

Nippon Life buys ₹1.2k-cr Rel MF stake

Takes Share To 49% For Total ₹3.3K Cr In Largest Foreign Investment In MF Biz

TIMES NEWS NETWORK

Mumbai: Nippon Life, one of the largest life insurers in the world and which already owns 35% in Reliance Mutual Fund, bought an additional 14% stake in the company for nearly Rs 1,200 crore. The move values the asset management firm at about Rs 8,500 crore (\$1.3 billion). Nippon Life's stake buy in Reliance MF, at an aggregate value of Rs 3,300 crore, is the largest foreign investment in the mutual fund industry in India. Post the stake sale, Reliance MF will be renamed as Reli-

RECENT TAKEOVERS BY FOREIGN COS

Fund house	Acquirer	% bought	Amount paid (₹cr)
Reliance MF	Nippon Life	49	3,300
UTIMF	T Rowe Price	26	650
Axis MF	Schroder	25	175-250*

* Estimated value

ance Nippon MF, a joint release from the companies said.

In 2012, Tokyo-based Nippon Life had bought 26% in Reliance MF. Then in November 2014, it announced that it would increase its stake in the fund house to 35%, which it did in February of this year. The Japanese life insurance major also holds a 26% stake

in Reliance Life Insurance.

Anil Ambani, the chairman of Reliance group, told shareholders at the company's recent annual general meeting that Reliance Capital, the listed holding company of the group's financial services businesses, was in discussions with Nippon Life for the latter to increase

its stake in its mutual fund arm to 49%.

On Tuesday, after concluding the Reliance MF-Nippon Life deal, Ambani said that both Reliance Capital and Nippon Life have enjoyed an extraordinary relationship in the last few years and he is confident that this mutual respect and commitment would grow stronger over time. "Together we are determined to grow our businesses multifold and have a stronger footprint in India and abroad," Ambani said.

Currently, Reliance MF manages about Rs 2.43 lakh

crore under its assets management business across segments like mutual funds, pension funds, managed accounts and offshore funds, the release said. On a standalone basis in the mutual fund business, Reliance MF managed a little over Rs 1.53 lakh crore, which pegged it at the third position on the list of fund houses in terms of average assets under management, data from industry trade body Amfi showed.

In Tuesday's relatively flat market, Reliance Capital's shares on the BSE closed more than 5% up at Rs 399.