

Reliance Nippon Life IPO's overseas roadshow begins

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ANILAMBANI-LED Reliance Group's asset management arm on Monday kicked off an overseas roadshow for its estimated ₹2,000-crore IPO, which may garner ₹600 crore from anchor investors, merchant bankers said.

It would be the first initial share sale by a major asset management company (AMC) in India though smaller rival UTI Mutual Fund's IPO plans have been in the works for a long time.

It will also be the first initial public offer (IPO) from the Reliance Group after Reliance Power in 2008. According to bankers, Reliance Nippon Life Asset Management Company (RNAM) today started its roadshow with an anchor book of ₹600 crore.

It has organised roadshows in Japan, Hong Kong and Singapore, they added.

Overseas institutional investors have already indicated for investments of ₹3,000 crore, which is five times the anchor book, bankers said. The public issue of RNAM comprises fresh issue of 2,44,80,000 shares, besides an offer for sale of 1,12,30,200 by Reliance Capital and 2,54,89,800 scrips by Nippon Life Insurance Company, according to the draft papers filed with Sebi.

The IPO size works out to 10% of the post issue paid-up capital of RNAM.

Proceeds from the IPO will be used for organic and inorganic opportunities.



According to sources, RNAM's valuation stands at about ₹20,000 crore. A 10 per cent stake sale could fetch ₹2,000 crore, bankers said. RNAM, jointly owned by Japan's Nippon Life and Reliance Capital, is the asset manager to Reliance Mutual Fund with 11.42% market share.

It has an asset base of over Rs 3.6 lakh crore, including ₹2.23 lakh crore for mutual funds. The company has appointed JM Financial, CLSA, Nomura and Axis Capital as the global coordinators and book running lead managers.

In June, the board of RNAM had approved a proposal to list its shares on stock exchanges. RNAM CEO Sundeep Sikka had said the company initially aims to dilute 10% stake by March and further 15% over three years in line with Sebi norms.