

Nippon Life plan gets FIPB nod

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New Delhi, March 21: The Foreign Investment Promotion Board (FIPB) has approved Nippon Life Insurance's proposal to increase its stake in Reliance Life Insurance to 49 per cent.

Nippon Life Insurance will invest around Rs 2,265 crore to acquire an additional 23 per cent stake in Reliance Life Insurance to take it up to 49 per cent.

Overall, the FIPB has approved foreign direct investment proposals totalling Rs 7,262 crore.

The board also referred to the the cabinet committee on economic affairs (CCEA) Yes Bank's proposal to hike foreign investment limit to 74 per cent from 41.87 per cent without any sub-limits.

"Based on the recommendations of the FIPB in its meeting held on March 7, the government has approved 15 FDI proposals involving Rs 7,261.6 crore and recommended one proposal for approval of CCEA involving FDI of Rs 6,885 crore," a finance ministry statement said. The FIPB has also approved the proposals of Tata AIA, Aviva Life and Taurus Ventures.

The proposal of Nippon Life to hike stake in Reliance Life Insurance has already been approved by the Competition Commission of India and the transaction is now expected to be completed in the next few days.

The name of the company will be changed to Reliance Nippon Life Insurance Company following the stake rejig.