

Max India's Demerger Receives Court Approval

- Max India Board to announce effective date for demerger of company into 3 separate listed entities in January 2016

- Max Financial Services expected to trade ex-demerger in January 2016, and the other resulting companies in February 2016

24th Dec 2015, New Delhi

The Hon'ble High Court of Punjab and Haryana vide its order dated 14th December 2015 approved Max India's Composite Scheme of Arrangement for the demerger of the company. The shareholders of Max India have already given their consent on July 4, 2015, with over 99.9% voting in favor of the demerger, which will unlock value and provide undiluted access to the company's businesses. In addition, the Insurance Regulatory and Development Authority of India (IRDAI), the Securities and Exchange Board of India (SEBI) and the Competition Commission of India (CCI) have already approved the demerger of Max India, into three separate listed entities. The court is expected to issue the detailed certified order shortly.

Upon receipt of the detailed certified order, the Company will file the same with the Registrar of Companies (RoC) for achieving 'Effective Date' of the demerger – the day the 3 legal entities will stand demerged.

On the Effective Date, the existing company, Max India will be renamed as Max Financial Services Limited. In addition, as per the sanctioned scheme, Resulting Company 1 i.e., Taurus Ventures Limited will be renamed as Max India Limited and Resulting Company 2, i.e., Capricorn Ventures Limited will be renamed as Max Ventures and Industries Limited. The demerged Max Financial Services Limited's stock will start trading on the BSE as well as the NSE in a week from the Effective Date and the two additional companies are anticipated to list in about 45 days from the Effective Date.

Explaining the rationale for the restructuring, Mr. Rahul Khosla, Managing Director, Max India said, "The strategic restructuring and the underlying strength and potential of each business make them well positioned to deliver stellar performance going forward. One of the main benefits of the restructuring is to provide choice for investors to participate specifically in the growth of different sectors/industries. The restructuring and separate listings will also lead to a more accurate value discovery of each vertical. The market has responded extremely favourably in the past few months since we announced the restructuring in January and we hope the investors' trust in us will only continue to grow from here."

Commenting on the next steps in the restructuring exercise, Deputy Managing Director Mr. Mohit Talwar said, "The Court order has been a critical penultimate step towards the conclusion of the much awaited restructuring. We and our investors are now looking forward to the demerger and the resultant listing of the 3 demerged entities. We are seeing a significant amount of investor interest and shareholder confidence in all the listing entities."

Post demerger, the three holding companies will be as follows:

- a) Max Financial Services Limited will focus solely on, and manage the Group's flagship life insurance activity, through its subsidiary Max Life Insurance, in which it holds 72% share, making it the first Indian listed company exclusively focused on life insurance.
- b) The second listed company, Max India Limited will manage investments in the high potential Healthcare and Allied businesses. It will have three subsidiaries – Max Healthcare, Max Bupa and Antara Senior Living. The demerger will provide these businesses, which are currently in their growth and development phase, sharpened focus to fulfill their tremendous growth and value potential.
- c) The third listed company, Max Ventures and Industries Limited (MVIL), will manage investment in the Group's manufacturing subsidiary, Max Speciality Films – an innovation leader in the Speciality Packaging Films business. In addition, MVIL will explore fresh ideas for new ventures in the 'wider world of business'.

Post restructuring, Max India's existing shareholders will retain one equity share of Rs 2/- in Max Financial Services Limited. They will additionally get one equity share of Rs. 2/- each of the new company Max India Limited for every one equity share held in Max Financial Services and one equity share of Rs. 10/- each of Max Ventures and Industries Limited for every 5 equity shares of Rs. 2/- each held in Max Financial Services. The company has applied for approval from the Foreign Investment Promotion Board (FIPB) to enable issuance of the aforesaid new shares.

About Max Group

The Max Group is a leading Indian multi-business corporate with a commanding presence in the Life Insurance, Healthcare and Health Insurance sectors. In the financial year 2015, the Group recorded a consolidated turnover of Rs 14,877 Cr. It has a total customer base of over 7.5 million, nearly 300 offices spread across India and people strength of around 17,000 as on 31st March 2015. Max India Limited is a widely held company, listed on the BSE and the NSE. Its founder sponsor Analjit Singh holds 40.5% stake in the company. Other shareholders include some of the world's best Institutional Investors such as Goldman Sachs, Temasek, IFC (Washington), Fidelity and New York Life.

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