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## Fresh merger structure to IRDA by Max Life-HDFC Life

By PTI | Updated: Dec 18, 2016, 02:30 PM IST

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KOLKATA: In the wake of Insurance Regulatory and Development Authority of India's (IRDA) reservation about the deal structure in the proposed merger of Max Life Insurance Company with HDFC Life, a new structure is likely to be submitted soon, IRDA officials said.

"They (Max Life and HDFC Life) will submit a new revised structure of merger deal after we expressed reservations on the structure they had submitted," IRDA officials told PTI declining to be quoted.

IRDA expressed concerns about the deal structure since the last stage of the merger was between a holding company and a life insurance company.

An application was filed on September 21, 2016, by Max Life and HDFC Life, seeking in-principle approval of IRDA for the above-mentioned scheme.

Max Financial Services Ltd last month had informed BSE, "IRDAI has expressed reservations to accept the scheme of amalgamation in its current form. The Company believes that the scheme of arrangement as submitted to the IRDAI is in compliance with all applicable laws and proposes to represent and clarify the matter to IRDAI."

In a complex and tier-structured demerger and merger plan, Max India will amalgamate Max Life Insurance with Max Financial Services.

Subsequently, the insurance business of the merged entity is to be demerged so that it can be transferred to HDFC Standard Life Insurance Company.

As per the proposed scheme, the remaining of the merged entity i.e., minus the insurance business, will be amalgamated with Max India. Max Financial Services, promoted by USD 2 billion Max Group, is the holding company for Max Life.

The deal structure was designed in this manner so that HDFC Life would automatically get listed on the stock exchanges since Max Financial Services is already listed.

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