

Nippon Life to Put in ₹1,196 cr to Hike Stake in Reliance Cap AMC

Our Bureau

Mumbai: Japanese company Nippon Life Insurance (NLI) said on Tuesday that it will invest ₹1,196 crore in tranches for an additional 14% stake in Reliance Capital Asset Management. Nippon Life Insurance is a 125-year-old insurer and a Global Fortune 500 company that manages over \$520 billion (₹33.8 lakh crore) in assets.

This deal will increase Nippon's stake in Reliance Capital Asset Management from the existing 35% to 49%, and pegs the valuation of the company at ₹8,542 crore, the highest for any asset management company in India. The name of the company will change to Reliance Nippon Life Asset Management from Reliance Capital Asset Management. This transaction is expected to be completed within the current financial year, once all the regulatory approvals are in place.

Post approvals, Nippon Life Insurance would become the co-sponsor in Reliance Capital Asset Management. Reliance Capital Asset Management manages ₹2,43,162 crore (\$38.3 billion) as on June 30, 2015, across mutual funds, pension funds, managed accounts and offshore funds. The company initially acquired 26% stake in Reliance Capital Asset Management for ₹1,450 crore in 2012. Subsequently, it raised its stake by 9% to 35% in February this year at ₹657 crore.