

Anil Ambani snaps up Goldman Sachs MF biz



By **Mail Today Bureau** in Mumbai

Reliance Capital Asset Management will acquire global giant Goldman Sachs' mutual fund business in India for Rs 243 crore in an all-cash deal.

Reliance Capital Asset Management, a subsidiary of Anil Ambani group company Reliance Capital, will acquire all 12 onshore mutual fund (MF) schemes of Goldman Sachs Asset Management India with total assets base of Rs 7,132 crore. The deal will make Reliance MF the exclusive fund manager for government's ambitious Central Public Sector Enterprises (CPSE) Exchange Traded Fund.

The transaction has been approved by the boards of the two companies and is expected to be completed in the current fiscal, RCAM's parent firm Reliance Capital said in a statement.

Reliance Capital is the financial services arm of Anil Ambani-led

business conglomerate Reliance Group and is also present in insurance, brokerage and wealth management segments.

Goldman Sachs was given the mandate last year to manage CPSE ETF through which the government has so far raised Rs 4,000 crore by selling part of its stake in 10 central public sector companies as part of its disinvestment programme.

"This acquisition by RCAM is an important first step in our overall strategy to strengthen our businesses through selective inorganic growth," said Sam Ghosh, Executive Director,

Reliance Capital Asset Management will take over Goldman Sachs' asset base of ₹7,132 crore

Reliance Capital.

RCAM CEO Sundeep Sikka said the deal will add over half a per cent to its market share.

Besides further consolidating the position of RCAM, which runs Reliance Mutual Fund and is the largest asset manager in India with total AUM of over Rs 2.5 lakh crore across mutual funds, pension funds, managed accounts and offshore funds,

the deal also marks yet another exit by a foreign player from the Rs 13 lakh crore Indian mutual fund industry.

Goldman Sachs had entered the Indian mutual fund industry in 2011 with acquisition of Benchmark Mutual Fund for Rs 120 crore. In last few years, a number of global players have exited the Indian mutual fund business. Standard Chartered sold its mutual fund business in India to IDFC in 2008, Fidelity sold its mutual fund to L&T Finance in 2012, while last year HDFC MF acquired Morgan Stanley's fund business here.

Besides, Birla Sunlife has acquired ING Mutual Fund, Kotak MF has bought Pine-Bridge Mutual Fund and Pramerica has taken over Deutsche Bank's mutual fund business in India.

Still, there are more than 40 fund houses in the country and houses together manages over Rs 13 lakh crore. There has been high

competition in the country for funds. This has raised expectation for further consolidation in the in the mutual fund industry.

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