

MAX HEALTHCARE INSTITUTE LIMITED
CIN U72200DL2001PLC111313

Regd. Office: Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 1100 20

NOTICE TO MEMBERS

NOTICE is hereby given that the **15TH ANNUAL GENERAL MEETING** of Max Healthcare Institute Limited will be held on **Thursday, September 29, 2016** at **1130 hrs** at the registered office of the Company at **Meeting Room No. 1, First Floor, Max House, 1, Dr. Jha Marg, Okhla, New Delhi - 110 020** (route map enclosed) to transact the following business:

Ordinary Business:

1. To receive, consider and adopt:
 - a) the Standalone Audited Statements of the Company for the Financial Year ended March 31, 2016, and the Reports of Directors and Auditors thereon.
 - b) the Consolidated Audited Financial Statements of the Company for the financial year ended March 31, 2016 and Auditors' Report thereon.
2. To appoint a Director in place of Dr. Ajit Singh (DIN 02525853), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Dr. Pradeep Kumar Chowbey (DIN 01141637), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s S.R. Batliboi & Co. LLP (ICAI Registration No. 301003E) (previously S.R. Batliboi & Co.), Chartered Accountants, as the statutory auditors for the Financial Year 2016 -17 and authorize the Board of Directors of the Company to fix their remuneration. The following resolution may be passed with or without modification/s as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to Section 139 and 142 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and Rules made thereunder, as amended from time to time, the appointment of M/s. S.R. Batliboi & Co. LLP (Firm Registration Number 301003E), Chartered Accountants, as the statutory auditors of the Company, who have confirmed their eligibility in terms of the provisions of Section 141 of the Act and Rules made thereunder, be and is hereby ratified to hold the office from the conclusion of 15th Annual General Meeting (“AGM”) of the Company till the conclusion of 16th AGM.”

“RESOLVED FURTHER THAT that the Board of Directors be and are hereby authorized to fix such remuneration (excluding out of pocket expenses and applicable taxes) as may be recommended by the Audit Committee in consultation with the Statutory Auditors.”

Special Business:

5. **Appointment of Mr. Petrus Phillippus VanDer Westhuizen as a Director**

To consider and if thought fit, to pass the following resolution with or without modification/s, as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Petrus Phillippus VanDer Westhuizen (a nominee of Life Healthcare International (Proprietary) Limited) [DIN 06877878], who was appointed as an additional director by the Board of Directors of the Company, with effect from July 26, 2016 and whose term of Office as Director expires as per Section 161(1) of the Companies Act, 2013 ("the Act"), at this Annual General Meeting and in respect of whom, the Company has received a notice in writing from a member under Section 160 of the Act, proposing his candidature for the Office of Director, be and is hereby appointed as a Director of the Company."

"RESOLVED FURTHER THAT pursuant to Section 152 of the Act, Mr. Petrus Phillippus VanDer Westhuizen shall be liable to retire by rotation."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company and the Company Secretary, be and are hereby severally authorized to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

6. **Ratification of remuneration payable to M/s Chandra Wadhwa & Co., Cost Accountants, appointed as Cost Auditor of the Company for FY 2016 -17**

To consider and if thought fit, to pass the following resolution with or without modification/s, as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and the Companies (Cost Record & Audit) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s Chandra Wadhwa & Co., Cost Accountants (Firm Registration Number 000239), appointed as the Cost Auditor by the Board of Directors of the Company to audit the cost records of the Company for the financial year 2016 -17, be paid a remuneration of Rs. 4,50,000 (Rupees Four Lacs Fifty Thousand) per annum plus applicable taxes and out of pocket expenses that may be incurred in connection with the audit."

"RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds and things and to sign

all such forms, documents and papers as may be necessary to give effect to the above resolution."

7. **Terms of remuneration payable Mr. Rajit Mehta as Managing Director & Chief Executive Officer ("MD & CEO") of the Company for the Financial Year 2016 -17**

To consider and if thought fit, to pass the following resolution with or without modification/s, as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Schedule V to the Act and the Rules made there under, as amended from time to time, the consent of members of the Company be and are hereby accorded to the following terms of remuneration for Mr. Rajit Mehta (DIN 01604819) as Managing Director & Chief Executive Officer ("MD & CEO") of the Company, for the period starting from April 1, 2016 till March 31, 2017:

- (a) Fixed Pay: (including but not limited to Basic, House Rent Allowance/Company owned or leased Accommodation including house maintenance, Provident Fund and Gratuity, perquisites and allowances viz., leave travel allowance, company owned assets including company car, furniture and appliances, car lease rentals, if any, fuel reimbursements, vehicle maintenance, driver facility, children education allowance, management allowance and medical reimbursements) of Rs. 2,75,00,000 (Rupees Two Crores Seventy Five Lacs only) per annum. The perquisites shall be evaluated as per the Income Tax Rules, wherever applicable and in the absence of any such rules, they shall be evaluated at actual cost.
- (b) Variable Pay: Performance based variable pay, which will be objective, transparent and measurable. It will be in the range of 0-65% of the fixed pay and the Company's Measures of Success (MoS) achievement linked variable pay parameters. The minimum guaranteed Variable Pay for the financial year 2016-17 shall be calculated at 62.75% of Fixed Pay as per the applicable individualized Variable Pay Programme, applicable to Mr. Mehta.

In addition to the remuneration and perquisites to be paid as aforesaid, Mr. Rajit Mehta shall be entitled to encashment of leave, housing loan as per company policy, personal accident insurance policy, health insurance (hospitalization) policy, travel insurance, Group Term Life Insurance, club memberships and any other perquisites / retiral benefits as per the policy / rules of the Company in force and/or as may be approved by the Board / Committee, from time to time. The Company shall also provide the facility of mobile phones / other communication instruments, including telephones installed at his residence.

“RESOLVED FURTHER THAT the Directors of the Company and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and to sign all such documents, papers and writings as may be necessary to give effect to the foregoing resolution.”

8. **Enabling approval for giving loan, providing guarantee or security or making investment in terms of Section 186 of the Companies Act, 2013**

To consider and if thought fit, to pass the following resolution with or without modification/s, as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions of the Companies Act, 2013 (“the Act”) and rules made thereunder (including any statutory modification thereof for the time being in force and as may be enacted from time to time), subject to such approvals, consents, sanctions and permissions, as may be necessary, and the Articles of Association of the Company and all other provisions of applicable laws, the consent of members of the Company be and are hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any person(s) authorized by the Board to exercise the powers conferred on the Board under this resolution) to (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, in one or more tranches, on such terms and conditions as the Board may deem fit and proper, for an aggregate amount outstanding at any point of time upto INR 2500 crore (Indian Rupees Twenty Five Hundred Crores)[excluding the investment made / loan/ guarantee/ security under the wholly - owned subsidiaries of the Company (existing or future)], notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/ or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186(2) of the Companies Act, 2013.”

“RESOLVED FURTHER THAT to give effect to this resolution, the Board be and is hereby authorized to execute the documents, deeds or writings required to be made and to do all acts, deeds and things as it may in its absolute discretion deem necessary, proper or desirable, including to settle any question, difficulty or doubt that may arise in respect of such investments/ loans/ guarantees/ securities made or given or provided by the Company (as the case may be).”

9. **CONTRIBUTION TO CHARITABLE FUNDS IN TERMS OF SECTION 181 OF THE COMPANIES ACT, 2013**

"RESOLVED THAT pursuant to the provisions of Section 181 and other applicable provisions, if any, of the Companies Act, 2013 or rules made there-under (as amended from time to time), consent of members of the Company be and are hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee which the Board may constitute for this purpose) to contribute an amount upto INR 1 Crore (Rupees One Crore), in one or more tranches, in any financial year, either directly or through a non-profit organization, or in any other way considered appropriate by the Board, to such bona fide charitable and other funds as may be deemed fit and appropriate by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the Board of Directors of the Company be and are hereby severally authorized to do all such acts, deeds and things as it may in its absolute discretion deem fit, necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all such acts, deeds and things and to execute all documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution."

By order of the Board

For Max Healthcare Institute Limited

sd/-

**Ruchi Mahajan
Company Secretary
FCS 5671**

**New Delhi
July 26, 2016**

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 / HERSELF 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 in the prescribed form is enclosed.
3. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM), provided that not less than three days of notice in writing is given to the Company.
4. Corporate Members intending to send their authorized representatives to attend the AGM are requested to send a duly certified copy of their Board Resolution authorizing their representatives to attend and vote at the AGM.
5. The explanatory statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto and forms part of this Notice. Unless otherwise provided under this Notice, the term “Act” shall mean Companies Act, 2013.
6. Pursuant to Section 118 (10) and other applicable provisions of the Act read with Secretarial Standards for General Meetings (SS-2), the details of directors seeking appointment / reappointment and / or fixation of remuneration of Directors (including Managing Director or Whole time Directors) are given as a separate Annexure 1 to this Notice.
7. Members may also note that the Notice of the 15th Annual General Meeting will also be available on the Company’s website www.maxhealthcare.in for their download.
8. The members may please note that M/s. S.R. Batliboi & Co. LLP (“SRBC”), Chartered Accountants, were appointed as Statutory Auditors of the Company at the Annual General Meeting (“AGM”) held on September 28, 2015 for another term of 5 years until the conclusion of AGM of the Company to be held in the Year 2020, subject to the ratification by the members of the Company at every AGM.

SRBC had confirmed their eligibility to continue as the statutory auditors in terms of Section 141 of the Act. Accordingly, the proposal relating appointment of SRBC to hold the office from the conclusion of this AGM till the conclusion of next AGM is placed before the members for ratification.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND RULES MADE THERE UNDER, IN RESPECT OF SPECIAL BUSINESS

Item No. 5

Appointment of Mr. Petrus Phillippus Van Der Westhuizen as a Director

The members may please note that, pursuant to Clause 35 (a) (ii) of the Articles of Association of the Company (“AOA”), Life Healthcare International (Proprietary) Limited (“LHC”) had nominated Mr. Petrus Phillippus Van Der Westhuizen as a Board member of the Company and he was appointed as an additional director w.e.f July 26, 2016.

In terms of Section 161(1) of the Act, the term of his office shall expire at the ensuing Annual General Meeting (“AGM”) of the Company. The Company has received notice in writing in terms of Section 160 of the Act, alongwith the requisite deposit, proposing the candidature of Mr. Petrus Phillippus Van Der Westhuizen as a director of the Company. In terms of the Section 152 of the Act, Mr. Petrus shall be the retiring director.

Mr. Petrus Phillippus Van Der Westhuizen, is a Commerce graduate and Chartered Accountant (South Africa). He completed his training contract and qualified as a Chartered Accountant in 1996 at PricewaterhouseCoopers Inc. He joined President Medical Investments Limited (Presmed) in 1999, which became part of Afrox Healthcare Limited. He performed various roles in the finance department of Afrox Healthcare and played a significant role in Afrox Healthcare’s delisting in 2005 and its subsequent relisting as Life Healthcare in 2010. He was appointed as Chief Financial Officer of Life Healthcare Group in 2013.

It is strongly believed that the Company would be benefitted by way of strategic guidance, leadership and wider perspective in Board’s deliberation with the appointment of Mr. Petrus as a Board Member of the Company.

Accordingly, the Board of Directors recommends the appointment of Mr. Petrus as a Director of the Company in terms of Section 160 of the Act.

The documents referred above are available for inspection in physical form during normal business hours (9.00 AM till 6.00 PM) on any working day, excluding holidays at the registered office of the Company and copies thereof shall also be made available for inspection at the ensuing AGM. The other relevant detail as required under Secretarial Standards for general meetings (SS-2) is provided under Annexure -1 to this Notice.

Except Mr. Petrus Phillippus Van Der Westhuizen, being an appointee, LHC and Mr. Andre Meyer, who is also a director nominated by LHC, none of the Promoters,

Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.

Item No. 6

The members may please note that, in terms of Section 148 of the Companies Act, 2013 (“the Act”) and the Companies (Audit and Auditors) Rules, 2014 (“the Rules”), based on the recommendation of the Audit Committee at its meeting held on May 3, 2016, the Board of Directors of the Company had approved the appointment of M/s Chandra Wadhawa & Co., Cost Accountants as the Cost Auditor of the Company for the financial year 2016-17 at a remuneration of INR 4,50,000 per annum plus applicable taxes and out of pocket expenses that may be incurred in connection with the audit.

In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a) (ii) of The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the members of the Company. Accordingly, the members are requested to ratify the aforesaid remuneration payable to the Cost Auditors for the FY 2016 -17.

As such, the Board of Directors recommends the resolution no. 6 for approval of members of the Company as a special resolution.

The documents referred above are available for inspection in physical form at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM) at the registered office of the Company and copies thereof shall also be made available for inspection at the ensuing AGM.

None of the Promoters, Directors, Key Managerial Personnel and their relatives are concerned or interested in the Resolution at Item No. 6 of the Notice.

Item No. 7

Terms of remuneration payable Mr. Rajit Mehta as Managing Director & Chief Executive Officer (“MD & CEO”) of the Company for the Financial Year 2016 -17

The members may please note that Mr. Rajit Mehta was appointed as a Managing Director & CEO of the Company for a period of 5 years w.e.f April 1, 2015 and the terms of his remuneration for FY 2015 -16 was approved by the Nomination & Remuneration Committee (“NRC”), Board and Shareholders of the Company.

Under the leadership of Mr. Rajit Mehta, the Company has made remarkable progress including but not limited to improved financial performance and sustenance, significant impact in organization strengthening and institutionalizing governance rhythms, focus

on clinical hiring and clinical quality, strengthening of the leadership team, ensuring staffing of critical positions in the Organization, perceptible culture change under way, starting of learning & development intervention on a strong footing with multiple initiatives across nursing, junior/senior residents, front office and supervisory cadres and setting up of operational priorities and identification and monitoring of top 10 risks areas.

In an increasingly competitive environment, Mr. Rajit Mehta has capably led the organization to overcome a multitude of challenges and not only grow the business but also synergize complex operations.

Mr. Mehta has set the Company on the path to build a culture centered on the core values of sevabhav, excellence, credibility and enhance overall governance of the business. Mr. Mehta is a valued member of the Max Group top team and will be critical to delivering the performance and growth aspiration of the Company.

In recognition of his performance and contribution, based on the recommendations by the Nomination & Remuneration Committee and subject to the approval of shareholders of the Company, the Board of Directors of the Company had, in its meeting held on May 4, 2016 approved the terms of his remuneration for the period starting from April 1, 2016 till March 31, 2017, as detailed under Resolution no. 7.

The proposed remuneration of Mr. Rajit Mehta, is aligned with the current and emerging remuneration practices and trends for similar positions in the corporate sector in India as well as the key components of the remuneration policy criteria prescribed under the Companies Act, 2013 ("the Act").

As such, the Board of Directors recommends the resolution no. 7 for approval of members of the Company as a special resolution.

The following additional information as required by Schedule V to the Act, is given below:

I General Information about the Company

1. Nature of Industry:

The Company is a Healthcare Service provider offering all three levels of medical care - primary, secondary and tertiary.

2. Date of Commercial Production:

The healthcare business of Max India Limited, the erstwhile holding Company of your Company, was transferred to the Company effective March 31, 2002. The first facility of the healthcare business was operational in January 2001.

3. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: NOT APPLICABLE
4. Financial performance (on standalone basis) based on given indicators as per Audited Financial Results for the year ended March 31, 2016:

<u>Particulars</u>	(INR in Crores) <u>For the year ended</u> <u>31.03.2016</u>
Turnover and other income	944.6
Net profit / (loss) after tax	(22.2)

5. Foreign investments or Collaborators, if any: As on date, International Finance Corporation, USA (IFC), is holding 4,02,98,799 equity shares, constituting 7.5% of the total paid - up equity share capital of the Company

As on date, Life Healthcare International (Proprietary) Limited (previously Tedo Beleggings 163 Proprietary Limited), is holding 24,68,48,537 equity shares of INR 10 each, constituting 45.95% of the total paid-up equity share capital of the Company.

II **Information about the appointee:**

Brief Profile of Mr. Rajit Mehta

Background details, recognition or awards, job profile and his suitability, past remuneration and remuneration proposed:

Mr. Rajit Mehta aged about 54 years, is a graduate in Commerce, post graduate in Human Resources and has also attended an Advanced Management Program at INSEAD – France. His total experience spans nearly 3 decades.

He was appointed as a Board member of the Company designated as Dy. Managing Director w.e.f March 31, 2014.

Currently, as the Managing Director & CEO of Max Healthcare, Mr. Mehta provides strong leadership in helping the Company in achieving its vision of being the most admired healthcare company in India known for clinical and service excellence. Besides leading the operations of the company, he is also currently engaged in leading an important transformation journey at the Company, including critical growth projects, enabling the Company to become a preferred Nursing employer, optimization of processes and establishing a strong culture of clinical excellence and patient centricity.

Mr. Mehta was a founder member of Max Life Insurance Company Limited (“MLIC” / “Max Life”), since October 2000 and has been instrumental in helping MLIC become an admired, profitable and well run Company. During his tenure in MLIC, he undertook additional responsibilities as the Chief Transformation Officer which provided oversight

on execution of key initiatives; designing and implementing new work systems; aligning key stakeholders; rationalizing the cost structure to improve profitability; and laying down a comprehensive change management agenda. During this period, MLIC not only doubled its market share but also seamlessly transitioned to a new brand identity. Mr. Mehta was also instrumental in building a strong cadre and ethos of Human Capital as the founder HR Director of MLIC by recruiting and retaining a strong management team, creating a positive work environment and culture and ushering "best-in-class" HR practices.

Under his leadership, MLIC also progressed its Quality & Service Excellence journey. This included putting a Service Blueprint in place, implementing a comprehensive outsourcing strategy to impact customer experience and cost and embedding the **Max** Performance Excellence framework (MPEF) in the business. Mr. Mehta has also mentored the setting up of the Learning & Development Centre of Excellence.

Prior professional experience

Prior to Max Life, Mr. Rajit Mehta was the Director – Human Resources at Bank of America (January 1992 to September 2000) and has earlier worked with HCL, a leading IT company. His total experience spans 31 years. At Bank of America, he was part of the team which set up the Retail Division and was also involved in managing two large exit programs including sale of the Retail division to ABN Amro Bank. At the bank, he was also involved in several training initiatives across Asia.

Past remuneration:

The remuneration for the performance year 2015 -16 is as follows:

Terms	Amount (in INR per annum)
Salary (all inclusive)	2,50,00,000
Variable compensation/performance incentive	Rs. 1,66,09,400
<ul style="list-style-type: none"> • ESOP : 3,00,000 stock options under ESOP- 2006 Scheme at a grant price of INR 64.60 per stock option, vesting equally over 3 years (starting from 12 months from the date of grant) viz., March 24, 2016; March 1, 2017; March 1, 2018. • Long term reward : ESOP : 5,93,000 stock options under Max Healthcare Employee Stock Option Plan 2006 (ESOP 2006) at a grant price of INR 64.60 per stock option, with bullet vesting on March 1, 2019. 	

In addition to the remuneration and perquisites as aforesaid, Mr. Rajit Mehta is also entitled for encashment of leave, housing loan as per company policy, personal accident insurance policy, health insurance (hospitalization) policy, travel insurance,

Group Term Life Insurance, club memberships and any other perquisite as per the policy / rules of the Company in force, time to time. The Company has also provided the facility of mobile phones / other communication instruments, including telephones installed at his residence

Proposed Remuneration

Salary, variable pay and other benefits as detailed in the enclosed resolution set out at Item no. 7 of this notice.

Comparison with Industry

The 'Remuneration Profile' of Mr. Rajit Mehta on a comparative basket of companies comprising multinationals and high performing Indian companies from the services sector, which have a global presence and turnover in excess of INR 1000 crore. Individual specific remuneration is an outcome of a strategic Human Capital Initiative, which measures 'Competency Profiles' for each person and rates the individual vis-à-vis the standard required for the job. The eventual pricing matrix is then a function of this rating, which is superimposed on the target market price, currently benchmarked at the 'Top Quartile'.

III. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Except the remuneration received from the Company as MD& CEO, he doesn't have any pecuniary relationship directly or indirectly with the Company, or relationship with the Director / KMP / managerial personnel of the Company. He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

IV. Other Information: Reasons for loss or inadequate profits, steps taken or proposed to be taken for improvement, expected increase in productivity and profits in measurable terms:

The Company has reported cash profits of INR 28.35 Crores during the year. However, it continues to report net loss due to higher amount of depreciation charge. The reasons for loss or inadequate profits are as given below:

1. Launch of new hospitals: New Hospital projects in Healthcare industry involve substantial capital investment and are characterized by long gestation periods, resulting into losses in the initial years and gradual growth of business/ revenue. The launch of two new hospitals during the year 2011 and 2012 has adversely affected overall profitability of the Company, as expected. However, the performance has significantly improved over the previous year and the losses have been cut down by 40% during 2015-16.
2. Change in rate of depreciation: Consequent to the change in the minimum rate of depreciation under the Companies Act, there has been a higher amount of charge in P & L account on account of depreciation starting the year 2014-15.

Since the Company has a large investment in tangible fixed assets, the increased charge, although of non-cash nature has eroded the profitability.

3. Price increase and Employee Costs: Given the nature of industry and larger issues like affordability, accessibility to healthcare - the price increases are kept at minimal. However, at the same time due to rising demand for professional doctors/nurses/ paramedical staff, the Company is spending higher amount on employee benefits including salary, skilling etc. The Company do expect that in the coming years, the increased productivity and relative market share of the Company's hospital will enable it to improve the equations.

Steps taken or proposed to be taken for improvement, expected increase in productivity and profits in measurable terms:

The Company has taken the following steps for stemming losses and improving its profitability:

1. With the support of skilled doctors, dedicated to quality patient care and modern, patient-centric hospital facilities and a Cost-effective business model, the Company has out i place robust mechanism to reduce its directs costs. This coupled with small increases in prices are expected to improve the profitability and meet increased employee costs.
2. Occupancy is the driver of revenues in the hospitality industry and the Company's hospital has been experiencing higher no. of footfalls leading to higher occupancies. In addition, the Company has embarked on a programme to cut down length of stay of IPD patients through variety of means, which also help us improve patient safety and faster discharge of patients. This in effect also would lead to higher ARPOB and profitability.
3. Medical Programmes: With growing number of Lifestyle diseases like Cardiac, Neuro-sciences and Orthopedics etc., there is increasingly high demand for complex procedures like organ transplant, interventional neurology etc . The Company continuously rejigs its specialty mix and adds new & complex procedure to its offering, leading to higher realizations and better utilization of its resources.

Accordingly, the Board recommends the Resolution set forth in Item No. 7 of the Notice for approval of the Members.

The documents referred above (including the terms and conditions of appointment) are available for inspection in physical form at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM) at the registered office of the Company and copies thereof shall also be made available for inspection at the ensuing AGM.

Except Mr. Rajit Mehta, none of the Promoters, Directors and Key Managerial Personnel (KMPs) of the Company and their relatives, are concerned or interested in passing of the above resolutions set out at item no. 7 of this AGM Notice.

The notice and explanatory statement may be treated as the abstract of the terms of remuneration of Mr. Rajit Mehta.

Item No. 8

As per the provisions of Section 186 of the Companies Act, 2013 (“the Act”), a Company can’t make investment or give loan or guarantee or provide any security beyond the prescribed ceiling of (i) Sixty per cent of the aggregate of the paid-up capital and free reserves and securities premium account or, ii) Hundred per cent of its free reserves and securities premium account, whichever is more, unless the same is approved by the members of the Company by passing special resolution.

The shareholders of the Company in their meeting held on September 28, 2015 accorded their consent for making investment in subsidiaries (existing or future), providing loans or giving guarantee or providing security in connection with loans to subsidiary companies (existing or future) / other healthcare service providers under Max network of hospitals for an aggregate amount of not exceeding INR 500 crore (excluding the investment already made, loan already given and security or guarantee already provided or specifically approved by the shareholders of the Company).

In view of the existing investment, loan, guarantee, security already provided by the Company (over and above the investment / loan/ guarantee/ security under the wholly - owned subsidiaries of the Company), the aforesaid limit is likely to be exhausted in near future.

Keeping in view the overall expansion plan of the Company, as a measure of achieving greater financial flexibility and to enable optimal financing structure, it is proposed to seek the approval of members of the Company by way of special resolution, pursuant to the provisions of Section 186 of the Companies Act, 2013, to give enabling powers to the Board of Directors or any duly constituted committee thereof, (a) to give any loan to any person or other body corporate (at an interest rate which is charged by the Company for similar transactions in ordinary course of business); (b) to give any guarantee or provide security in connection with a loan to any other body corporate or person (at a financial arrangement fees which is charged by the Company for similar transactions in ordinary course of business; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, in one or more tranches, for an aggregate amount outstanding at any point of time upto Rs. 2500 crore (Indian Rupees Twenty Five Hundred Crores)[excluding the investment made / loan/ guarantee/ security under the wholly - owned subsidiaries of the Company (existing or future)], notwithstanding that the aggregate of the loans or guarantees or securities so far given or to be given and/ or securities so far acquired or to be acquired by the Company may collectively exceed the limits prescribed under Section 186(2) of the Companies Act, 2013.

The loan, guarantee(s) and security (ies) or investment, as the case may be, will be made in accordance with the applicable provisions of the Companies Act, 2013 and relevant rules made there under.

Accordingly, the Board recommends the Special Resolutions set forth in Item No. 8 of the Notice for approval of the Members.

The documents referred above are available for inspection in physical form at any time during the business hours of the Company (i.e. 9.00 AM till 6.00 PM) at the registered office of the Company and copies thereof shall also be made available for inspection at the ensuing AGM.

None of the Promoters, Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the special resolution except to the extent of their directorships and shareholding, as the case may be, in the bodies corporate / entities in which investments may be made or loans/ guarantees may be given or securities may be provided pursuant to this Special Resolution.

Item no. 9

The members may please note that, it is proposed that the Board of Directors of the Company be authorized to contribute upto Rs. 1 crore (Rupees One Crore) in any financial year to bonafide charitable and other funds, either directly or through any non-profit organization or in any other way considered appropriate.

As per Section 181 of the Companies Act, 2013 ("the Act"), the Board may contribute to bonafide charitable and other funds provided that prior permission of the members of the Company in a general meeting is obtained for making contributions the aggregate of which, in any financial year, exceeds five percent of the average net profits of the Company for the three immediately preceding financial years. In terms of Section 181 of the Act, there is no average net profits for immediately preceding three years, however, the Company believes in making a difference in the lives of the less privileged, so, it is proposed to seek the approval of members of the Company in this regard by way of an ordinary resolution for contributing upto Rs. 1 crore in any financial year to bonafide charitable and other funds.

Your Directors recommend the resolution for approval as an Ordinary Resolution.

None of the Promoters, Directors or Key Managerial Personnel or their relatives are in anyway concerned or interested in the above resolution except to the extent of their directorships or shareholding or member, as the case may be, in the bodies corporate / entities in which the donation may be made pursuant to this resolution.

Annexure -1

Details of directors seeking appointment / reappointment and / or fixation of remuneration of Directors (including Managing Director or Whole time Directors as required in terms of Section 118 (10) of the Companies Act, 2013 read with the Secretarial Standards for General Meetings (SS-2):

I. Name of the Director : Mr. Petrus Philippus VanDer Westhuizen (DIN 06877878)

➤ Age: 45 years

➤ Qualification: Chartered Accountant (South Africa),

Experience: Mr. Petrus Phillipus Van Der Westhuizen, is a Commerce graduate and Chartered Accountant (South Africa). He completed his training contract and qualified as a Chartered Accountant in 1996 at PricewaterhouseCoopers Inc. He joined President Medical Investments Limited (Presmed) in 1999, which became part of Afrox Healthcare Limited. He performed various roles in the finance department of Afrox Healthcare and played a significant role in Afrox Healthcare's delisting in 2005 and its subsequent relisting as Life Healthcare in 2010. He was appointed as Chief Financial Officer of Life Healthcare Group in 2013.

➤ Terms & conditions of appointment / reappointment along with the remuneration details:

The Board of Directors of the Company had, in its meeting held on July 26, 2016, appointed Mr. Petrus as an additional director of the Company in terms of Section 161 (1) of the Act. The other details relating to his appointment at the ensuing AGM have been provided under explanatory statement to resolution set out at Item no. 5.

Further, in terms of the Amended and Restated Shareholders' Agreement ("Amended & Restated SHA") executed amongst Max India Ltd, Life Healthcare Group (Proprietary) Limited, Life Healthcare International (Proprietary) Ltd ("LHC") and the Company dated August 31, 2014, he is also acting as a Board representative of LHC.

He is drawing no sitting fees / remuneration from the Company.

➤ Date of first appointment on the Board: July 26, 2016.

➤ Shareholding in the Company: He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.

➤ Relationship with other Director & KMP: None

➤ Number of board meetings attended during the FY 2015-16 : Nil

➤ Directorship & Committee position as on the date of his appointment:

Directorship in other Companies*	Committee Membership in other Companies
NIL	NIL

II. Name of the Director : Dr. Pradeep Kumar Chowbey (DIN 01141637)

- Age: 65 years
- Qualification: Dr. Pradeep Kumar Chowbey completed his MBBS from Government Medical College, Jabalpur, and MS (General Surgery) from Government Medical College, Jabalpur. Thereafter, Dr. Chowbey has also completed various fellowships and other courses. Dr. Chowbey is also the recipient of the Padmashri award from the Government of India.
- Experience: Dr. Chowbey is the honorary surgeon to The President of India, to the Armed Forces Medical Services and surgeon to His Holiness The Dalai Lama. Dr. Chowbey is a founding designee in the International Centre of Excellence for Bariatric Surgery Program by Surgical Review Corporation, U.S.A. Dr. Chowbey served as President(s) of International Federation for the Asia Pacific Chapter of Surgery of Obesity and Metabolic Disorders, Asia Pacific Metabolic & Bariatric Surgery Society, Asia Pacific Hernia Society and Obesity Surgery Society of India. He is also the Governor of Endoscopic and Laparoscopic Surgeons of Asia
- Terms & conditions of appointment / reappointment along with the remuneration details: As on date, Dr. Chowbey is an Executive Vice Chairman of the Company. In compliance of Section 152 (6) (c) of the Act, he is liable to retire by rotation. Further, such retirement and simultaneous re-appointment do not affect the position of Dr. Chowbey appointed as Executive Vice Chairman w.e.f. November 18, 2014 for 3 years by the shareholder of the Company in its meeting held on March 4, 2014.
- Remuneration Details of Dr. Pradeep Kumar Chowbey:
 - Basic Salary (including House Rent Allowance) - INR 42,00,000/-
 - Perquisite and Other Allowances - INR 46,00,000/-
 - Performance Linked Incentives* - INR 50,00,000/-

*(subject to meeting performance criteria)

 - In addition to the aforesaid remuneration and perquisites, the Company shall also make contributions to provident fund and provide for gratuity not exceeding 15 days of basic salary for each completed year of service as per the Company's policy. Dr. Chowbey shall be entitled to encashment of leave, personal accident insurance policy, health insurance (hospitalization) policy, travel insurance, Group term life insurance as per the Company's Policy and a Platinum Protect Policy with an insured sum of INR 5,00,00,000 (Rupees Five Crores) and any other perquisites as

per the policy / rules of the Company in force and / or as may be approved by the Board from time to time. The Company shall also provide the facility of a company maintained car for official use, mobile phones / other communication instruments including telephones installed at his residence.

- Date of first appointment on the Board: November 18, 2009
- Shareholding in the Company: As on date, he holds 21,98,455 equity shares of the Company.
- Relationship with other Director & KMP: None
- Number of board meetings attended during the FY 2015 -16 : 5 (Five)
- Directorship & Committee position as on March 31, 2016:

Directorship in other Companies*	Committee Membership in other Companies
1. Ayushman Endosurgery Private Limited	Nil

III. Name of the Director : Dr. Ajit Singh (DIN 02525853)

- Age: 53 years
- Qualification: A PhD in Computer Science from Columbia University.
- Experience: Currently a partner at Artiman Ventures, where he focuses on early-stage technology & a life science investment, Dr. Ajit Singh is also a Consulting Professor at the School of Medicine at Stanford University.

Prior to joining Artiman, he was the President and CEO of Biomagene (later acquired by Roche), a California based company specializing in cancer diagnostics. Before Biomagene, Dr. Singh was the CEO of Oncology and Medical Informatics businesses of Siemens Healthcare.

Dr. Ajit Singh has had extensive experience in R&D and academia. From 1989 to 1995, he was at Siemens corporate research in Princeton, responsible for research in the areas of artificial intelligence, robotics, and medical imaging. During this time, he also served on the faculty at Princeton University. A prolific speaker, he has authored two books and holds several patents.

- Terms & Conditions of appointment / reappointment alongwith the remuneration details:
As on date Dr. Ajit Singh is a Non-Executive Director of the company liable to retire by rotation. He is not drawing any remuneration from the Company.
- Date of first appointment on the Board: January 28, 2009.
- Shareholding in the Company: Nil.

- Relationship with other Director & KMP: None
- Number of board meetings attended during the FY 2014 -15 : 2(Two)
- Directorship & Committee position as on March 31, 2016:

Directorship in other Companies*	Committee position in other Companies
1. Core Diagnostics Pvt. Ltd. 2. Crosslay Remedies Limited 3. MedE Cube Healthcare India Pvt. Ltd	Nil

IV. Name of the Director : Mr. Rajit Mehta (DIN 01604819)

- Age: 54 years
- Qualification: Graduate in Commerce, post graduate in Human Resources and has also attended an Advanced Management Program at INSEAD – France.
- Experience: The experience snapshot of Mr. Rajit Mehta has been provided under explanatory statement to the resolution set out under item no. 7 of the AGM Notice.
- Terms & Conditions of appointment / reappointment along with the remuneration details:
The details have been provided under explanatory statement to the resolutions set out under item no.7 of the AGM Notice.
- Date of first appointment on the Board: March 31, 2014.
- Shareholding in the Company: He does not hold by himself or for any other person on a beneficial basis, any shares in the Company.
- Relationship with other Director & KMP: None
- Number of board meetings attended during the FY 2015 -16 : 6 (Six)
- Directorship & Committee position as on March 31, 2016:

Directorship in other Companies*	Committee position in other Companies
1. Max Life Insurance Company Limited 2. Windows Consultants Private Limited 3. Interstoff Syndicate Private Limited	1. Member of Operational Committee of Crosslay Remedies Ltd. 2. Member of Corporate Social Responsibility of Max Life Insurance Company Ltd. 3. Member of Nomination & Remuneration Committee of Saket City Hospitals Pvt. Ltd.

<p>4. Quantum Institute For Wellbeing Private Limited</p> <p>5. Max Skill First Limited (Formerly Max Healthstaff International Limited)</p> <p>6. Crosslay Remedies Limited</p> <p>7. Saket City Hospitals Private Limited</p>	<p>4. Member of Operational Committee of Saket City Hospitals Pvt. Ltd.</p>
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*Companies here means the Company defined under section 2(20) of the Act.

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 15th Annual General Meeting of the Company, to be held on the 29th day of September 2016 at 1130 Hrs at its registered office and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution No.;

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____

Signed this ____ day of _____, 2016

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.

Max Healthcare Institute Limited
 (CIN U72200DL2001PLC111313)
 Max House, 1, Dr. Jha. Marg,
 Okhla, New Delhi – 110020

Attendance Slip

Fifteenth Annual 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 Fifteenth Annual General Meeting of the Company being held on 29th day of September 2016 at 1130 Hrs at Meeting Room No.1, First Floor, Max House, 1, Dr. Jha Marg, Okhla, New Delhi – 110020.

Please (✓) in the box

Member Proxy

 Member's/ Proxy Signature**

**Applicable for investors holding shares in physical form*

***Please strike out whichever is not applicable*

Route map of the AGM Venue

