

# Reliance Cap to exit mutual funds business

**New Delhi:** Reliance Capital on Thursday said it will exit the mutual funds business by selling its stake in Reliance Nippon Life Asset Management Ltd (RNAM) to its joint venture partner Japan's Nippon Life Insurance. Both partners hold 42.88% each in the company, while the rest is with public shareholders.

Reliance Capital said it has signed binding definitive agreements with Nippon Life Insurance of Japan. "Pursuant to the agreements, Nippon Life will also make an open offer to the public shareholders of RNAM at Rs 230 per share, as required under Sebi regulations, and reach the maximum permissible promoter shareholding of 75% for listed companies," Reliance Capital said in a regulatory filing.

"The transaction price represents a premium of 15.5 per cent to the minimum 60-day price as specified under the Sebi Takeover Regulations," it added.

Reliance Capital said it will receive proceeds of about Rs 6,000 crore through sale of its shareholding to Nippon Life Insurance at Rs 230 a share, and the simultaneous offer-for-sale (OFS) to other financial investors.

"The entire proceeds of Rs 6,000 crore will be utilised to reduce Reliance Capital's outstanding debt by 33 per cent," it added.

Reliance Group Chairman Anil D Ambani said, "...our longstanding and most-valued partner, Nippon Life Insurance, is increasing its stake in RNAM to 75%. The monetisation of the RNAM stake is part of our value unlocking strategy. We expect this transaction, together with other deals underway, to substantially reduce RCap's debt by over 50% in the current financial year."