



January 27, 2015

The Manager
Department of Corporate Services
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 021.

The Secretary
National Stock Exchange of India Ltd.
Exchange Plaza
Bandra -Kurla Complex
Bandra (E),
Mumbai 400 051.

Dear Sir/Madam,

Sub: **Disclosure under Clause 36 of the Listing Agreement**

1. Further to our earlier letters dated January 12, January 14/15, and January 19, 2015 submitted to the Stock Exchanges, regarding the corporate restructuring plan for the Company, we would like to inform you of the outcome of today's Board meeting, as under:

A. **Approved Corporate Restructuring plan in the form of Scheme of Demerger of the Company:**

The Board of Max India Limited (**'the Company'**) in its meeting held earlier today approved a Corporate Restructuring plan to vertically split the Company through a demerger to three companies, the existing company and the two resulting companies to be listed on demerger becoming effective. This would enable the investors in the Company to have a choice, to be associated with the underlying businesses through separate listed entities, or specifically with the relatively matured business of life insurance, and/or have a separate access to the mature manufacturing business of speciality films, and/or in the health and allied businesses which are in their relative growth phase or nascent stage of development and have higher capital requirements. In addition, the restructuring would also result in a sharper focus on underlying businesses and unlock value for shareholders. The salient details of the Scheme of Demerger are as follows:

- (i) The existing company, Max India Limited, is proposed to be renamed 'Max Financial Services Limited' upon demerger and will focus solely on the group's flagship life insurance activity, through its 72.1% shareholding in Max Life Insurance Company Limited (**"Max Life"**), making it the first Indian listed company exclusively focused on life insurance. The Insurance Laws (Amendment) Ordinance, 2014, recently promulgated by the President of India, and widely expected to be approved as an Act, has created renewed investor interest in the life insurance sector.
- (ii) Upon completion of the demerger, it is proposed to name the second vertical as Max India Limited (**"Resulting Company 1"**), which will continue to manage investments in the high potential health and allied businesses including in: - Max Healthcare Institute Limited, Max Bupa Health Insurance Company Limited, Antara Senior Living Limited and supported by a corporate management services team. The demerger will provide these businesses, which are currently in their growth and development phases, sharpened focus to fulfil their tremendous potential. The corporate management services team will manage shared services facilities and provide functional support to all 3 verticals.

- (iii) The third vertical will house the investment activity in the group's manufacturing subsidiary, Max Speciality Films Limited - an innovation leader in the speciality packaging films business - and will be named Max Ventures and Industries Limited ("**Resulting Company 2**").
- (iv) The Company's shareholders whose name will appear in the register of members on a 'Record Date', to be specified for the said purpose once the demerger scheme is effective, will retain one equity share of Rs. 2/- in Max Financial Services Limited (existing Max India, as renamed). In addition, the shareholders will get shares in the new companies as detailed below:
 - one equity share of Rs. 2/- each of Resulting Company 1 for every one equity share of Rs. 2/- each held in the Company; and
 - one equity share of Rs. 10/- each of Resulting Company 2 for every 5 equity shares of Rs. 2/- each held in the Company.
- (v) The Company had cash reserves of Rs. 605 Cr. as at December 31, 2014. It is proposed to split the cash reserves as on Appointed Date of April 1, 2015 between the 3 listed companies such that the Company will hold Rs. 150 Cr., Resulting Company 2 will hold Rs. 10 Cr. and the balance, likely to be over Rs. 400 Cr., will be held by Resulting Company 1.
- (vi) The top leadership of the Company – Mr. Analjit Singh (Chairman), Mr. Rahul Khosla (Managing Director) and Mr. Mohit Talwar (Deputy Managing Director) – will continue in their roles and upon demerger, will continue to hold appropriate roles in the demerged entities of the Max group. The top leadership of the Max group's operating companies will continue in their respective roles – Mr. Rajesh Sud, MD and CEO of Max Life and Chairman, Max Bupa, Mr. Rajit Mehta, DMD of Max Healthcare, Ms. Tara Singh Vachani, CEO of Antara, Mr. Jaideep Wadhwa, CEO of MSF and Ms. Mohini Daljeet Singh, Chief Executive of Max India Foundation.
- (vii) The Appointed Date for the demerger is April 1, 2015.
- (viii) The proposed demerger is subject to approval by the Company's shareholders, its creditors and relevant regulatory authorities. Subject to receipt of the requisite approvals, the demerger is expected to be completed by the end of 2015.

B. Divestment of clinical research business:

The Board of the Company has also approved divestment of 100% of its stake in the clinical research business managed through various entities. Max Neeman entities in India and United States of America are proposed to be divested to a Canadian Contract Research Organization (CRO), JSS Medical Research Inc., for a consideration of US\$ 1.5 Million, subject to successful completion of due diligence and signing of definitive agreements, expected by mid-February.

2. The promoter of the Company, Mr. Analjit Singh, informed the Board of his intention to make a voluntary open offer for buying upto an additional 34.5% stake in Resulting Company 2, i.e. Max Ventures and Industries Limited ("**MVIL**") (which would take his aggregate shareholding (together with persons acting in concert) in MVIL to a maximum of 75%). Investors who only want to focus on life insurance and / or Health and Allied

activities, or don't have manufacturing focus will have an option through the open offer to exit this investment if they so wish.

The press release being issued by (i) the Company and (ii) the promoter on the aforesaid matters are enclosed for your information.

You are requested to take the aforesaid on record and disseminate the information for the public.

Thanking you,

Yours faithfully
For **Max India Limited**

A handwritten signature in blue ink, appearing to read 'V. Krishnan', with a long horizontal stroke extending to the right.

V. Krishnan
Company Secretary

Encl: as above

Max India set for mega corporate restructuring

Demerges into 3 business verticals - Life Insurance, Health & Allied businesses and Manufacturing Industries

27th Jan 2015, New Delhi

The Board of Max India Ltd, approved a Corporate Restructuring plan to vertically split the company through a demerger, into three separate listed companies, to give investors specific and undiluted access to its diverse lines of businesses, provide sharper focus to each underlying business, and unlock shareholder value. The Board also approved divestment of its clinical research business.

Upon completion of the demerger, the existing company, Max India Limited, is proposed to be renamed 'Max Financial Services Limited' (MFS) upon demerger and will focus solely on the group's flagship life insurance activity, through its 72.1% shareholding in Max Life, making it the first Indian listed company exclusively focused on life insurance. The Insurance Amendment Ordinance, recently promulgated by the President of India, and widely expected to be approved as an Act, has created renewed investor interest in the life insurance sector.

Upon completion of the demerger it is proposed to name the second vertical Max India Limited, which will continue to manage investments in the high potential Health and Allied businesses, essentially comprising : - Max Healthcare, Max Bupa, Antara Senior Living and supported by a Corporate Management Services team. The demerger will provide these businesses, which are currently in their growth and development phases, sharpened focus to fulfil their tremendous potential. The Corporate Management Services team will manage a shared services centre, which will provide functional support to all 3 verticals.

The third vertical will house the investment activity in the group's manufacturing subsidiary, Max Speciality Films - an innovation leader in the Speciality Packaging Films business - and will be named Max Ventures and Industries Limited (MVIL). Set-up in 1989, the Speciality Packaging Films business has been consistently profitable. It recorded revenues of Rs. 746 Cr. and profit of Rs. 14 Cr in FY2014. The Prime Minister's new initiative 'Make in India' is set to provide fresh impetus to this business and for this vertical, to start looking at fresh ideas in the 'wider world of business'.

Max India has also initiated action for the divestment of its entire 100% stake in the clinical research business. Max Neeman entities in India and United States are proposed to be divested to a Canadian Contract Research Organization (CRO), JSS Medical Research Inc., for a consideration of US\$ 1.5 Million, subject to successful completion of due diligence and signing of definitive agreements, expected by mid-February.

Once the demerger scheme is effective, after due regulatory approvals, Max India's shareholders will retain one equity share of Rs 2/- in Max Financial Services Limited and will additionally get one equity share of Rs. 2/- each of Max India Limited for every one equity share of Rs. 2/- each 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.

Max India currently has cash reserves of Rs. 605 Cr. as at December 31, 2014. It is proposed to split the cash reserves as on Appointed Date of April 1, 2015 between the 3 listed companies such that Max Financial Services Limited will hold Rs. 150 Cr., Max Ventures and Industries Limited will hold Rs. 10 Cr. and the balance, likely to be over Rs. 400 Cr., will be held by the newly formed Max India Limited.

The top leadership of Max India - Analjit Singh (Chairman), Rahul Khosla (Managing Director) and Mohit Talwar (Deputy Managing Director) – will continue in their roles and upon demerger, will continue to hold appropriate roles in the demerged entities of the Max group. The top leadership of the Max group's operating companies will continue in their respective roles – Rajesh Sud, MD and CEO of Max Life and Chairman, Max Bupa, Rajit Mehta, DMD of Max Healthcare, Tara Singh Vachani, CEO of Antara, Jaideep Wadhwa, CEO of MSF and Mohini Daljeet Singh, Chief Executive of Max India Foundation.

Setting the context for the demerger, Analjit Singh, Chairman, Max India Ltd, said "The new government is setting a rapid pace for economic reforms. This structural reconfiguration readies us to capitalize on opportunities created by the anticipated all round growth acceleration and to henceforth look at the wider world of business opportunities."

Explaining the rationale for the demerger, he added "Our bouquet of businesses is diverse, but each has considerable value and growth potential. This demerger will provide investors with a choice to continue to be associated with all these businesses, or only specifically invest in the set of businesses that suit their respective investment philosophy. For instance, the high growth healthcare business is poised to add significant additional capacity in future. The health insurance and senior living business are less than 5 years in operation and need significant focus, attention and capital, while the relatively mature business of life insurance provides a balance of growth and profitability."

The Appointed Date for the demerger is April 1, 2015, and the demerger is expected to be completed within the next six to nine months.

The proposed demerger is subject to approval by Max India shareholders, its creditors and relevant regulatory authorities.

About Max India

Max India 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 2014, the Group recorded a consolidated turnover of Rs 117 billion. It has a total customer base of around 8 million, over 300 offices spread across India and people strength of around 18,000 as on 31st March 2014. 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 world's best Institutional Investors such as Goldman Sachs, Temasek, IFC (Washington), Fidelity and New York Life.

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Analjit Singh to make an open offer to increase his shareholding up to 75% in the holding company for Max Speciality Films post demerger from Max India**27th Jan 2015, New Delhi**

The promoter of Max India, Analjit Singh, today announced his intention to make a voluntary open offer for buying upto an additional 34.5% stake in Max Ventures and Industries Limited (MVIL), which will be listed post the demerger of Max India, as announced earlier today, and which will hold the investment in Max Speciality Films Limited (MSF Ltd).

The voluntary open offer, subject to the provisions of applicable laws including the SEBI Takeover Regulations, is proposed to be formally made upon completion of demerger of Max India Limited and listing of MVIL at an approximate valuation of Rs. 168 Cr. for 100% of MVIL. This represents approximately 20% premium to the fair value of MSF Ltd. as recently ascertained by Axis Capital Limited, a category 1 merchant banker and is higher than the Book Value of the business. This value factors both the earning potential as well as the asset value of the company.

Post-demerger, MVIL would hold 99% equity in Max Speciality Films Limited, an innovation leader in the Speciality Packaging Films business, which is currently held by Max India. MSF business was set-up in 1989 as a division of Max India, and subsequently converted into a subsidiary. The MSF business has been consistently profitable, and recorded revenue of Rs. 746 Cr. profits of Rs. 14 Cr in FY2014.

Explaining the rationale behind the Open Offer, Analjit Singh said, "Max Speciality Films has always been an efficiently run entity demonstrating consistent growth and creating shareholder value. The demerger will bring more focus to this cash-generating business and enablement to develop this business, which has strong potential to grow through capacity augmentation. The business will benefit from the Prime Minister's new vision of 'Make in India', which is set to provide fresh impetus to new manufacturing businesses and industries. Investors who only want to focus on life insurance and / or Health and Allied activities, or don't have manufacturing focus will have an option through the open offer to exit this investment if they so wish."

Earlier today, the Board of Max India approved the demerger plan to vertically split Max India into three listed companies, to give investors separate access to its diverse businesses and provide sharper focus on its investments in Life Insurance; Health & Allied Activities; and Manufacturing. The demerger will involve issuance of shares to every shareholder of Max India as on the designated Record Date. Therefore, existing equity shareholders of Max India would continue to remain its shareholders, while also becoming shareholders of the new companies housing Health & Allied Activities and Manufacturing respectively, upon demerger. The proposed demerger is subject to approval by Max India shareholders and the relevant regulatory authorities including the High Court. The timing and implementation of open offer for MVIL is subject to successful completion of demerger and its subsequent listing.

Disclaimer: *Certain statements in this "Press Release" may not be based on historical information or facts and may be "forward looking statements" within the meaning of applicable securities laws and regulations, including, but not limited to, those relating to general business plans & strategy, future outlook & growth prospects, competitive & regulatory environment and management's current views & assumptions which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. The Company assumes no responsibility to publicly amend, modify or revise any statement, on the basis of any subsequent development, information or events, or otherwise. This "Press Release" does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company' shares.*