

Nippon Life will bring its vast experience, expertise

BY PRIYAL GULIANI

BLOOMBERG-UTV

Nippon Life Insurance Co. has signed an agreement to acquire a 26% stake in Reliance Life Insurance, a unit of **Reliance Capital Ltd.** The transaction, which pegs the total valuation of Reliance Life Insurance at nearly ₹11,500 crore, is subject to regulatory approvals. Sam Ghosh, chief executive officer of Reliance Capital, spoke about the strategic partnership in an interview. Edited excerpts:

Nippon Life, the No. 1 private life insurer in Asia and Japan, is investing over ₹3,000 crore for a 26% stake in Reliance Life, which is among the leading life insurers in India. This is the largest FDI (foreign direct investment) in the Indian financial services sector as well as in the insurance space. This transaction is subject to regulatory approvals from Irda (the Insurance Regulatory and Development Authority) and the regulators in Japan.

Nippon Life will invest over ₹3,000 crore for the 26% stake. This values Reliance Life Insurance at over ₹11,500 crore.



Strategic partnership: Reliance Capital chief executive officer Sam Ghosh.

INTERVIEW

The investment will be made almost entirely through a secondary stake sale by Reliance Capital and its affiliates.

As a strategic partner, Nippon Life will bring its vast experience and expertise and global best practices in the area of product development, underwriting, investment management, distribution, customer relationship management and risk management. I am confident that, this

partnership will accelerate Reliance Life's life vision of becoming a world class insurance company. We will, I think, discuss IPO (initial public offering) at a later date. At this point, if you notice, if it's 26%, obviously IPO is not an option.

Are you saying that the plan for IPO is shelved for some time?

Not at all, I am not saying that. I am just saying that at this point you cannot go for an IPO unless you go in for a domestic placement.

feedback@livemint.com