
Reliance Capital to buy Goldman Sachs' Indian funds arm

Mumbai, Reliance Capital, a part of the Anil Ambani-led group, on Wednesday said it is acquiring Goldman Sachs Asset Management's onshore business in India like mutual funds and exchange-traded funds for Rs.243 crore (\$37.5 million) in an all-cash deal.

Goldman Sachs' India onshore arm currently manages 12 mutual fund schemes, including some 10 exchange-traded funds. More than \$1 billion worth of assets are under its management in the country, including \$335 million of exchange-traded funds of state-run companies.

In a joint statement, the two firms said Goldman Sachs' India onshore arm is

not only the largest exchange-traded funds provider in India, but also currently the exclusive fund manager of such funds for state-run enterprises.

"This acquisition is an important first step in our strategy to strengthen our businesses through selective inorganic growth," said Sam Ghosh, executive director of Reliance Capital, adding that the group will leverage both the acquired firms strong bouquet of schemes and talented team.

"The transaction will add over half a percentage to our market share. We will ensure we maintain seamless continuity for all the Goldman Sachs Asset Management India fund investors across all schemes,"

added Sundeep Sikka, chief executive of Reliance Capital Asset Management.

Globally, Goldman Sachs Asset Management, the asset management arm of the Investment Management Division of The Goldman Sachs Group, was overseeing \$1.19 trillion in assets under supervision, as of September 30.

"Goldman Sachs Asset Management will continue to deliver global asset management services to the Indian clients and will remain a significant investor in Indian securities through regional and global managed GSAM funds," said Sonjoy Chatterjee, chairman of Goldman Sachs India.

"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 for Goldman Sachs overall." The boards of both companies have approved the transaction and are expected to conclude it by the end of this fiscal year, subject to necessary regulatory approvals, the joint statement said.

Reliance Capital Asset Management is the largest in the business in India in terms of assets under management, with a portfolio worth Rs.254,517 crore (\$39.1 billion) as on September 30 -- across mutual funds, pension funds, managed accounts and offshore funds.