

Reliance Nippon Life sets IPO price band at ₹247-252

FC BUREAU

Mumbai

RELIANCE Nippon Life Asset Management's Rs 1,540 crore initial public offering, the first by a mutual fund house, will offer shares in the price band of Rs 247 to Rs 252. The issue will open on October 25 and close on October 27.

The IPO of up to 6.12 crore equity shares of Rs 10 face value consists of a fresh issue of over 2.44 crore shares and an offer for sale of over 3.67 crore shares by Reliance Capital and Nippon Life Insurance Company, the promoter selling shareholders.

The offer constitutes of 10 per cent of the post-offer paid-up equity share capital of the company.

Formerly known as Reliance Capital Asset Management, the company started its mutual fund operations in 1995 as the asset



manager for Reliance Mutual Fund. The company manages assets worth Rs 2,22,964 crore and has 7.01 million investor folios as of June 30, 2017. The company manages 55 open-ended mutual fund schemes, including 16 ETFs and

174 close-ended schemes for Reliance Mutual Fund, as of June 30.

The fund has a pan-India network of 171 branches and about 58,000 distributors, including banks, financial institutions, national distributors and independ-

ent financial advisors (IFAs), as of June 30.

The company proposes to utilise the net proceeds of the fresh issue for setting up new branches and relocating certain existing branches, upgrading the IT system, lending to their subsidiary Reliance Alternative Investment Fund, funding inorganic growth and general corporate purposes.

Sundeep Sikka, executive director and CEO, Reliance Nippon Life Asset Management, speaking at the launch of the IPO, said, "The branch network will be raised from existing 171 branches to 500 branches as there is a segment in the country who needs physical guidance as well as touch and feel."

Sikka said, "Currently only 3 per cent of the Indian population is investing in mutual funds; the opportunity is humongous. We

believe we have built a franchisee which will be able to tap India's growth story."

From the total offer size, bidders from the qualified institutional buyers (QIB) category will be allocated 50 per cent of the total shares on offer and 35 per cent to retail individual investors. The remaining 15 per cent will be allotted to non-institutional or high net worth bidders.

Up to 60 per cent of the QIB portion will be available for allocation to the anchor investors. The anchor investor bidding will be on October 24, one working day prior to the public offer opening date.

JM Financial Institutional Securities, CLSA India, Nomura Financial Advisory and Securities, Axis Capital, Edelweiss Financial Services, IIFL Holdings, SBI Capital Markets and Yes Securities are the book running lead managers to the public offer.