

MAX HEALTHCARE INSTITUTE LIMITED

NOTICE

NOTICE is hereby given that an **Extra-ordinary General Meeting** of Max Healthcare Institute Limited (“**the Company**”) will be held on **Thursday, the 6th day of November, 2014, at 12 Noon at the Registered Office of the Company** at: Max House, 1, Dr. Jha Marg, Okhla, New Delhi-110020 to transact the following business:

I. ISSUE OF EQUITY SHARES TO LIFE HEALTHCARE INTERNATIONAL PROPRIETARY LIMITED (A WHOLLY-OWNED SUBSIDIARY OF LIFE HEALTHCARE GROUP (PROPRIETARY) LIMITED ON PREFERENTIAL BASIS

To consider and if thought fit, to pass with or without modification(s), the following resolution as a special resolution (“**Special Resolution**”):

“**RESOLVED THAT** pursuant to Sections 42 and 62(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 (“**the Act**”), read with the Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and Rule 14 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification thereto or re-enactment thereof for the time-being in force) (“**the Rules**”), the Memorandum of Association and Articles of Association of the Company, as amended and the provisions of the Foreign Exchange Management Act, 1999, as amended or restated, the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended or restated, and such other statutes, notifications, circulars, rules and regulations as may be applicable and relevant, each as amended or restated, and subject to the permissions, consents, sanctions and approval by any authority, as may be necessary, and subject to such conditions and modifications as might be prescribed while granting such approvals, consents, permissions and sanctions, and which may be agreed to by the board of directors of the Company (hereinafter called “**the Board**”, which term shall be deemed to include any other committee of the Board, which the Board may have constituted or hereinafter constitute for the time being, to exercise its powers including the powers conferred on the Board by this resolution, or any person(s) authorised by the Board or its committee for such purposes), the consent of the Company be and is hereby accorded to the Board to issue, offer, and allot not exceeding 56,766,452 (Fifty Six Million Seven Hundred Sixty Six Thousand Four Hundred Fifty Two) fully paid up equity shares of Rs. 10/- (Rupees Ten only) each, for cash, at an issue premium of Rs. 57.50 (Rupees Fifty Seven and Paise Fifty only) per equity share, aggregating upto Rs. 3,831,735,510 (Rupees Three Billion Eight Hundred Thirty One Million Seven Hundred Thirty Five Thousand Five Hundred Ten only), to Life Healthcare International Proprietary Limited (“**LHC**”) (formerly Tedo Beleggings 163 (PTY) Limited) [a wholly - owned subsidiary of Life Healthcare Group (Proprietary) Limited], a company incorporated and existing under the laws of South Africa, having its office at Oxford Manor, 21, Chaplin Road, Illovo 2196, South Africa, on preferential basis (“**Preferential Issue**”), subject to compliance with all applicable laws, rules, regulations, guidelines and approvals, in such manner and on such terms and conditions as may be deemed

Max Healthcare Institute Limited
(CIN: U72200DL2001PLC111313)

Regd. Office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi-110020

Phone: 91-11-41612123, Fax: 91-11-41612155, E-mail: secretarial@maxhealthcare.com

www.maxhealthcare.in

appropriate by the Board in its absolute discretion, and in accordance with the definitive transaction agreement(s)/documents executed or proposed to be executed among the Company and LHC.”

“RESOLVED FURTHER THAT the new shares to be issued and allotted by the Company in the aforesaid manner shall rank *pari-passu* in all respects with the then existing equity shares of the Company and shall be subject to the provisions of the Memorandum and Articles of Association of the Company.”

“RESOLVED FURTHER THAT for the purpose of above resolutions, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things, as it may at its discretion, deem necessary or desirable for such purpose, including without limitation, finalization of terms and conditions of the aforesaid issue, finalization, approval and signing of the offer document, including any amendments or modifications thereto, and entering into or execution of all such agreements/ arrangement(s)/ MOU(s)/ subscription agreement/ any other agreement(s) or document(s), as the Board may in its absolute discretion deem fit, authorizing any director(s) or any officer(s) of the Company, severally, to sign for and on behalf of the Company, the agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s)/ document(s), give any undertaking(s), affidavit(s), certification(s), declaration(s) as he or she may in his or her absolute discretion deem fit including the authority to amend or modify such document(s).”

“RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved and confirmed in all respects.”

**By Order of the Board
For Max Healthcare Institute Limited**

sd/-

**Place: New Delhi
Date: November 5, 2014**

**Ruchi Mahajan
Company Secretary**

NOTES:

1. *A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY.*

A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.

2. Proxies in order to be effective must be received at the Registered Office of the Company at Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110 020 at any time but not less than 48 hours before the meeting. A format of proxy is enclosed.
3. The meeting is being convened at a shorter notice, after obtaining the consent, in writing, of more than 95% of the members of the Company, pursuant to the provisions of Section 101 of the Act.
4. The explanatory statement pursuant to Section 102 of the Act is annexed hereto and forms part of this Notice.
5. The documents referred to in the proposed resolutions and explanatory statements are open for inspection at the Registered Office of the Company during working hours between 9.30 a.m. and 1.00 p.m., except on holidays.
6. Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the meeting.
7. Members may also note that the Notice of this Extra Ordinary General Meeting will also be available on the Company's website www.maxhealthcare.in for their download.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. I

The members may please note that the Board had, at its meeting held on July 22, 2014, approved in-principle, the equalization of stake between Life Healthcare International Proprietary Limited (“LHC”) and Max India Ltd. (“**Max India**”). You will be pleased to note that the partnership with LHC is working well for both the partners (i.e. Max India and LHC) as well as for the Company. So, with the equalization of stake between Max India and LHC, the Company will further be benefitted immensely from LHC's considerable experience in managing a large and widespread network of hospitals.

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The equalization of stake is proposed to be achieved by subscription of fresh equity shares at Rs. 67.50 (Rupees Sixty Seven and Paise Fifty only) per equity share at an enterprise value of ~Rs. 3,650 (Rupees Three Thousand Six Hundred Fifty) Crores by LHC and acquisition of 13.3% stake in the Company from Max India at the same price to achieve an equal shareholding as that of Max India in the Company. Post completion of transaction, Max India and LHC will each hold ~ 46.41% in the Company.

In this regard, various binding agreements have been executed by the Company on August 31, 2014 (collectively referred as “**Amendment Agreements**”) viz.

- (i) Amended and Restated Shareholders’ Agreement amongst Max India, Life Healthcare Group (Proprietary) Limited (“**Original Investor**”), LHC and the Company;
- (ii) Share Purchase Agreement amongst LHC, Max India and the Company;
- (iii) Share Subscription Agreement amongst LHC and the Company.

Section 62 of the Act provides, *inter alia*, that a company may issue shares on preferential allotment basis to any person, subject to a Special Resolution passed by its members in a general meeting. Furthermore, Rule 13 (1) of the Companies (Share Capital and Debentures) Rules, 2014, provides that in case of such preferential issue, conditions laid down under Section 42 of the Act (dealing with private placement) should also be complied with.

In accordance with Sections 42 and 62 of the Act read with the Rules framed there under, approval of the members is sought by way of a Special Resolution for the issue of not exceeding 56,766,452 (Fifty Six Million Seven Hundred Sixty Six Thousand Four Hundred Fifty Two) fully paid up equity shares of Rs. 10 (Rupees Ten only) each, for cash, at an issue premium of Rs. 57.50 (Rupees Fifty Seven Paise Fifty only) per equity share, aggregating upto Rs.3,831,735,510 (Rupees Three Billion Eight Hundred Thirty One Million Seven Hundred Thirty Five Thousand Five Hundred Ten only) to LHC.

The information as required under the Rules is as follows:

1.	The objects of the Issue	<p>Proceeds from the fresh equity issuance is planned to be utilized for:</p> <ul style="list-style-type: none"> (i) The redemption of all or part of the optionally convertible preference shares held by International Finance Corporation, Washington, in the Company. (ii) Repayment of existing debts.
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		(iii) Execution of growth plans of the Company.
2.	The total number of shares or other securities to be issued	Not exceeding 56,766,452 (Fifty Six Million Seven Hundred Sixty Six Thousand Four Hundred Fifty Two) fully paid up equity shares of Rs. 10 (Rupees Ten only) each, for cash, at an issue premium of Rs. 57.50 (Rupees Fifty Seven Paise Fifty only) per equity share.
3.	The price or band at / within which the allotment is proposed	Rs. 67.50 (Rupees Sixty Seven Paise Fifty only) per equity share (including share premium of Rs. 57.50 (Rupees Fifty Seven Paise Fifty only) per equity share)
4.	The basis on which the price have been arrived at alongwith report of the registered valuer	The price has been arrived basis the fair market value of the equity shares of the Company as on March 31, 2014 as per Discounted Cash Flow Method. The valuation report dated July 21, 2014 issued by M/s SPA Capital Advisors Limited, a SEBI registered Category I merchant banker, is attached to this explanatory statement.
5.	The relevant date with reference to which the price has been arrived at	March 31, 2014
6.	The class or classes of persons to whom the allotment is proposed to be made	The allotment is proposed to be made to Life Healthcare International (Proprietary) Limited, one of the existing shareholders of the Company holding 26% of the equity stake in the Company.
7.	Intention of promoters, directors or Key Managerial Personnel to subscribe to the offer	The promoters, directors and key management personnel will not be offered any equity shares and therefore, cannot subscribe to the said offer.
8.	The proposed time within which the allotment shall be completed	The allotment shall be completed within a period of 60 (Sixty) days from the date of receipt of application money. Such allotment shall not be later than 1 (One) year from the date of passing the Special Resolution set out at Item No. 1 of the accompanying Notice.
9.	The names of the proposed allottees and the percentage of post preferential offer capital that may be	<u>Proposed allottee:</u> Life Healthcare International (Proprietary) Limited.

	held by them.		Post allotment, the shareholding of LHC in the Company will be 46.41% of the post issue paid-up equity share capital of the Company (subject to 56,766,451 equity shares of the Company having been acquired by Life Healthcare International (Proprietary Limited) from Max India Ltd. simultaneously with such allotment).
10.	The change in control, if any, in the Company that would occur consequent to the preferential offer		Currently, Max India holds 65.86% and LHC holds 26% of the equity share capital of the Company. Both Max India and LHC have certain affirmative voting rights with respect to certain matters. Pursuant to the completion of the Preferential Issue and the proposed transfer of 56,766,451 equity shares by Max India to LHC, the shareholding of both Max India and LHC in the Company will be equal i.e. 46.41% of the equity share capital. Further, both Max India and LHC will have affirmative voting rights with respect to certain strategic and commercial matters pertaining to the Company. Max India and LHC shall therefore jointly control the Company.
11.	The number of persons to whom allotment on preferential basis have already been made during the year, in terms of the securities as well as price.		During the year, no allotment of equity shares has been made by the Company on preferential basis. However, the Company had allotted equity shares to its employees against the exercise of the vested stock options under Employee Stock Option Scheme of the Company.
12.	The justification of the allotment proposed to be made for consideration other than cash together with the valuation report of the registered valuer	:	NOT APPLICABLE

13. The shareholding pattern of the Company (promoters and other classes of shares) before and after the offer:

Name of Shareholders	Pre- Issue Shareholding		% Shareholding	Post- Issue Shareholding		% Shareholding
	No. of equity shares of Rs. 10/- each	Paid up share capital (Rs.)		No. of equity shares of Rs. 10/- each	Paid up share capital (Rs.)	
1. Promoters						
Max India Limited	281,392,766	2,813,927,660	65.86%	281,392,766*	2,813,927,660	58.13*
2. Others						
International Finance Corporation	32,046,177	320,461,770	7.50%	32,046,177	320,461,770	6.62
Dr. S.K.S. Marya	750,000	7,500,000	0.17%	750,000	7,500,000	0.15
Dr. Pradeep K. Chowbey	2,000,000	20,000,000	0.47%	2,000,000	20,000,000	0.42
Life Healthcare International Proprietary Limited	111,093,412	1,110,934,120	26.00%	167,859,864*	1,678,598,640	34.68**
Total	427,282,355	4,272,823,550	100.00	484,048,807	4,840,488,070	100.00

*For the purpose of equalization of equity stake between Max India and LHC, out of the total 281,392,766 equity shares, as referred above, Max India will simultaneously transfer 56,766,451 equity shares to LHC, pursuant to which the shareholding of Max India will be 46.41%.

** Post the transfer of shares by Max India as aforesaid; the shareholding LHC will become 46.41%.

The proposed offer is in the interest of the Company and your directors recommend the Special Resolution set out at Item no. I of the Notice for approval by the members.

Mr. Jonathan Richard Lowick and Mr. Andre Meyer, in view of their directorship in Life Healthcare International Proprietary Limited, may be deemed to be concerned or interested in the Resolution set out at Item No. I. Except them, none of the directors or key managerial personnel or their relatives are concerned or interested, financially or otherwise, in passing of the Resolution at Item No. I of the accompanying notice.

PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: U72200DL2001PLC111313

Name of the Company: Max Healthcare Institute Limited

Registered office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110020

Name of the Member(s)	
Registered Address	
Email Id	
Folio No./ Client Id	
DP ID	

I/We, being the member(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____

Address: _____

Email Id: _____

Signature: _____; or failing him

2. Name: _____

Address: _____

Email Id: _____

Signature: _____

as my/ our proxy to attend and vote (on a poll) for me/us any on my/our behalf at the Extra Ordinary General Meeting of the Company, to be held on the 6th day of November, 2014 at 12 Noon at its registered office and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Description	Optional	
		For	Against
Special Business			
1.	ISSUE OF EQUITY SHARES TO LIFE HEALTHCARE INTERNATIONAL		

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Care for life

	(PROPRIETARY) LIMITED (A WHOLLY-OWNED SUBSIDIARY OF LIFE HEALTHCARE GROUP (PROPRIETARY) LIMITED ON PREFERENTIAL BASIS		
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Signed this ____ day of November, 2014
Signature of Shareholder

Affix Revenue
Stamp

Signature of Proxy Holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of this meeting.

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Website: www.maxhealthcare.in; email id: secretarial@maxhealthcare.com

Attendance Slip
Extra Ordinary General Meeting of Max Healthcare Institute Limited

DP Id	Client Id
Regd. Folio No.*	No. of Shares

S. No.	Name in Full	Father's/ Name	Husband	Address as Regd. With the Company
1.				
2.				
3.				

I/ We hereby record my/ our presence at the Extra-Ordinary General Meeting of the Company being held on 6th day of November, 2014 at 12 Noon at Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110020.

Please () in the box

Member Proxy

Member's/ Proxy Signature**

Date : _____

**Applicable for investors holding shares in physical form*

***Please strike out whichever is not applicable*