

MAX INDIA LIMITED

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



Notice Pursuant to Section 192A (2) of the Companies Act, 1956

Dear Member(s),

The Company proposes to seek the approval of its members by postal ballot process for the following:

1. Amend the Object Clause of the Memorandum of Association of the Company as detailed in item no. 1.
2. Invest in the securities of Antara Senior Living Private Limited for an aggregate amount not exceeding Rs.240 Crore as detailed in item no.2
3. Approve appointment of Mr. Mohit Talwar as the Deputy Managing Director and remuneration payable to Mr. Talwar as detailed in item no.3
4. Approve certain residuary terms of remuneration payable to Mr. Rahul Khosla, the Managing Director of the Company as detailed in item no.4

The Board of Directors of the Company therefore recommends passing of following resolutions by means of Postal Ballot. Accordingly, the draft Resolutions and the Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 ('the Act') along with Postal Ballot Form are being sent for your consideration. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed, in the attached self addressed postage pre-paid envelope so as to reach the Scrutinizer on or before May 16, 2012. The results of the Postal Ballot will be declared on May 21, 2012 at its Registered Office at Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144 533.

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

"RESOLVED THAT pursuant to Section 17(1) of the Companies Act, 1956 and other applicable provisions of the Act, if any, the Main Objects appearing under Clause IIIA of the Memorandum of Association of the Company be and is hereby altered by inserting the following new Object clauses bearing nos. 23, 24 and 25 after the existing Clause 22:

23. To champion quality of life of senior citizens by encouraging independence, preserving dignity, enabling freedom of choice and protecting privacy of life by providing independent living, assisted living, skilled nursing and all other kinds of human care services associated therewith and by conducting a range of social, educational, devotional and recreational programmes for the senior citizens.
24. To purchase or otherwise acquire lands, houses, buildings, sheds and improve, manage, construct, erect, control, sell, enter into arrangements and/or lease out flats, houses, apartments, commercial complexes and to otherwise deal with properties of all kinds, for the purpose of providing entire range of services as provided in clause 23 above to senior citizens.
25. To buy, set up, manufacture, operate, run, finance, sell, acquire, construct, manage, improve, maintain, take on lease or promote the establishment of health clinics, healthcare centers, scan centers, centers for medical and/or all other kinds of care viz. lifestyle retirement resort, beauty saloon including manicure, pedicure and facial treatment centers and any other center rendering services of the like nature and to act as consultants and advisors to provide technical knowhow for establishment and operation of beauty and health clinics, healthcare and other centers in India or elsewhere for the purpose of ensuring quality of life of senior citizens."

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

"RESOLVED THAT pursuant to the first proviso to Section 372A and other applicable provisions, if any, of the Companies Act, 1956 ('the Act'), consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company to invest in any one or a combination of following securities viz., Equity Shares, Convertible Debentures, Convertible and/or Redeemable Preference Shares, of Antara Senior Living Private Limited ('Antara'), by way of direct subscription or otherwise for an aggregate consideration not exceeding Rs. 240 Crore (Rupees Two Hundred and Forty Crore only), including acquisition of existing paid up equity share capital of Antara for par value of Rs. 1 Lac, in one or more tranches, in addition to investment made, loans granted and guarantees/securities provided earlier by the Company notwithstanding that the proposed investments together with the Company's existing investments, loans granted and guarantees/securities provided may exceed the limits specified under Section 372A of the Act."

"RESOLVED FURTHER THAT the Board of Directors of the Company including a Committee thereof, be and is hereby authorised to make investments at appropriate times, in one or more tranches, in cash and to do all such deeds, acts and things in this regard."

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

"RESOLVED THAT in accordance with the provisions of Sections 198, 269, 309, 310, Schedule XIII and other applicable provisions of the Companies Act, 1956 ('the Act') or any statutory modification or re-enactment thereof, approval of the shareholders of the Company be and is hereby accorded for the appointment of Mr. Mohit Talwar as the Deputy Managing Director of the Company for a period of five years effective February 14, 2012 and that the remuneration payable to Mr. Mohit Talwar for the initial period of three years, i.e., from February 14, 2012 until February 13, 2015 shall not exceed the limits as set out hereunder:

- (a) Salary (including Basic and House Rent Allowance/Accommodation) not exceeding Rs. 2,10,00,000/- per annum with the authority to the Board of Directors (hereinafter referred to as 'the Board' which term shall include a duly constituted committee of directors) to determine and regulate the salary within aforesaid limit;
- (b) Variable compensation/performance incentive not exceeding Rs. 2,00,00,000/- per annum with the authority to the Board to determine and pay the variable compensation within aforesaid limit; and
- (c) Perquisite and allowances viz., leave travel allowance, car lease rentals, fuel reimbursements, vehicle maintenance, driving services, children education allowance, management allowance and medical reimbursements not exceeding Rs. 1,16,48,000/- per annum.

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. In addition, Mr. Mohit Talwar 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 perquisite 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 mobile phones/other communication instruments including telephones installed at his residence."

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

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

"RESOLVED FURTHER THAT the Board of Directors of the Company and/or Committee thereof, be and is hereby authorized to regulate the payment of remuneration to Mr. Mohit Talwar, Deputy Managing Director within the aforesaid limits, from time to time."

"RESOLVED FURTHER THAT Mr. Mohit Talwar be and is hereby authorized to exercise such powers of management as may be delegated to him by the Board of Directors of the Company, from time to time, subject however, to the overall superintendence, control and direction of the Board/Chairman/Managing Director of the Company."

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

"RESOLVED THAT in partial modification of resolution no. 9 passed by the shareholders as special resolution in the Annual General Meeting held on September 27, 2011 concerning the terms of remuneration payable to Mr. Rahul Khosla, Managing Director of the Company in accordance with provisions of Sections 198, 269, 309, 310 and other applicable provisions of the Companies Act, 1956 or any statutory modification or re-enactment thereof, approval of the shareholders of the Company be and is hereby accorded to the Company for incurring following additional expenses with respect to relocation of Mr. Rahul Khosla from Singapore to New Delhi, in accordance with the Company policy:

- (a) Relocation expenses of Rs. 19,08,369/- ; and
- (b) Transit hotel accommodation of Rs. 18,18,929/-."

"RESOLVED FURTHER THAT approval of the shareholders of the Company be and is hereby accorded to pay (i) a onetime special allowance of Rs. 17 Lac to Mr. Rahul Khosla, Managing Director of the Company and (ii) to provide for additional club memberships to him, from time to time, and that the Board of Directors of the Company and/or its Committee thereof, be and is hereby authorized to take such steps as may be deemed expedient in this regard."

"RESOLVED FURTHER THAT all other terms and conditions of the resolution no. 9 passed by the shareholders of the Company as special resolution in their Annual General Meeting held on September 27, 2011 shall remain unaltered."

On behalf of the Board
For Max India Limited
sd/-

V. Krishnan
Company Secretary

March 30, 2012
New Delhi

NOTES:

1. These resolutions are proposed to be passed in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011. Accordingly, the Postal Ballot form is enclosed.
2. Shareholders are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed, in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before May 16, 2012.
3. The Company has appointed Mr. U.P Mathur, former Secretary-Company Law Board and former Director of Inspection and Investigation, Department of Company Affairs, as the Scrutinizer and failing him Mr. Mani Srinivasan, F.C.S., a Practicing Company Secretary, as the Alternate Scrutinizer under the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, for the purpose of conducting the voting process by way of Postal Ballot.
4. The Scrutinizer shall submit his report on or before May 19, 2012 to the Company.
5. The results of the Postal Ballot will be declared by the Chairman or in his absence by any other person, so authorised by the Chairman on May 21, 2012 at 11.00 AM at its Registered Office at Bhai Mohan Singh Nagar, Railmajra, Tehsil Balachaur, District Nawanshahr, Punjab – 144 533. The date of the declaration of the results of postal ballot will be taken to be the date of passing of the aforesaid Special Resolutions.
6. The Postal Ballot Forms, as received from the Members and other documents relating to Postal Ballot shall remain under the safe custody of the Scrutinizer, till the Chairman of the Meeting approves and signs the minutes of this Meeting.
7. The Explanatory Statement pursuant to Section 173(2) read with Section 192A(2) of the Companies Act, 1956 is annexed hereto and forms part of the Notice.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF SPECIAL BUSINESS SET OUT IN THE NOTICE

ITEM NO. 1

Your Company's core businesses deal with Life. Your Company, 'Protects life' through the life insurance subsidiary, Max New York Life

Insurance Company Limited; 'Cares for life' through the healthcare subsidiary, Max Healthcare Institute Limited; 'Enhances life' through the health insurance subsidiary, Max Bupa Health Insurance Company Limited; 'Improves life' through the clinical research subsidiary, Max Neeman Medical International Limited. In addition, your company has a well established manufacturing business, Max Speciality Films as a division.

In furtherance of its core objective of pursuing the business of life, your company proposes to enter into a related business in the area of 'Senior Living', whereby it intends to provide entire range of services to the senior citizens. In order to pursue this objective, it is proposed to amend the Main Object appearing under Clause IIIA of the Memorandum of Association of the Company as detailed in resolution appearing in item no. 1 of the Notice.

Your Directors therefore, recommend the above resolution for approval.

None of the Directors of the Company may be deemed to be interested or concerned in passing of the above resolution.

ITEM NO. 2

In terms of provisions of Section 372A of the Companies Act, 1956 ('the Act'), a public limited company can make investments and/or provide loans/guarantees to other body(ies) corporate in excess of 60% of its paid-up capital and free reserves or 100% of the free reserves, whichever is higher, subject to the approval of the shareholders by special resolution.

In order to pursue the business of 'Senior Living' as stated in Item No. 1 above, it is proposed to acquire the entire existing equity share capital of Antara Senior Living Private Limited ('Antara'), a company incorporated by the promoter group, at par value for Rs. 1 Lac. It is proposed to make an investment of up to Rs. 240 Crore in Antara for the Senior Living business based on adequate liquidity position in the Company.

Making investments as contemplated above would be in excess of the limits prescribed under aforesaid provisions of Section 372A of the Act, with respect to the Company. Hence, the resolution.

Your Directors therefore, recommend the above resolution for approval.

None of the Directors except, Mr. Analjit Singh, Chairman of the Company may be deemed to be interested or concerned in passing of the above resolution

ITEM NO.3:

The Board of Directors of the Company in its meeting held on February 14, 2012 approved the appointment of Mr. Mohit Talwar as an Additional Director of the Company pursuant to Section 260 of the Act and Article 109 of the Articles of Association of the Company effective February 14, 2012. Mr. Mohit Talwar, who was hitherto the Director – Corporate Development of the Company was elevated to the position of Deputy Managing Director of the Company effective the said date.

The Remuneration Committee and the Board of Directors in their respective meetings held on February 14, 2012, approved the appointment of Mr. Mohit Talwar as the Deputy Managing Director of the Company for a period of five years effective that date. The said Committee and the Board of Directors, in terms of Schedule XIII to the Act has recommended the terms of remuneration of Mr. Mohit Talwar for the initial period of three years from February 14, 2012 to February 13, 2015 for your approval as per resolution at item no.3 above.

The following disclosure is made under Clause 49 of the Listing Agreements on corporate governance and in terms of Notification No. GSR36 (E) dated January 16, 2002 relating to the appointment and payment of remuneration to the Managing Director:

I General information about the Company

Nature of industry

The Company's business involves the manufacture and sale of specialty plastic products including Bi-axially Oriented Polypropylene ("BOPP") films. The Company has subsidiaries and joint ventures that are involved in the businesses of healthcare services, life insurance, health insurance and clinical research.

Commercial production

As regards its manufacturing business, the Company commenced commercial production of Speciality Plastics at its manufacturing facility at Railmajra, Punjab in 1989-90.

Financial & export performance

Fiscal 2010-11 was a year of transition for Max Speciality Films (MSF) as it successfully commissioned high speed BOPP film production (Line 4) of 22 KTA in March 2011, with an investment of Rs.145 Crore. The new line was commissioned in a record time of 13 months from the date of signing of the letter of intent - one of the fastest commissioning of a new BOPP line in the world. With this expansion, MSF's production capacity has gone up from 30,000 TPA to 52,000 TPA, making it the third largest producer of BOPP films in India. In addition, MSF commissioned its fourth Metalliser in October 2010.

In 2010-11 net revenues increased by 25% from Rs. 333 Crore in 2009-10 to Rs. 417 Crore in 2010-11. Exports registered growth of 108% and volume growth of 103% in thermal film sales. MSF's operating margin (EBIDTA to net sales) was maintained at 11.7% in 2010-11. Consequently, EBIDTA increased by 23% to Rs. 53 Crore in 2010-11. PBT increased by 76% to Rs.36 Crore.

Foreign Investments during the financial year 2010-11

Though there is no foreign investment during the financial year 2010-11, the Company allotted 24,079,700 equity shares of Rs. 2/- each at a premium of Rs. 214.75/- per equity share, on conversion of 6,019,925 Compulsorily Convertible Debentures of Rs.867/- each to Xenok Limited, a wholly owned subsidiary of GS Capital Partners VI Fund, L.P., controlled by the Goldman Sachs Group, on June 10, 2011. The Company had received an amount of Rs.522 Crore from Xenok Limited in the 2009-10 towards subscription to aforesaid Debentures.

II Information about the Deputy Managing Director

Profile of Mr. Mohit Talwar

Date of Birth: September 17, 1959

Mr. Mohit Talwar is a post graduate from St. Stephen's College and completed his management studies in Hospitality from the Oberoi School. Mr. Talwar brings a wealth of experience of over 33 years in Corporate Finance and Investment Banking. He spent 24 years in Wholesale Banking in Standard Chartered, ANZ Grindlays and Bank of Nova Scotia. Prior to this, he spent almost 6 years with the Oberoi Group.

Mr. Talwar has been with Max India for four years and has played a pivotal role in growing the business and transforming Max Group and its joint ventures into a profitable, billion-dollar enterprise. By leveraging his strong relationships with institutional investors, hedge funds, banks and private equity firms, and successfully leading several complex Corporate Finance and financial structuring deals for the group, he has ensured adequate investment and liquidity for Max India group operations.

Past Remuneration

Prior to the elevation of Mr. Mohit Talwar as the Deputy Managing Director, Mr. Talwar was employed as the Director-Corporate Development with the Company on remuneration of Rs. 3 Crore (Three Crore Only) per annum.

Proposed Remuneration

The details of the proposed remuneration are mentioned at resolution at item no.3 above.

Comparison with industry

The 'Remuneration Profile' of Mr. Mohit Talwar is based on a comparative basket of companies comprising Multinationals and High Performing Indian Companies, from both the Service and Manufacturing sector, which have a Global presence. Individual specific remuneration is an outcome of a strategic Human Capital Initiative, which measures 'Competency Profiles' and rates the individual vis-à-vis the standards 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'.

Mr. Mohit Talwar does not have any pecuniary relationship with the Company either directly or indirectly other than by virtue of his appointment with the Company as its Dy. Managing Director. Further, Mr. Talwar is not related to any of the managerial personnel of the Company including its promoters. Mr. Talwar is not having any direct or indirect interest in the capital of the Company in terms of provisions of Section 299 of the Companies Act, 1956, at any time during last two years before or on the date of appointment as the Deputy Managing Director except for holding 20,560 equity shares allotted under Max ESOP Scheme 2003 in his capacity as Director-Corporate Development. Further, the Company had granted 14500 ESOPs earlier to Mr. Talwar which are due for vesting on September 4, 2012.

Mr. Talwar is holding directorships in Max Medical Services Ltd., Pharmax Corporation Limited, Nurture Health Services Pvt. Ltd., Leo Retailing and Health Services Pvt. Ltd., Capricorn Health Services Pvt. Ltd., Max Speciality Products Ltd., Max Healthstaff International Ltd., Veer Health Services Private Limited., ABK Consultants Private Limited, Solace Hotels and Hospitality Services Pvt. Ltd. Further, Mr. Talwar is the Alternate Director to Mr. Analjit Singh in Vodafone India Limited, besides being a member of Audit Committee of Pharmax Corporation Limited.

III Other information

The service businesses of Healthcare, Life Insurance and Health Insurance have a long gestation and are highly capital intensive in nature requiring large out flow of funds. While these businesses are substantially ramping up and returns would take some time, considerable value has been created by the Company in these businesses.

Despite revenues from the existing businesses of Speciality Plastics, the overall profitability of the Company may not be positive in the near future.

The Company with group revenue of Rs. 7,891 Crore and assets under management of more than Rs. 13,836 Crore with significant capital commitment in various businesses in the next few years, including the new business initiative of Senior Living, requires a strong and exceptionally qualified managerial personnel to financially and strategically monitor and successfully manage its interests in all the said business ventures.

Your Directors, therefore, recommend the above resolution for your approval.

None of the Directors, except Mr. Mohit Talwar is concerned or interested in passing of the above resolution.

The Notice and Explanatory Statement may be treated as the abstract of the terms of remuneration payable to Mr. Mohit Talwar, as required under Section 302 of the Act.

ITEM NO.4

The Shareholders of the Company in the last annual general meeting held on September 27, 2011 had approved the appointment and terms of remuneration payable to Mr. Rahul Khosla as the Managing Director of the Company. Mr. Rahul Khosla, is a Singapore Citizen and has relocated to New Delhi to assume the office of Managing Director of your Company at your corporate office. Although, the Company's policies permit meeting of relocation expenses and transit hotel accommodation to new employees, your approval is sought, as a good governance measure, to incur the expenses detailed in resolution at item no. 4. Further, a special allowance of Rs. 17 Lac is proposed to be paid to Mr. Khosla besides providing additional club memberships to him, as may be deemed expedient by the Company.

Shareholders are requested to kindly take note that the General Information about the Company and other information as detailed in item no. 3 of this explanatory statement as an integral part of this item as well.

Your Directors, therefore, recommend the above resolution for your approval.

None of the Directors, except Mr. Rahul Khosla is concerned or interested in passing of the above resolution.

The Notice and Explanatory Statement may be treated as the abstract of the variation of terms of remuneration payable to Mr. Rahul Khosla, as required under Section 302 of the Act.

March 30, 2012
New Delhi

On behalf of the Board
For **Max India Limited**
sd/-

V. Krishnan
Company Secretary