

**EXIT OPTION NOTICE
TO THE ELIGIBLE SHAREHOLDERS OF THE COMPANY PURSUANT TO SCHEME OF REDUCTION OF CAPITAL
UNDER SECTION 66 OF THE COMPANIES ACT, 2013**



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

To,
The equity shareholders of Max India Limited

This exit option notice (“**Option Notice**”) is sent to you as an Eligible Shareholder (as defined below) of Max India Limited (“**Max**”/“**Company**”) as of the “**Record Date**” (as defined below) pursuant to the scheme for reduction of capital of the Company, approved by the Hon’ble National Company Law Tribunal, bench at Mumbai (“**NCLT**”) vide order dated June 8, 2022 (certified copy received on July 12, 2022), pursuant to the provisions of Section 66 of the Companies Act, 2013 read with rules made thereunder. If you require any advise about the action to be taken, you may consult your stock-broker or investment consultant.

OFFER FOR CANCELLATION OF UP TO A MAXIMUM OF 1,07,57,252 (ONE CRORE SEVEN LAKH FIFTY SEVEN THOUSAND TWO HUNDRED AND FIFTY TWO ONLY) FULLY PAID-UP EQUITY SHARES OF FACE VALUE ₹10/- (RUPEES TEN ONLY) EACH (“EQUITY SHARES”) [“EXIT OFFER”], REPRESENTING UP TO 20% (TWENTY PER CENT) OF THE TOTAL PAID-UP EQUITY SHARE CAPITAL OF THE COMPANY, FROM THE ELIGIBLE SHAREHOLDERS (AS DEFINED BELOW) AS ON THE RECORD DATE I.E., WEDNESDAY, JULY 27, 2022, ON A PROPORTIONATE BASIS AT A PRICE OF ₹85/- (RUPEES EIGHTY FIVE ONLY) PER EQUITY SHARE FOR AN AGGREGATE AMOUNT OF UP TO ₹ 91,43,66,420 (RUPEES NINETY ONE CRORE FORTY THREE LAKH SIXTY SIX THOUSAND AND FOUR HUNDRED TWENTY ONLY).

EXIT OFFER DETAILS

OFFER OPENS ON	Friday, August 5, 2022
OFFER CLOSES ON	Tuesday, August 23, 2022
EXIT PRICE	₹85/- per share
COMPANY DETAILS	REGISTRAR TO THE OFFER
 Name: Max India Limited Address: L20M, Max Towers, Plot No. C-001/A/1, Sector 16B, Noida 201301 Contact person: Mr. Pankaj Chawla Telephone: +91 120 4696000 Email: capitalreduction@maxindia.com Website: www.maxindia.com	 Name: Mas Services Limited Address: T-34, 2nd Floor, Okhla Industrial Area, Phase – II, New Delhi – 110 020 Contact person: Mr. Sharwan Mangla Telephone: +91- 11-26387281/82/83 Email: investor@masserv.com; Website: www.masserv.com

DISCLAIMER:

1. This capital reduction is not a compulsory exit for the public shareholders, and it is only intended to provide an additional option for exit to the Company’s public shareholders, who may not be keen to participate in the Company’s growth story. Accordingly, the Eligible Shareholders who elect to tender their shares for cancellation should follow the process stated in Paragraph 6 below during the Tender Period (as defined below).
2. The receipt of this Option Notice by any Eligible Shareholder in a jurisdiction in which it would be illegal to make this Exit Offer, or where making this Exit Offer would require any action to be taken (including, but not restricted to, registration of this Option Notice under any local securities laws), shall not be treated by such Eligible Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only.

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1. ABOUT THE SCHEME OF REDUCTION OF CAPITAL

- 1.1. In April 2019, erstwhile Max India Limited (since dissolved) had expressed its intent to use the proceeds from divestment of its shareholding in Max Bupa Health Insurance Company Limited (“**Max Bupa**”) for its future growth and to give its shareholders, who do not prefer to be a part of next phase of growth of the Company, an exit option through an appropriate mechanism.
- 1.2. Pursuant to the composite scheme of amalgamation and arrangement amongst erstwhile Max India Limited, Max Healthcare Institute Limited, Radiant Life Care Private Limited and Max India Limited (formerly “**Advaita Allied Health Services Limited**”) (“**the Company**”) and their respective shareholders and creditors under the Companies Act, 2013 (“**Composite Scheme**”), approved by National Company Law Tribunal vide its order dated January 17, 2020, effective from June 1, 2020, the whole of the Allied Health and Associated Activities Undertaking (which inter-alia comprised of the proceeds from the divestment of Max Bupa, under the Composite Scheme) had been demerged from the erstwhile Max India Limited and vested into the Company with effect from the appointed date of the Composite Scheme i.e. February 1, 2019.
- 1.3. With the intent to provide an exit option to the shareholders, who do not prefer to be a part of next phase of growth of the Company, the board of directors of the Company (“**Board**”), on September 15, 2020, approved the proposal to provide exit to such shareholders through appropriate mechanism i.e., through the scheme of reduction of capital under Section 66 and other applicable provisions of the Companies Act, 2013 (“**Scheme**”).
- 1.4. The Scheme provides for cancellation of up to a maximum of 1,07,57,252 (One Crore Seven Lakh Fifty Seven Thousand Two Hundred and Fifty Two only) Equity Shares (i.e. 20% of the present issued and paid-up capital) of par value of INR 10/- each, for a consideration of INR 85/- (Rupees Eighty Five) per share, based on the Equity Shares offered by the Eligible Shareholders (defined hereinafter).
- 1.5. The shareholders of the Company (other than the Promoter and Promoter Group) with requisite majority passed the special resolution through postal ballot to approve the Scheme. The results of the resolution passed by postal ballot (through remote e-voting) by the equity shareholders are mentioned as under:
 - (a) equity shareholders holding 54.96% shares of the Company voted through remote e-voting; and
 - (b) 99.98% of the votes, representing 2,95,54,548 (TwoCrore Ninety Five Lakh Fifty Four Thousand and Five Hundred Forty Eight) equity shares of Rs. 10 (Rupees Ten) each, were casted in favour of the proposed resolution.
- 1.6. BSE Limited and National Stock Exchange of India Ltd., vide their letter no. DCS/AMAL/JR/R37/1954/2021-22 dated May 14, 2021 and letter no. NSE/LIST/25167_II dated May 19, 2021 respectively, had granted their NOC to the Scheme.
- 1.7. The Hon’ble National Company Law Tribunal, bench at Mumbai (“**NCLT**”) vide order made on June 8, 2022 (certified copy received on July 12, 2022), has approved the Scheme.
- 1.8. Accordingly, this Option Notice is being sent to the shareholders, whose names appear in the register of members of the Company and where the shares are held in dematerialized form, the beneficial owners of such shares as per the records of depositories, as of the Record Date, excluding members belonging to the category of Promoter and Promoter Group (“**Eligible Shareholders**”), providing such Eligible Shareholder the option to tender their equity shares of the Company in demat form for cancellation, for a consideration of INR 85/- (Rupees Eighty Five) per share. The Record Date for determination of the list of Eligible Shareholders to whom the Option Notice shall be dispatched to, has been fixed as Wednesday, July 27, 2022 (“**Record Date**”) by the Board of the Company.

This capital reduction is not a compulsory exit for the public shareholders, and it is only intended to provide an additional option for exit to Company’s public shareholders.

2. ABOUT THE COMPANY

- 2.1. Max India Limited (CIN: L74999MH2019PLC320039) (“**Max India**” or “**Company**”) is a listed public limited company having its registered office at 167, Floor 1, Plot-167A, Ready Money Mansion, Dr. Annie Besant Road, Worli, Mumbai, Maharashtra – 400018. The ISIN for the Equity Shares of the Company is INE0CG601016.
- 2.2. The Company was originally incorporated as Advaita Allied Health Services Limited, a public company, on January 23, 2019 under the provisions of the Companies Act, 2013, in the State of Maharashtra. The Company received a fresh certificate of incorporation on July 1, 2020, subsequent to the change of its name to Max India Limited under the Composite Scheme approved by the National Company Law Tribunal vide its order dated January 17, 2020.
- 2.3. Pursuant to the Composite Scheme effective from June 1, 2020, the whole of the Allied Health and Associated Activities Undertaking (which inter-alia comprised of the proceeds from the divestment of Max Bupa Health Insurance Company Limited (“**Max Bupa**”), under the Composite Scheme, has been demerged from the erstwhile Max India Limited and vested into the Company with effect from the appointed date of the Composite Scheme i.e. February 1, 2019. The Company is now engaged in the activity of making, holding, and nurturing its investments in various businesses / activities and also provides management consultancy services to group companies.
- 2.4. The Equity Shares of the Company were listed on August 28, 2020 at the BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”).

3. DETAILS OF THE PRE AND POST REDUCTION PAID-UP SHARE CAPITAL

3.1. Capital structure of the Company

[Assuming 100% (hundred per cent.) of the proposed cancellation, as part of the said capital reduction, and based on the capital structure as on July 14, 2022]:

Particulars	Prior to the Scheme	Proposed Reduction	Post – Scheme
Number of equity shares	5,37,86,261	1,07,57,252	4,30,29,009
Face value per share	INR 10	INR 10	INR 10
Total paid up share capital	INR 53,78,62,610	INR 10,75,72,520	INR 43,02,90,090

3.2. Shareholding pattern of the Company

[Assuming 100% (hundred per cent.) of the proposed cancellation, as part of the said capital reduction, and based on the shareholding pattern as on July 14, 2022]:

Category of shareholders	Prior to the Capital Reduction		Post-Capital Reduction	
	No. of shares	% shareholding	No. of shares	% shareholding
Promoters and Promoter Group	2,19,91,013	40.89%	2,19,91,013	51.11%
Public	3,17,95,248	59.11%	2,10,37,996 (reduced by 1,07,57,252 shares)	48.89%
Total	5,37,86,261	100%	4,30,29,009	100%

4. EXIT PRICE AND CONSIDERATION

- 4.1. In terms of the Scheme, the capital reduction is for cancellation of up to a maximum of 1,07,57,252 (One Crore Seven Lakh Fifty Seven Thousand Two Hundred Fifty Two) Equity Shares, i.e. approximately 20% (twenty per cent.) of issued equity share capital of Company of face value of INR 10/- (Rupees Ten) each, for a consideration of INR 85/- (Rupees Eighty Five) per share (“**Exit Price**”), based on the Equity Shares to be offered by the Eligible Shareholders to the Company for cancellation, at their option.
- 4.2. The maximum cash that is sought to be utilized for the capital reduction is INR 91,43,66,420 (Rupees Ninety One Crores Forty Three Lakhs Sixty Six Thousand Four Hundred And Twenty only) [viz. 1,07,57,252 (One Crore Seven Lakh Fifty Seven Thousand Two Hundred Fifty Two) Equity Shares x INR 85 (Rupees Eighty Five) per Equity Share].
- 4.3. Eligible Shareholders holding Equity Shares may also, at their option, choose not to take part in the reduction of the share capital and such non-participating shareholders will not be entitled to any consideration from the Company.

5. ELIGIBILITY FOR EXERCISING THE EXIT OPTION

- 5.1. Eligible Shareholders, being the shareholders of the Company, holding shares in demat form whose names appear in the register of members of the Company/ as the beneficial owners as per the records of depositories, as of the ‘Record Date’, excluding members belonging to the category of Promoter/ Promoter Group, can choose to participate in capital reduction and get cash in lieu of the Equity Shares tendered which will be accepted for cancellation, or they may choose not to participate and enjoy a resultant increase in their percentage shareholding, post capital reduction, without additional investment. Accordingly, the Eligible Shareholders who elect to tender their shares for cancellation should follow the process stated in Paragraph 6 below during the Tender Period (as defined below).
- 5.2. The Record Date for determining the Eligible Shareholders to participate in the Exit Offer is Wednesday, July 27, 2022.
- 5.3. The Eligible Shareholders opting in this Exit Offer should also ensure that the Equity Shares held by them in demat mode are free from any lien/ encumbrance/ pledge/ non disposal undertakings etc.
- 5.4. The Option Notice is **NOT TRANSFERABLE** and only those shareholders whose names appear in the Register of Members maintained by the Company/List of Beneficial Owners as received from the National Securities Depository Limited (“**NSDL**”) and Central Depository Services (India) Limited (“**CDSL**”), as on the Record Date are eligible to tender their shares held on record date, for cancellation under this Option Notice.
- 5.5. The acceptance of this Option Notice by the Eligible Shareholders and the tendering of shares for cancellation must be absolute and unqualified. Any acceptance to this Option Notice (including under the Form of Acceptance (as defined below)) which is conditional or incomplete in any respect would be rejected without assigning any reason whatsoever.
- 5.6. The Company expresses no opinion as to whether Eligible Shareholders should participate in the Exit Offer or not and, accordingly, Eligible Shareholders are advised to consult their own advisors to consider participation in the same.
- 5.7. Persons in possession of this Option Notice are required to inform themselves of any relevant restrictions in their respective jurisdictions. Any Eligible Shareholder who tenders his, her or its Equity Shares in the Exit Offer shall be deemed to have declared, represented, warranted and agreed that he, she, or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in the same.
- 5.8. **For Eligible Shareholders whose shares are lying in Unclaimed Demat Suspense Account:**

The Company vide letter dated March 21, 2022 informed the concerned shareholders, whose Equity Shares were lying in Unclaimed Demat Suspense Account that in order to able to participate in the capital reduction offer, such Eligible Shareholders were required to claim their Equity Shares from the Company in demat mode and then to hold such Equity Shares in their demat accounts on the Record Date. All such shareholders are once again requested to approach the Registrar and Transfer Agent of the Company (“**Registrar**”) and follow the procedure to claim such shares from the Company as communicated vide our letter dated March 21, 2022, in order to participate in the capital reduction process. It may please be noted that such Eligible Shareholders are needed to make sure that they are required to complete the process and deliver the relevant documents as applicable and as mentioned in the Form of Acceptance at the Registrar's office by hand-delivery between 10.00 a.m. and 5.00 p.m. on any Business

Day or through Speed Post/Regd. Post/Courier during the Tender Period. The documents SHALL NOT be sent to the Company. Any documents received after closure of business hours on Tuesday, August 23, 2022 (i.e. after the expiry of Tender Period) will not be accepted by the Registrar.

6. PROCEDURE FOR TENDER SHARES AND PAYMENT

- 6.1. The Exit Offer will remain open for 10 (ten) working days* from Friday, August 5, 2022 to Tuesday, August 23, 2022 (both days inclusive) (the “Tender Period”).

*The “Working days” has been reckoned as per list of gazette holidays (National Holidays) issued by the Government of India.

- 6.2. The Eligible Shareholders shall ensure that the shares are tendered by them to the Special Demat Escrow Account (through off-market mode), to be held in trust by the Registrar, along with duly filled with **Form of Acceptance of Exit Option Notice (enclosed as Annexure 1)**, before the end of Tender Period i.e. by Tuesday, August 23, 2022.

The Demat Account details for transferring the shares are as follows:

Special Demat Account Name:	Max India Limited– Capital Reduction Escrow Account–Operated by - Mas Services Limited
DP Name:	My Money Securities Limited
Demat Account No.:	1208710000002801

- 6.3. The Form of Acceptance of Exit Option Notice (“**Form of Acceptance**”) forms an integral part of the Option Notice. Shareholders are requested to complete the Form of Acceptance and submit the same together with such other documents as may be required to the Registrar, by way of hand delivery or through Speed Post/Regd. Post/Courier at the Registrar's office between 10.00 a.m. and 5.00 p.m. on any Business Day (i.e. Monday to Saturday) during the Tender Period. **The documents shall not be sent to the Company.**

The mailing details are follows:

<p>REGISTRAR TO THE OFFER</p>  <p>Name: Mas Services Limited Address: T-34, 2nd Floor, Okhla Industrial Area, Phase – II, New Delhi – 110 020 Contact person: Mr. Sharwan Mangla Telephone: 011-26387281/82/83 Email: investor@masserv.com; Website: www.masserv.com</p>

- 6.4. Shareholders may please refer to the “Instructions” while completing the Form of Acceptance. Where an Eligible Shareholder does not receive the Form of Acceptance, the Eligible Shareholder may download the same from the website of the Company: www.maxindia.com and RTA: www.masserv.com under download tab. In case the ownership of equity shares in the Company is in dispute, then the Company shall have the right to reject the Form of Acceptance of such Eligible Shareholder.
- 6.5. **Eligible Shareholders have the option to tender either their entire shareholding as on the Record Date or any part of it, in the capital reduction and consequent cancellation.** In case of any over tendering, the same shall be accepted on proportionate basis.
- 6.6. Eligible Shareholders having their beneficiary account in NSDL shall use the inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the Special Demat Escrow Account with CDSL.
- 6.7. All transfers should be in off-market mode through duly filled Delivery Instruction Slip (“**DIS**”). All charges for such transfers will be required to be borne by the Eligible Shareholders opting in for the Scheme. The Eligible Shareholders are requested to contact their respective depository participants for such transfers through off-market mode or for any further query thereto.

- 6.8. Eligible Shareholders may note that crediting of Equity Shares by them to the Special Demat Escrow Account shall be considered as the deemed acceptance of offering their Equity Shares for cancellation by such Eligible Shareholders irrespective of the fact whether duly filled-up Form of Acceptance has been submitted by them or not.
- 6.9. Upon the completion of verification of the Form of Acceptance received from the Eligible Shareholders, and determination of the number of Equity Shares to be cancelled for each Eligible Shareholder, the Company shall cancel such equity shares and in consideration thereof, pay INR 85/- (Rupees Eighty Five) per Equity Share so extinguished to such Eligible Shareholders, in compliance with applicable laws.
- 6.10. **Payment:** All payments will be made to the Eligible Shareholders whose shares are accepted for cancellation, **within 15 (fifteen) working days from the date of closure of the Tender Period.** The said payments will be credited to the bank accounts, through NACH, Direct Credit, RTGS or NEFT or other electronic modes, linked with their respective demat account only. The Eligible Shareholders are requested to kindly keep their bank accounts in activated mode.
- 6.11. The unaccepted Equity Shares shall be returned to such Eligible Shareholders, within 15 (fifteen) working days from closure of the Tender Period.
- 6.12. In case, the consideration payable to the Eligible Shareholders who participate in the reduction of capital, remains unpaid or unclaimed for any reason on capital reduction becoming effective and operative, the Company shall retain such consideration for a period of 7 (seven) years on behalf of such Eligible Shareholders, subject to applicable statutory enactment(s), and release the same on completion of necessary formalities by such shareholders. After the said period, the amount outstanding and lying in the bank account may be appropriated in a manner as may be permitted under any law then in force or the Company may decide to continue to retain the outstanding amount in the separate bank account or it may transfer the same to the Investor Education and Protection Fund or such fund which may be permitted under any law then in force or as per the applicable provisions of the Companies Act, 2013.
- 6.13. The Eligible Shareholders whose equity shares are cancelled shall cease to be shareholders in the Company (to the extent of shares cancelled), on and from the date of such cancellation by the Company.

7. BASIS OF ACCEPTANCE

- 7.1. Based on the total outstanding public shareholding on the record date and total number of shares offered for cancellation and reduction thereof, each eligible shareholder is entitled for cancellation of upto 33.83% of the fully paid-up Equity Shares held by them on the Record Date. The said percentage is approximate and provides an indication of the entitlement for cancellation.
- 7.2. **In case the total number of Equity Shares tendered by Eligible Shareholders exceeds the maximum number of Equity Shares proposed to be cancelled:** The Company shall cancel the shares held by all the Eligible Shareholders, on a pro-rata basis, based on the proportion of the total shares tendered and the maximum shares proposed to be cancelled.
- 7.3. Subject to the provisions contained in the Option Notice, the Company will accept Equity Shares tendered in the Offer by the Eligible Shareholders in the following order of priority:
- 7.3.1. Acceptance of 100% Equity Shares from the Eligible Shareholders who have validly tendered their Equity Shares to the extent of their Entitlement or the number of Equity Shares tendered by them, whichever is less; and
- 7.3.2. Post the Acceptance as described in paragraph 7.3.1, in case there are any Equity Shares left to be accepted, the Additional Equity Shares tendered by the Eligible Shareholders, over and above their Entitlement, shall be accepted on a pro rata basis, as per the following formula:
- ➔ Additional Equity Shares validly tendered by the Eligible Shareholder divided by the total Additional Equity Shares validly tendered and multiplied by the total pending number of Equity Shares to be Accepted.
- 7.4. In case of proportionate cancellation of shares held by Eligible Shareholders, if the number of Equity Shares to be cancelled, calculated on a proportionate basis is not in the multiple of one, the below adjustments shall be made:
- If the fraction is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - If the fraction is less than 0.50, then the fraction shall be ignored.

- 7.5. In case of any practical issues, resulting out of rounding-off of Equity Shares or otherwise, the Board or any person(s) authorized by the Board will have the authority to decide such final allocation with respect to such rounding – off or any excess or shortage of Equity Shares after allocation of Equity Shares as described.

8. TAX IMPLICATIONS

- 8.1. The Company shall undertake appropriate deduction of tax at source (“TDS”), as required in compliance with the relevant provisions of Income-tax Act, 1961 read with Income Tax Rules, 1962 at the time of payment or credit (whichever is earlier) of consideration to the Eligible Shareholders.
- 8.2. For computation of the amount of TDS, the Company has annexed to this notice a checklist of requisite information (“TDS Checklist”) **which will need to be filled mandatorily by all Eligible Shareholders, being non-residents as per Section 6 of the Income-tax Act 1961, who intend to participate in the capital reduction.** TDS in case of resident shareholders has been discussed below. If required, the Company reserves the right to apply a different tax rate for the purpose of TDS as per the applicable laws.

Tax deduction in case of resident shareholders:

- 8.3. The Company shall deduct tax at the rate of 0.1% of the consideration paid to the resident shareholders in terms of Section 194Q of the Income-tax Act, 1961. However, no tax will be deducted on the consideration paid to the resident shareholders, if the total consideration paid/payable by the Company during financial year (“FY”) 2022-23 does not exceed INR 50,00,000/- (Rupees Fifty Lakhs) individually.
- 8.4. In respect of TDS mentioned in Paragraph 8.3 above, resident shareholders are required to submit their PAN copy. Such shareholders can email their PAN copy at **capitalreduction@maxindia.com**, clearly stating their Client ID and DP Id. In case of resident shareholders, if the PAN is not available or if available, it is either: (i) invalid; or (ii) does not belong to the shareholder, the Company will deduct tax at the rate of 5% of the consideration paid to such resident shareholders in accordance with provisions of Section 206AA of the Income-tax Act, 1961. Also, if the following conditions are satisfied by a resident shareholder in terms of Section 206AB of the Income-tax Act, 1961, the Company will deduct tax at the rate of 5% of the consideration paid/payable to such resident shareholder –

a) Resident shareholder has not filed its income tax return for the previous year immediately prior to the previous year in which tax is required to be deducted, for which the time limit of filing of return of income under Section 139(1) of the Act has expired; and

b) The aggregate of TDS and Tax Collection at Source (“TCS”) is Rs 50,000 (Rupees Fifty Thousand) or more in the said previous year.

In this regard, the Company will use the online utility provided by Central Board of Direct Taxes (“CBDT”) “Compliance Check for Sections 206AB and 206CCA” of the Income tax, Act 1961.

Tax deduction in case of Foreign Institutional Investors/ Foreign Portfolio Investors (FII/FPIs)

- 8.5. As per the provisions of Section 196D(2) of the Income tax Act, 1961, no tax deduction should be required by the Company in respect of income arising in the form of capital gains to a FII/FPI from transfer of securities as defined in Section 115AD of the Income Act, 1961. It may be noted that required conditions are to be satisfied by such FII/FPIs as per Income Tax Act, 1961 and other applicable regulations. Please update the applicable sections in the TDS Checklist enclosed as Annexure 2 and send duly filled and signed soft copy (clear and legitimate) along with requested documents at email id **capitalreduction@maxindia.com** before closure of tender period. Physical copies of all such documents are to be submitted along with a duly filled Form of Acceptance.

Tax deduction in case of non-resident shareholders including non-resident individuals (NRIs)

- 8.6. As per the provisions of Section 195 of the Income-tax Act, 1961, the Company is required to deduct tax at the rates in force on any income, which is chargeable to tax for the non-resident payee, at the time of payment thereof or at the time of credit of such income to the account of payee, whichever is earlier.

- 8.7. The Company shall deduct the applicable tax basis the information provided by the Eligible Shareholders in the TDS Checklist enclosed as Annexure- 3. In case of any ambiguity, incomplete or conflicting information or information not being provided to the Company by the Eligible Shareholder, the Company reserves the right to deduct tax basis the maximum rate prescribed for such category of shareholder, assuming the face value as the cost of acquisition of shares subject to adjustments specified in Clause 3 of said TDS Checklist.
- 8.8. If the Eligible Shareholder requires the Company not to deduct tax or to deduct tax at a lower rate, for any reason, the said shareholder shall obtain the certificate for no deduction of tax or deduction of tax at lower rates from the income-tax authorities and submit the same with the Company along with the completed TDS Checklist. In absence of said certificate, the Company shall deduct the tax at rates applicable to the Eligible Shareholder.
- 8.9. Where a non-resident shareholder is tax resident of a country which has entered into a Double Tax Avoidance Agreement (hereinafter referred as “DTAA”) with India, it may be possible for the non-resident shareholder to avail the beneficial provisions, if any, under the DTAA. If the non-resident shareholder opts to avail the beneficial provisions as per DTAA, a tax residency certificate of such person obtained from the tax authorities of the country of which such person is the tax resident covering the period in which consideration is paid by the Company, duly filled and signed Form 10F and self-declaration for no permanent establishment/ place of effective management, along with all the other prescribed information, should be submitted along with the TDS Checklist. In absence of the aforementioned documents, the Company shall deduct TDS as per Paragraphs 8.7 to 8.8 above.
- 8.10. In case of an NRI, where it is claimed that he is governed by the provisions of Chapter XII-A of the Income-tax Act, 1961, he should submit the relevant information as requested in the TDS Checklist enclosed as Annexure-3, along with documents in support thereof and to the satisfaction of the Company. In case the information and documents are not submitted, or the Company is not satisfied regarding the same, then the rate of tax would be the same as applicable to any other non-resident shareholder. However, at the stage of remittance of consideration, the benefit of section 115F from a TDS perspective would not be granted. The same would only be granted where the NRI furnishes a lower or NIL withholding tax certificate issued by Indian tax authorities under Section 197 of the Income-tax Act, 1961.
- 8.11. All non-resident shareholders are required to submit their PAN for income-tax purposes. In case of non-residents, if the PAN is not submitted or is invalid or does not belong to the shareholder, the Company will deduct tax at the rate of 20% (twenty per cent.) or at the rate in force or at the rate specified in the relevant provisions of the Income-tax, Act, 1961, whichever is higher, in accordance with provisions of Section 206AA of the Income-tax, Act, 1961.

All such Non Resident shareholders shall submit the duly signed and updated TDS checklist enclosed as Annexure 2 and 3 (clear and legitimate copy) along with requested documents at email id capitalreduction@maxindia.com before closure of Tender Period. Physical copies of all such documents are to be submitted along with a duly filled Form of Acceptance.

- 8.12. If for any reasons, the income-tax department raises a vicarious liability in relation to the tax deducted by the Company and seeks to recover any tax (which is the tax liability of the Eligible Shareholder) from the Company, the Eligible Shareholder agrees to indemnify the Company for the same.
- 8.13. In case tax is deducted at a higher rate, an option is still available with the Eligible Shareholder to file the return of income and claim an appropriate refund. No claim shall lie against the Company for any taxes deducted by the Company.
- 8.14. Eligible Shareholders may consult their tax advisors for understanding the impact of applicable tax provisions and the appropriate course of action that they should take. The Company does not accept any responsibility for any tax position adopted by any Eligible Shareholder or any tax compliance obligation arising in the hands of the Eligible Shareholder.

This communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of payment on capital reduction.

9. PAYMENT TO NON-RESIDENT SHAREHOLDERS

- 9.1. To the extent the consideration is payable to any Non-resident/ NRI/ OCB shareholders on the capital reduction, the Company shall be subject to, and any payments by the Company would be subject to, applicable laws, including with the provisions of the

Foreign Exchange Management Act, 1999 and the regulations thereunder. The Company may seek requisite information from such non-resident shareholders to comply with the said provisions.

- 9.2. Such Non-resident/ NRI/ OCB shareholders, must obtain all approvals as may be required to tender the Equity Shares held by them in this capital reduction process (including without limitation the approval from the Reserve Bank of India (“**RBI**”). It is the obligation of such non-resident shareholders, to obtain such approvals (if required) and submit such approvals along with the Form of Acceptance.
- 9.3. The Company will have the right to make payment to such Eligible Shareholders in respect of whom no prior RBI approval is required and not accept the Form of Acceptance from the Eligible Shareholders in respect of whom prior RBI approval is required in the event copies of such approvals are not submitted.

DISCLAIMER:

This communication is solely for the benefit of the shareholders and due care has been taken by the Company to check the accuracy of the information. However, the Company does not take any express or implied liability to providing this guidance. The shareholders are advised to seek independent tax advisory should they deem it necessary.

**Signed for and on behalf of the Company
Max India Limited**

Sd/-

**Rajit Mehta
Managing Director
DIN: 01604819
Place: Noida
Date: July 14, 2022**

ANNEXURE -2

TDS CHECKLIST - FOR FOREIGN INSTITUTIONAL INVESTORS ('FII')/ FOREIGN PORTFOLIO INVESTORS ('FPI') (CORPORATE AND NON-CORPORATE) / OVERSEAS CORPORATE BODIES ('OCB')

Please refer to the Option Notice regarding TDS on consideration to be paid to Eligible Shareholders on capital reduction. Shareholders are advised to consult their tax advisors for the treatment that may be adopted for the purpose of depositing advance tax, filing the income tax return, the treatment that may be given by their respective assessing officers in relation to the capital reduction, and the appropriate course of action that they should take including for filling the below mentioned checklist.

1. We certify that we have a Permanent Account Number (PAN) obtained from the Indian Revenue authorities which is _____. *If PAN is not available, please mention "Not available" in the space provided.*
2. We certify the following in relation to the cost of acquisition of tendered shares –
 - Cost of acquisition of shares _____
 - Currency in which tendered shares were acquired _____
 - Whether the tendered shares were acquired by the shareholder in erstwhile Max India Limited before the Scheme (defined below) *(please specify in Yes/ No)* _____

Note: The Hon'ble National Company Law Tribunal, Mumbai, vide its order dated January 17, 2020, had sanctioned the Composite Scheme of Amalgamation and Arrangement under Sections 230-232 of the Companies Act, 2013 among Max India Limited (herein after referred to as "Erstwhile Max India"), Max Healthcare Institute Limited (herein after referred to as "Max Healthcare"), Radiant Life Care Private Limited and Advaita Allied Health Services Limited (renamed as Max India Limited, hereinafter referred to as "Max India" or "the Company"), and their respective Shareholders and Creditors ("the Scheme"). The Scheme provided for Demerger of Demerged Undertaking 1 of Erstwhile Max India into the Company, and thereafter amalgamation of residual Erstwhile Max India with Max Healthcare.

Accordingly, the cost of acquisition of the shares held by the shareholders of Max India Limited, who received such shares in lieu of their shares held in Erstwhile Max India (before June 15, 2020) shall be computed in accordance with Section 49(2C) of the Income-tax Act, 1961. The proportionate cost shall be computed as 59.57% (fifty nine point fifty seven per cent.) of the original cost of acquisition. Please refer below link notified by erstwhile Max India in this regard:

<https://www.maxindia.com/wp-content/uploads/2020/06/CoA-split-for-shareholders.pdf>

3. We certify that the TDS on the consideration paid by the Company towards capital reduction of equity shares is to be deducted on account of *(Please ✓ the relevant option)*
 - ____ Short term capital gains
 - ____ Long term capital gains
 - ____ Profits and gains from business or profession

In relation to Sr. No. 2 and 3 above, following document(s) are annexed to this checklist as proof for (a) Period of holding and b) Cost of acquisition of shares: (Please specify the nature of document)

- i. _____
- ii. _____

Please confirm the applicable tax rate including surcharge and cess basis consultation with your tax advisors *(please specify applicable tax rate)*. If details are not provided, tax shall be deducted by applying the maximum base tax rate and surcharge, as applicable in India. The Company reserves the right to apply a different tax rate for the purpose of TDS as per applicable laws.

4. We certify that we are eligible for nil or lower tax deduction, basis the order obtained from income tax authorities for *(Please ✓ the relevant option)* -
 - ____ Non deduction of tax at source
 - ____ Deduction at lower rate

Please annex a copy of the order and provide lower/ nil tax deduction order number. Please annex a copy of the PAN as well.

5. We hereby certify that:
 - a) We qualify as a tax resident of *(please specify country)* in terms of the applicable Double Taxation Avoidance Agreement ('DTAA') and the domestic laws of the above specified country and do not qualify as a tax resident of India as per Section 6 of the Income-tax Act, 1961 during the year FY2022-23 (i.e. period from 01 April 2022 to 31 March 2023). *Please note that if name of the country is not mentioned, tax shall be deducted by applying the maximum base tax rate and surcharge, as applicable in India.*

- b) We have a valid Tax Residency Certificate (TRC) obtained from the tax authorities of (please specify country) for the period to (please specify period for which TRC was valid). Please note that if TRC details are not provided, it will be assumed that the shareholder does not have a valid TRC. Shareholder can provide Form 10F if the TRC does not provide all prescribed details.
- c) We, have examined our investment structure in India, analysed our activity of purchase and sale of listed Indian securities basis the Indian General Anti Avoidance Rules ('GAAR') in terms of Chapter X-A of the Income Tax Act, 1961 read with applicable rules and confirm that the main purpose of our investment structure is not to obtain benefits of the applicable DTAA and I/ we do not satisfy the secondary criteria in relation to impermissible avoidance agreement specified in clauses (a) to (d) of Section 96(1) of the Income Tax Act, 1961. (Please answer in Yes/ No) _____
- d) We do not have a permanent establishment in India during FY 2022-23 (i.e. period from 01 April 2022 to 31 March 2023). (Please answer in Yes/ No) _____
- e) Amount received by us as part of the capital reduction constitutes capital gains and that in the past, similar gains (if any) have been taxed as such by the tax authorities in India. (Please answer in Yes/ No) _____.
- f) We are liable to tax, in case the conditions of 'liable to tax' is a pre-requisite for availing benefit of applicable DTAA in terms of Section 2(29A) of the Income Tax Act, 1961 or applicable DTAA. (Please answer in Yes/ No) _____
- g) We confirm that we are entitled to claim benefits under the DTAA between India and (please specify country) as modified by the Multilateral Instrument ('MLI'), (wherever applicable) and that all relevant provisions of MLI are fulfilled (including but not limited to the "Principal Purpose Test", "Limitation of Benefit" test, etc.) in order to implement DTAA related measures to prevent base erosion and profit shifting signed by India and the abovementioned country. (Please answer in Yes/ No) _____.
- h) The tax benefit, if any, derived from investment in shares of Max India Limited would be in accordance with the object and purpose of the relevant provisions of the DTAA between India and (please specify country). (Please answer in Yes/ No) _____
- i) We are the beneficial owner of the investments made by us in the shares of Max India Limited. (Please answer in Yes/ No) _____.
- j) We, being a FII/ FPI, are registered with Securities and Exchange Board of India ('SEBI') as such and have a SEBI registration no. _____. Please note that if registration number is not provided, it will be assumed that the shareholder is not a FII/ FPI.

6. We have enclosed the following documents as evidence of eligibility to claim any double tax treaty benefit. (Please ✓ the relevant option)
- ____ Tax Residency Certificate
- ____ Form 10F
- ____ Declaration for no-permanent establishment/ place of effective management in India
- ____ Any others, please specify _____

Declaration - We confirm that if for any reasons, the income-tax department raises a vicarious liability in relation to the tax deducted by the Company and seeks to recover any tax (including interest and penalty which is our tax liability) from the Company, we agree to indemnify the Company for the same.

FII/FPI/OCB Shareholders participating in capital reduction are required to send duly filled and signed copy (clear and legitimate) of the above checklist along with the requested documents by email at capitalreduction@maxindia.com. Physical copies of all such documents are to be submitted along with a duly filled Form of Acceptance.

Also, please mention your Client ID/ DP ID and PAN in subject while sending the email.

The Company reserves the right to seek any additional clarification from the shareholder in respect of the details requested above. In this regard, please share the relevant co-ordinates –

(Signature)
 Name :
 E-mail ID :
 Contact number :

ANNEXURE - 3

TDS CHECKLIST - FOR NON-RESIDENT INDIVIDUAL ('NRI') SHAREHOLDERS

Please refer to the Option Notice regarding TDS on consideration to be paid to Eligible Shareholders on capital reduction. Shareholders are advised to consult their tax advisors for the treatment that may be adopted for the purpose of depositing advance tax, filing the income tax return, the treatment that may be given by their respective assessing officers in relation to the capital reduction, and the appropriate course of action that they should take including for filling the below mentioned checklist.

1. I certify that I have a Permanent Account Number (PAN) obtained from the Indian Revenue authorities which is _____. *If PAN is not available, please mention "Not available" in the space provided.*
2. I certify the following in relation to the cost of acquisition of tendered shares –
 - Cost of acquisition of shares _____
 - Currency in which tendered shares were acquired _____
 - Whether the tendered shares were acquired by the shareholder in erstwhile Max India Limited before the Scheme (defined below) *(please specify in Yes/ No)* _____

Note: The Hon'ble National Company Law Tribunal, Mumbai, vide its order dated January 17, 2020, had sanctioned the Composite Scheme of Amalgamation and Arrangement under Sections 230-232 of the Companies Act, 2013 among Max India Limited (herein after referred to as "Erstwhile Max India"), Max Healthcare Institute Limited (herein after referred to as "Max Healthcare"), Radiant Life Care Private Limited and Advaita Allied Health Services Limited (being renamed as Max India Limited, hereinafter referred to as "Max India" or "the Company"), and their respective Shareholders and Creditors ("the Scheme"). The Scheme provided for Demerger of Demerged Undertaking 1 of Erstwhile Max India into the Company, and thereafter amalgamation of residual Erstwhile Max India with Max Healthcare.

Accordingly, the cost of acquisition of the shares held by the shareholders of the Company, who received such shares in lieu of their shares held in Erstwhile Max India (before June 15, 2020) shall be computed in accordance with Section 49(2C) of the Income-tax Act, 1961. The proportionate cost shall be computed as 59.57% of the original cost of acquisition. Please refer below link notified by erstwhile Max India in this regard:

<https://www.maxindia.com/wp-content/uploads/2020/06/CoA-split-for-shareholders.pdf>

3. I certify that the TDS on the consideration paid by the Company towards capital reduction of equity shares is to be deducted on account of *(Please ✓ the relevant option)*
 - ____ Short term capital gains
 - ____ Long term capital gains
 - ____ Profits and gains of business or profession

In relation to Sr. No. 2 and 3 above, following document(s) are annexed to this checklist as proof for (a) Period of holding and b) Cost of acquisition of shares: *(Please specify nature of documents)*

- i. _____
- ii. _____

Please confirm the applicable tax rate including surcharge and cess basis consultation with your tax advisors *(please specify applicable tax rate)*. If details are not provided, tax shall be deducted by applying the maximum base tax rate and surcharge, as applicable in India. The Company reserves the right to apply a different tax rate for the purpose of TDS as per applicable laws.

4. I certify that I am eligible for nil or lower tax deduction, basis the order obtained from income tax authorities for *(Please ✓ the relevant option)* -
 - ____ Non deduction of tax at source
 - ____ Deduction at lower rate

Please annex a copy of the order and provide lower/ nil tax deduction order number _____. Please annex a copy of the PAN card as well.

5. I hereby certify that:
 - a) I qualify as a tax resident of *(please specify country)* in terms of the applicable Double Taxation Avoidance Agreement ('DTAA') and the domestic laws of the above specified country and do not qualify as a tax resident of India as per Section 6 of the Income-tax Act, 1961 during the year FY2022-23 (i.e. period from 01 April 2022 to 31 March 2023). *Please note that if name of the country is not mentioned, tax shall be deducted by applying the maximum base tax rate and surcharge, as applicable in India.*

- b) I have a valid Tax Residency Certificate (TRC) obtained from the tax authorities of *(please specify country)* for the period _____ to _____ *(please specify period for which TRC was valid)*. *Please note that if TRC details are not provided, it will be assumed that the shareholder does not have a valid TRC. Shareholder can provide Form 10F if the TRC does not provide all prescribed details.*
- c) I have examined our investment structure in India, analysed our activity of purchase and sale of listed Indian securities basis the Indian General Anti Avoidance Rules ('GAAR') in terms of Chapter X-A of the Income Tax Act, 1961 read with applicable rules and confirm that the main purpose of my/ our investment structure is not to obtain benefits of the applicable DTAA and I do not satisfy the secondary criteria in relation to impermissible avoidance agreement specified in clauses (a) to (d) of Section 96(1) of the Income Tax Act, 1961. *(Please answer in Yes/ No)* _____
- d) I do not have a permanent establishment in India during FY 2022-23 (i.e. period from 01 April 2022 to 31 March 2023). *(Please answer in Yes/ No)* _____
- e) Amount received by me/ us as part of the capital reduction constitutes capital gains and that in the past, similar gains (if any) have been taxed as such by the tax authorities in India. *(Please answer in Yes/ No)* _____.
- f) I am liable to tax, in case the conditions of 'liable to tax' is a pre-requisite for availing benefit of applicable DTAA in terms of Section 2(29A) of the Income Tax Act, 1961 or applicable DTAA. *(Please answer in Yes/ No)* _____
- g) I confirm that I am entitled to claim benefits under the DTAA between India and *(please specify country)* as modified by the Multilateral Instrument ('MLI'), (wherever applicable) and that all relevant provisions of MLI are fulfilled (including but not limited to the "Principal Purpose Test", "Limitation of Benefit" test, etc.) in order to implement DTAA related measures to prevent base erosion and profit shifting signed by India and the abovementioned country. *(Please answer in Yes/ No)* _____.
- h) The tax benefit, if any, derived from investment in shares of Max India Limited would be in accordance with the object and purpose of the relevant provisions of the DTAA between India and *(please specify country)*. *(Please answer in Yes/ No)* _____
- i) I am the beneficial owner of the investments made by us in the shares of Max India Limited. *(Please answer in Yes/ No)* _____.
6. I have enclosed the following documents as evidence of eligibility to claim any double tax treaty benefit. *(Please ✓ the relevant option)*
- ____ Tax Residency Certificate
 ____ Form 10F
 ____ Declaration for no-permanent establishment
 ____ Any others, please specify _____
7. I, being a non-resident individual, hereby certify that I have opted for beneficial provisions of Chapter XIIA prescribed under the Income-tax Act, 1961. *(Please answer in Yes/ No)* _____.

If yes, please enclose supporting documents to substantiate utilization of foreign currency for acquisition of shares of Max India Limited.

Declaration - I confirm that if for any reasons, the income-tax department raises a vicarious liability in relation to the tax deducted by the Company and seeks to recover any tax (including interest and penalty which is my tax liability) from the Company, I agree to indemnify the Company for the same.

NRI Shareholders participating in capital reduction are required to send duly filled and signed copy (clear and legitimate) of the above checklist along with the requisite documents by email at capitalreduction@maxindia.com. Physical copies of all such documents are to be submitted along with a duly filled Form of Acceptance.

Also, please mention your Client ID/ DP ID and PAN in subject while sending the email.

The Company reserves the right to seek any additional clarification from the shareholder in respect of the details requested above. In this regard, please share the relevant co-ordinates –

(Signature)
 Name :
 E-mail ID :
 Contact number :

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