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Nippon gets CCI nod to buy Rel Life stake

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Competition Commission of India (CCI) has approved Japanese insurer Nippon Life's additional 23 per cent stake purchase plan in Reliance Life Insurance in a deal worth Rs 2,265 crore.

Once the deal is complete, Nippon Life Insurance would have 49 per cent stake in the company, the maximum ownership allowed for a foreign player in a domestic private insurer.

CCI has informed Nippon that it has approved the proposal.

With the new shareholding structure, the name of the company would be changed to Reliance Nippon Life Insurance Company Ltd.

Nippon Life would

increase the stake in Reliance Life to 49 per cent for Rs 2,265 crore. With this, the company's total investment would be Rs 8,630 crore for 49 per cent stake each in life insurance and asset management business.

For the deal, Nippon Life Insurance and Reliance Life Insurance had entered into a share purchase agreement in November. The pact was between Reliance Capital, Management Services, Nippon Life and Reliance Life Insurance.

In March 2011, Nippon Life had acquired 26 per cent stake in the life insurance venture under Reliance Capital for Rs 3,062 crore.

Nippon has already invested Rs 3,303 crore for 49 per cent stake in Reliance Capital Asset Management, thereby taking its total investment to Rs 8,630 crore.