

Nippon Life buys ₹657cr stake in Rel MF

Acquires 9% To Raise Its Holding To 35%, Plans To Increase It To 49%

TIMES NEWS NETWORK

Mumbai: Japan's Nippon Life Insurance, the largest life insurer in Asia, will buy an additional 9% stake in Reliance Mutual Fund for Rs 657 crore, taking its total holding in India's third largest fund house by assets under management to 35%. The Japanese insurance giant, which manages about \$500 billion worth of funds, intends to increase its stake to 49% in the fund house in future in tranches, a joint statement from Nippon Life and Reliance Capital, the main promoter of Reliance MF, said. Reliance Capital is the holding company for all financial services businesses for the Anil Ambani-led Reliance Group.

In 2012, Nippon Life had

BOOSTER SHOT

► Nippon Life had picked up a 26% stake in Reliance MF for Rs 1,450 crore in 2012, the largest FDI in the assets management sector in India



► Nippon Life is also a strategic partner for Reliance Capital in the group's life insurance business with 26% stake. Reliance Capital is the holding company of Anil Ambani's financial services businesses

picked up a 26% stake in Reliance MF for Rs 1,450 crore, valuing the company at about Rs 5,600 crore — the largest foreign direct investment in the assets management sector in India. The latest transaction values the Indian fund house at Rs 7,300 crore. The deal is expected to be completed within the current financial year, subject to regulatory approvals, the release said.

According to quarterly data released by AMFI, the fund industry trade body, as of September 30, Reliance MF was managing assets worth Rs 1.22 lakh crore. Across mutual funds, pension funds, managed accounts and offshore funds, it managed Rs 2.18 lakh crore (about \$36 billion) as on September 30, the release said.

According to Sam Ghosh, CEO, Reliance Capital, Nippon Life's decision to strength-

Avantha to sell 6.7% Crompton stake

Mumbai: Avantha Holdings, the promoters of Crompton Greaves, plans to sell 6.7% stake of the electrical energy management company for up to Rs 860 crore through block deals on the bourses on Thursday. Goldman Sachs is the sole manager to the deal that is being marketed to institutional investors at a price of Rs 192-204.5 per share. TNN

en its partnership and acquire an additional stake in Reliance MF will help accelerate the growth, reach and performance of the fund house.

Yoshinobu Tsutsui, president, Nippon Life, said the company's partnership with Reliance Group was an example of "successful collaboration between two big corporations and countries". "We look forward to strengthening this relationship and using the collective expe-

rience of the two corporations to the advantage of the two global economies," Tsutsui said.

The 125-year-old Nippon Life, the seventh largest life insurer in the world, is also a strategic partner for Reliance Capital in the group's life insurance business in which it has a 26% stake, the maximum permissible limit. In Wednesday's flat market, Reliance Capital stocks closed 4.2% higher at Rs 510 on the BSE.