

## Nippon Life raises stake in Reliance Life

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**MUMBAI:** Japanese insurer Nippon Life will increase its stake in Reliance Life Insurance to 49 per cent from 26 per cent by investing Rs 2265 crore.

The deal values Reliance Nippon Life Insurance Company, the new entity after the merger, at Rs 10,000 crore, making it one of the highest valuations for an insurance company in the country, according to a statement issued

by Reliance Capital, the holding company of Reliance Life.

The move comes after a law was amended earlier this year to increase foreign direct investment limit in the insurance sector to 49 per cent.

“Nippon Life’s investment represents implied embedded value multiple of over 3 times, the highest in the industry till date,” according to the statement.

The life insurance company will now have to apply for-

foreign investment promotion board (FIPB) and insurance regulator’s approval. Nippon Life’s investment represents the largest foreign direct investment in the Indian insurance sector till date, according to the statement.

“Nippon Life will have invested a total of Rs 8,630 crore for acquiring 49% stake each in Reliance Capital Asset Management and Reliance Life Insurance with this transaction.”