

MaxVIL to enter into a JV with Toppan Printing, Japan, for Max Speciality Films

10th Feb 2017, New Delhi

The respective Boards of Max Speciality Films (MSF) and Max Ventures and Industries Limited (MaxVIL) today approved the induction of Toppan Printing Co. Ltd, Japan (Toppan) as a joint venture partner with a 49% stake¹ in MaxVIL's flagship manufacturing business - MSF.

The new partnership with Toppan, a multinational corporation with interests in Information & Communication, Living & Industry, and Electronics, will help strengthen the speciality films business and serve as a testimony of MaxVIL's commitment to expanding its manufacturing business.

Established in 1900, Toppan (Market Cap of US\$ 6.8 bn) will serve as a strategic partner in MSF and share their expertise in managing a global speciality films business, as well as, leverage their global sales network. Under this partnership, Toppan, which is a large global buyer of BOPP products (MSF's key offering), will also serve as a customer of MSF.

As part of the partnership, Toppan will invest approximately INR 200 crore, through a combination of primary and secondary share issuance. The investment by Toppan is subject to customary closing conditions, including but not limited to shareholder or other approval(s).

MSF has undertaken key expansion efforts in the past 12-18 months. The MSF Board last year approved an investment of INR 250 crore to set-up its 5th BOPP line, which will help augment production capacity by a significant 60% to over 70,000 tons per annum. A substantial portion of the proceeds from this transaction will be utilized for MSF's on-going capacity expansion.

The transaction will also result in MaxVIL's treasury corpus growing to INR 290 crore, including the expected capital infusion of INR 148 crore from the New York Life subsidiary and MaxVIL promoters, announced in January 2017.

Speaking of the investment, **Mr. Analjit Singh**, Founder & Chairman Emeritus of the Max Group and Chairman of MaxVIL said, "We are delighted to welcome Toppan to an already illustrious set of joint venture partners in the Max Group, which includes Japan-based Mitsui Sumitomo Insurance, South Africa's Life Healthcare and Bupa Finance from the UK. I am confident that their partnership and strategic support will play an instrumental role in setting MSF's future growth trajectory. We have worked successfully with Japanese companies and are most pleased to continue our friendship with Japan."

¹ On a fully diluted basis

Mr. Sahil Vachani, Managing Director of MaxVIL said, “Toppan’s industrial experience of over 100 years, their expansive global sales network and cutting-edge technological capabilities make them an ideal partner for us at this juncture in MSF’s journey. I am confident the partnership will provide us the necessary global market access and technological support to drive long-term growth in new and existing markets.”

Speaking of the development, **Mr. Shingo Kaneko**, President & Representative Director of Toppan Printing Co. Ltd, said, “We see enormous opportunity in India and in this business specifically. MSF has emerged as a front-runner in their unwavering commitment towards R&D and constantly innovating and upgrading technology to stay at the top of the leader-board across a wide field of applications from labelling to flexible packaging. We are excited to partner them and help the business scale new heights.”

MaxVIL is the newest entity in the Max Group of companies that came into existence after the erstwhile Max India Group was demerged into Max Financial Services Limited, Max India Limited and Max Ventures and Industries Limited (MaxVIL). MaxVIL has four distinct business verticals Max Speciality Films (Manufacturing), Max Estates (Real Estate), Max Learning (Education) and Max I. (providing intellectual and financial support to high-potential start-ups). MaxVIL is listed both on BSE and NSE. Other investors in MaxVIL include International Finance Corporation (IFC) and Reliance Mutual Fund.

The transaction is subject to customary closing conditions, including and not limited to receipt of shareholder approval.

Transaction Advisors

Ambit acted as the financial advisor to MSF and MaxVIL. Daiwa acted as the financial advisor to Toppan. AZB & Partners (Delhi team) acted as legal advisor to MaxVIL and Shardul Amarchand Mangaldas (Delhi team) acted as legal advisor to Toppan.

About Max Ventures and Industries Limited

Max Ventures and Industries, is the holding company of Max Speciality Films, an innovation leader in the Speciality Packaging Films business. In addition to manufacturing, the Company also serves as the Group’s entrepreneurial arm to explore the ‘wider world of business’, especially taking cues from the economic and commercial reforms agenda of the present Government, including ‘Make in India’, ‘Skill India’, ‘Digital India’, among others. With this vision, MaxVIL has incorporated three new subsidiaries, which are Max Estates, the real estate arm of the Max Group with the vision to bring the Group’s values of Sevabhav, Excellence and Credibility to the Indian real estate sector, Max I. Limited, a fully owned special purpose vehicle, will facilitate Intellectual & Financial Capital to promising and proven early-stage organizations across identified sunrise sectors and Max Learning Limited, which is focused on the education sector.

MaxVIL is listed on both the Bombay Stock Exchange as well as the National Stock Exchange. As on date, MaxVIL has 53,454,008 outstanding shares at a face value of Rs 10 per share. The current promoter shareholding in MaxVIL is 45.06%.

About Max Group

The Max Group is a leading Indian multi-business conglomerate with a commanding presence in the Life Insurance, Health & Allied businesses and packaging sectors. In FY 2016, the Group recorded consolidated revenues of Rs 14,237 Cr. It has a total customer base of 9 million, nearly 240 offices spread across India and people strength of 22,500 as on 31st March 2016. The Group's investor base includes marquee global financial institutions such as Goldman Sachs, KKR, IFC Washington, Fidelity, Wasatch, Ward Ferry, Nomura, New York Life and Invesco.

The Max Group comprises three holding companies, namely Max Financial Services, Max India and Max Ventures & Industries.

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