

## WIDER UMBRELLA

# Nippon buys additional 23% in Reliance Life for ₹2,265 crore

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**MUMBAI:** Japan's Nippon Life Insurance has agreed to increase its equity stake in Anil Ambani-led Reliance Life Insurance to 49% from the existing 26% for ₹2,265 crore. This values Reliance Life Insurance, a subsidiary of Reliance Capital, at around ₹10,000 crore, one of India's largest private insurers by valuation.

The new company will be called Reliance Nippon Life Insurance. With this investment, Nippon Life would have put in a total ₹8,630 crore in the Reliance group company. The Japanese company had earlier announced plans to increase its stake in Reliance Capital Asset Management to 49% for ₹3,303 crore.

"Life insurance is one of Reliance Capital's major busi-



■ Reliance Capital chairman Anil Ambani

nesses and we believe Nippon Life's experience of over 125 years will accelerate our growth in this space," Reliance Group chairman Anil Ambani said.

This is one of the many such deals in the Indian insurance sector, which has seen activity after the NDA government hiked the foreign direct invest-

ment limit to 49%. On Monday, British health insurer Bupa said it would increase its stake in Max Bupa Health Insurance to 49% from the current 26% for ₹191 crore. Earlier this month, ICICI Bank sold 6% equity stake in ICICI Prudential Life to Premji Invest and Singapore's Temasek for ₹1,950 crore.

Increased investment from foreign players will bring the much-needed funds to India's insurance sector, a senior executive with a foreign insurance company said. With additional investment, overseas players can also bring more insurance products, he added.

Reliance Life Insurance has ₹15,524 crore in total funds under management.

Shares of Reliance Capital rose 4% on the Bombay Stock Exchange on Tuesday.