondary route. Secondary market purchase and sale of securities (of related or other unrelated parties) is undertaken at prevailing market rates / fair values at an arm's length basis.
Sale of securities (of related parties / unrelated parties) to related party	
Transactions in Forex and Derivative contracts	AMLI does not engage in foreign exchange or derivative transactions with Axis Bank; therefore, this is not applicable
Reimbursement of ESOP costs	Not applicable as ESOP plan does not cover Axis Bank shares

SES Comment: SES, in its PA Report, had raised transparency concern on account of different nature of transactions proposed by the counter party i.e. Axis Bank Ltd involved in RPT proposed under resolution #5.

With regard to transactions pertaining to subscribing to securities and issue of securities of the Bank and money market instruments, term borrowing / lending, the Company has stated that specific shareholder approval will be sought before entering such transactions.

For Funded and Non-Funded Facilities, the Company has stated that these are not permissible under IRDAI guidelines, hence not applicable.

For sale/ purchase of securities, it has been stated that these investments are done through secondary route, at prevailing market rates/ fair values. Since no primary investment is done by AMLI, there is no direct transaction between AMLI and Axis Bank.

Further, the email states AMLI does not engage in foreign exchange or derivative transactions with Axis Bank, hence no approval required from the Company's end.

With regard to reimbursement of ESOP costs, there's no clarity on whether reimbursement will be made by Axis Bank or AMLI? This has not been addressed by the Company in its response, as they have simply stated that ESOP plan does not cover Axis Bank shares. Although ESOP plan does not cover Axis Bank shares, the employees of Axis Bank can be granted stock options under ESOP plan of AMLI, and the cost of which will be reimbursed by Axis Bank. However, it appears that AMLI does not contemplate such a scenario and accordingly, no such approval has been sought.

SES is of the view that **the Notice should be all-encompassing in nature**, such that all material details are disclosed in the Notice for shareholders' informed decision making.

In view of additional clarification, **the concerns raised by SES stands addressed**, hence SES is modifying its recommendation on **resolution #5 from 'AGAINST' to 'FOR'**.

Item # 6 – Re-appointment of Mr. K. Narasimha Murthy as Independent Director of the Company: ...On this point, we humbly want to submit that you have considered his tenure in the various entities of Max group. In this regard, we want to draw your kind attention to the regulatory framework viz. the provisions of Sec 149(11) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the provisions of cooling-off period for continuation of an independent director in any company, which provides as follows:

Reference to section 149 (11) of the Companies Act, 2013 which provided that –



“No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly.”

Reference to regulation 25(2) of the SEBI LODR which provides that “The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013”

You may like to note that the provision of cooling off period shall be considered at entity level and not at the Group level.

We would like to reiterate your observation that Mr. Murthy served as an Independent Director on the Board of MFSL from December 22, 2009, to September 6, 2012. After the cooling-off period of ~ 9 years, he was appointed as an Independent Director w.e.f. March 30, 2021, only. From the period between September 7, 2012, and March 29, 2021, Mr. Murthy was not associated with MFSL in any capacity directly or indirectly.

Now, the Board of Directors, on the recommendation of Nomination & Remuneration Committee (“NRC”) of the Company, has approved and recommended for the approval of the shareholders, the re-appointment of Mr. Murthy for a second term of 5 consecutive years commencing from March 30, 2026 up to March 29, 2031, in line with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The NRC and the Board of Directors have recommended the re-appointment of Mr. K. Narasimha Murthy as Independent Director for a second term, on the basis of performance evaluation carried out for the Independent Directors. The performance evaluation of Mr. Murthy was done during each year of his current tenure. Some of the performance indicators used for such evaluation were – attendance in the Board & Committee meetings, quality of participation/ preparation, ability to provide leadership, commitment to protecting/ enhancing interests of all shareholders and contribution in implementation of best governance practices etc.

The Board considers that Mr. K. Narasimha Murthy is a well-respected professional in his respective fields who brings a wealth of experience and business acumen to the Board. The Board also considered that Mr. K. Narasimha Murthy contributed significantly in bringing requisite objectivity in the Board room discussions.

Given his background, experience and contributions made by him, the management, NRC and the Board of Directors of the Company are of the opinion that his continued association would be of immense benefit to the management and the shareholders of the Company.

SES Comment: SES, in its PA Report, has raised **governance concern** and **not** compliance concern on re-appointment of Mr. K. Narasimha Murthy as an Independent Director on account of his prolonged association with the Group.

SES reiterates its view that no concern has been identified with regard to merit and profile of Mr. Murthy rather the concern is due to his continued association with the Group since 2009 (without serving requisite cooling off period in between).

SES understands that independence is an individual trait and can be a subjective matter; however, SES as a policy, opines IDs who have continued association with the Company **or the group** (beyond 10 years) is not indicative of a good governance practice as it may infringe on the independence of the proposed appointee.

In the extant case, although Mr. Murthy was not associated with the Company, he held several directorship positions in the group companies since 2009. Therefore, SES has classified him as Non-Independent.

In view of the above observations, the concern raised by SES stands unaddressed, hence there is **no change** in the SES recommendation for the proposed **resolution #6**.

HOWEVER, SHAREHOLDERS MAY TAKE NOTE OF THE COMPANY’S EMAIL AND ALSO SES COMMENTS THEREON, AND TAKE AN INFORMED DECISION.

COMPANY'S EMAIL

Dear Sir/ Madam,

We hereby express our thankfulness to your office for analyzing the management proposals on the agenda items to be taken up in the upcoming Annual General meeting of the Company scheduled on September 18, 2025, and recommending the "Approval" on all of the agenda items except for item no. 2, 5 and 6. In this regard, we hereby submit our verbatim responses for your kind consideration, as follows:

- Item #2 – Adoption of consolidated financial statements:** We wish to bring to your attention that the advisory report refers to an incorrect link for accessing the Company's annual reports:

<https://www.maxfinancialservices.com/investorrelations?category=Disclosures>

We humbly submit that the consolidated version of the annual report of the Company for the financial year ended March 31, 2025, is available on the website of the Company, under Annual report tab with file name **ANNUAL REPORT – 2025 (CONSOLIDATED)**. We are also sharing the CORRECT link for your ready reference:

<https://maxfinancialservices.com/investorrelations?category=Financial>

- Item #5 – The material RPT between Axis Max Life Insurance Limited and Axis Bank Limited:** In terms of the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Company has sought shareholders' approval for material Related Party Transactions (RPTs) between Axis Max Life Insurance Limited (AMLI), a material subsidiary of the Company and its related party, viz., Axis Bank Limited, during the period from October 1, 2025 to September 30, 2026.

The proposed RPTs covers the following: (i) Fees and commission for distribution of life insurance products; (ii) display of publicity materials; (iii) brand usage fees; (iv) procuring banking services; (iv) and other related business. The estimated transaction value for proposed material RPT transaction is:

- From October 1, 2025 to March 31, 2026, the payment to Axis Bank is expected to be up to INR 1246 crores
- From April 1, 2026 to September 30, 2026, the payment of proposed fees/ commission to Axis Bank is expected to be up to INR 900 crores.

We have also shared historical data comparing shareholder approved material RPTs and actual transactions for FY23–FY25, which ranged between ~72%–90% of the approved limits.

As per SES advisory report, we understand that Axis Bank had also proposed following additional transactions (basis Axis Bank AGM notice 2025). Our comments to below transactions are:

Transactions as proposed in the AGM notice of Axis Bank	Company comments
Subscribing to securities issued by the related party	Specific shareholder approval will be sought prior to execution of any such transaction between AMLI and Axis Bank
Issue of securities of the Bank to related party, and payment of interest and redemption amount thereof	
Money Market Instruments / term Borrowing / term Lending (including repo / reverse repo)	
Funded and Non-Funded Facilities (includes consequential interest / fees)	Not applicable to AMLI as funded and non-funded facilities are not permissible as per IRDAI guidelines
Purchase of securities (of related or other unrelated parties) from related party	There are no primary investments done by AMLI with Axis Bank. These category of investments by AMLI are made through secondary route. Secondary market purchase and sale of securities (of related or other unrelated parties) is undertaken at prevailing market rates / fair values at an arm's length basis.
Sale of securities (of related parties / unrelated parties) to related party	



Transactions in Forex and Derivative contracts	AMLI does not engage in foreign exchange or derivative transactions with Axis Bank; therefore, this is not applicable
Reimbursement of ESOP costs	Not applicable as ESOP plan does not cover Axis Bank shares

3. Item # 6 – Reappointment of Mr. K. Narasimha Murthy as Independent Director of the Company: We observe that you haven't supported the resolution in item no. 6 - Re-appointment of Mr. K. Narasimha Murthy as an Independent Director of the Company, for which you have marked "AGAINST" and has indicated "GC" symbol, which signifies SES' opinion that questions the governance practices of the Company.

On this point, we humbly want to submit that you have considered his tenure in the various entities of Max group. In this regard, we want to draw your kind attention to the regulatory framework viz. the provisions of Sec 149(11) of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to the provisions of cooling-off period for continuation of an independent director in any company, which provides as follows:

Reference to section 149 (11) of the Companies Act, 2013 which provided that –

"No independent director shall hold office for more than two consecutive terms, but such independent director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director:

Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the company in any other capacity, either directly or indirectly."

Reference to regulation 25(2) of the SEBI LODR which provides that "The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013"

You may like to note that the provision of cooling off period shall be considered at entity level and not at the Group level.

We would like to reiterate your observation that Mr. Murthy served as an Independent Director on the Board of MFSL from December 22, 2009, to September 6, 2012. After the cooling-off period of ~ 9 years, he was appointed as an Independent Director w.e.f. March 30, 2021, only. From the period between September 7, 2012, and March 29, 2021, Mr. Murthy was not associated with MFSL in any capacity directly or indirectly.

Now, the Board of Directors, on the recommendation of Nomination & Remuneration Committee ("NRC") of the Company, has approved and recommended for the approval of the shareholders, the re-appointment of Mr. Murthy for a second term of 5 consecutive years commencing from March 30, 2026 up to March 29, 2031, in line with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The NRC and the Board of Directors have recommended the re-appointment of Mr. K. Narasimha Murthy as Independent Director for a second term, on the basis of performance evaluation carried out for the Independent Directors. The performance evaluation of Mr. Murthy was done during each year of his current tenure. Some of the performance indicators used for such evaluation were – attendance in the Board & Committee meetings, quality of participation/ preparation, ability to provide leadership, commitment to protecting/ enhancing interests of all shareholders and contribution in implementation of best governance practices etc.

The Board considers that Mr. K. Narasimha Murthy is a well-respected professional in his respective fields who brings a wealth of experience and business acumen to the Board. The Board also considered that Mr. K. Narasimha Murthy contributed significantly in bringing requisite objectivity in the Board room discussions.

Given his background, experience and contributions made by him, the management, NRC and the Board of Directors of the Company are of the opinion that his continued association would be of immense benefit to the management and the shareholders of the Company.

Hence, in the light of the above facts, we sincerely request you to consider the Company's proposal and may like to support the resolutions and capture the same as an addendum to your report to be published to the investors.

Yours' faithfully...



Disclaimer Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

While SES has made every effort, and has exercised due skill, care and diligence in compiling this report based on publicly available information, it neither guarantees its accuracy, completeness or usefulness, nor assumes any liability whatsoever for any consequence from its use. This report does not have any approval, express or implied, from any authority, nor is it required to have such approval. The users are strongly advised to exercise due diligence while using this report.

This report in no manner constitutes an offer, solicitation or advice to buy or sell securities, nor solicits votes or proxies on behalf of any party. SES, which is a not-for-profit initiative or its staff, has no financial interest in the companies covered in this report except for what is disclosed on its website. The report is released in India and SES has ensured that it is in accordance with Indian laws. Person resident outside India shall ensure that laws in their country are not violated while using this report; SES shall not be responsible for any such violation.

All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: The Company has not met statutory compliance requirements

FC – Fairness Concern: The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

GC – Governance Concern: SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

TC - Disclosures & Transparency Concern: The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

Company Information



Stakeholders Empowerment Services

SEBI Reg. No. INH000000016
CIN No. -

U74120MH2012NPL232154

This Report or any portion hereof may not be reprinted, sold, reproduced or redistributed without the written consent of Stakeholders Empowerment Services

Contact Information

Stakeholders Empowerment Services

109, Shyam Baba House,
Upper Govind Nagar,
Malad East,
Mumbai – 400097
Tel +91 22 4022 0322

research@sesgovernance.com
info@sesgovernance.com
www.sesgovernance.com



Warning

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

