



## Goldman Sachs MF to exit India, sells biz to Reliance MF for ₹243 cr

**ENS ECONOMIC BUREAU**

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GOLDMAN SACHS of the US is exiting from the Indian mutual fund business. Reliance Capital Asset Management (RCAM), part of Anil Ambani-led Reliance Capital, has proposed to acquire Goldman Sachs Asset Management (GSAM) onshore business in India for Rs 243 crore.

This is the eighth high-profile exit of a foreign fund manager from India. Goldman Sachs exit comes after Deutsche Bank sold its funds business to Pramerica earlier this year. Standard Chartered earlier sold its mutual fund business in India to IDFC, Fidelity sold its mutual fund to L&T Finance in 2012, while last year HDFC MF acquired Morgan Stanley's fund business in India. Birla Sunlife acquired ING Mutual Fund, Kotak MF bought PineBridge Mutual Fund and Daiwa sold its fund business to SBI Mutual Fund.

The boards of both RCAM and GSAM have already approved the transaction. The transaction is expected to be completed by the end of this fiscal year, subject to necessary regulatory approvals.

Goldman Sachs MF currently manages 12 mutual fund schemes, including 10 ETF schemes, and is the largest ETF provider in India. It has total assets under management (AUM) of Rs 7,132 crore (\$ 1.1 billion) as of September 2015 which includes Rs 2,172 crore (\$ 334 million) of AUM in the central public sector enterprises for which GSAM India is currently the exclusive fund manager. As part of the transaction, RCAM will extend offers of employment to substantially all of GSAM India's employees dedicated to supporting the ETF business.

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 PSUs as part of its disinvestment programme. Goldman Sachs had entered the Indian mutual fund industry in 2011 with acquisition of Benchmark Mutual Fund for Rs 120 crore.

### 8TH HIGH PROFILE EXIT FROM THE COUNTRY

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"This acquisition by RCAM is an important first step in our overall strategy to strengthen our businesses through selective inorganic growth. GSAM India has a strong bouquet of schemes and a talented team," said Sam Ghosh, Executive Director, Reliance Capital. Reliance Cap stock ended the day at Rs 411.85, up 3.17 per cent on the BSE.

"GSAM will continue to deliver global asset management services to Indian clients and will remain a significant investor in Indian securities through regional and global managed GSAM funds. In the meantime, we remain committed to growing our investment banking and securities franchise in India and we continue to feel extremely positive about India as an important and growing market," said Sonjoy Chatterjee, chairman, Goldman Sachs India.

"The transaction will add over half a percent in our market share. We will ensure that we maintain seamless continuity for all GSAM India fund investors across all schemes. Going forward we would be willing to consider more such acquisitions that add to our strength and complement our portfolio," said Sundeep Sikka, CEO, Reliance Capital Asset Management.