

Reliance Nippon Life lists at premium in strong debut

FE BUREAU

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RELIANCE NIPPON LIFE Asset Management made a strong debut on the bourses on Monday. The stock got listed at ₹295.90, 17.42% premium to its issue price of ₹252. Though the stock gave up some of the initial gains it ended the session at ₹284.50, 12.89% above its issue price.

The initial public offer (IPO) of Reliance Nippon Life was subscribed by 81.39 times, with investors bidding for 348.67 crore shares against 4.28 crore shares on offer.

Qualified institutional buyers (QIBs) bid for 144.92 crore shares against 1.22 crore shares on offer. High net worth individuals (HNIs) bid for 192.26 crore shares against 91.80 lakh shares on offer. Retail investors bid for 11.48 crore shares against 2.14 crore shares reserved for them.

Reliance Nippon Life raised ₹462.67 crore from 24 anchor investors ahead of its initial public offering (IPO). Reliance Nippon allotted 1.83 crore shares at a price of ₹252 per piece.

Investors acquiring shares in the anchor allotment include Fidelity International, Morgan Stanley, HDFC Mutual Fund, SBI Mutual Fund, ICICI Prudential Life, and Bajaj Allianz among others.

Reliance Nippon Life aimed to raise around ₹1,542 crore from its IPO. The company had set a price band of ₹247-252 per share for its IPO and when calculated at the upper band of the issue price the company will be valued at

around ₹15,422 crore.

Reliance Nippon Life is one of the largest asset management companies in India and second most profitable fund house. The asset management company is a joint venture between Reliance Capital and Nippon Life. Post IPO both the companies hold 42.88% each, 10% of public and remaining with other shareholders.

The offer comprised of a fresh issue of 2.44 crore shares and an offer for sale 3.67 crore shares. The offer for sale comprised of 2.54 crore shares from Nippon Life and 1.12 crore shares from Reliance Capital.

The net proceeds of the fresh issue will be used for setting up new branches and relocating certain existing branches, upgrading the IT system, advertising activities, lending to its subsidiary, and funding inorganic growth among other things. The company will not receive any money from the offer for sale.

The company has total asset under management (AUM) of ₹3.62 lakh crore. The company is involved in managing mutual funds including ETFs; managed accounts, including portfolio management services, alternative investment funds (AIFs) and pension funds.

In FY 17, the company had revenues of ₹1,435 crore and posted a profit after tax of ₹402 crore. According to its red herring prospectus (RHP), the company grew at a compounded annual growth rate (CAGR) of 15%.

SBI Life, ICICI Lombard, GIC Re, BSE, HUDCO, CDSL, and Avenue Supermarts are some of the companies who completed their IPO in the last ten months.

The IPO of Reliance Nippon Life AMC was subscribed by 81.39 times, with investors bidding for 348.67 crore shares against 4.28 crore shares on offer



Reliance Group chairman Anil Ambani (left) with his family members during the listing ceremony of Reliance Nippon Life AMC on NSE in Mumbai on Monday

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