

'Track record of profits is key to Rel MF IPO success'

TIMES NEWS NETWORK

Mumbai: In a first by a fund house in India, Reliance Nippon Life Asset Management (Reliance MF) will list on Monday following a successful IPO that was subscribed over 81 times, generating a demand worth over Rs 1 lakh crore.

According to Reliance MF CEO Sundeep Sikka, the issue generated interest among major global and domestic fund houses like Morgan Stanley, Fidelity and Abu Dhabi sovereign wealth fund because of a slew of factors, including its strong retail focus. He said Reliance MF being the only listed stock of a company that focuses on financial savings and a track record of profitable growth also added to its appeal. Marquee individual investors like Rakesh Jhunjhunwala and Akash Bhanshali also picked up stake in the company.

Market experts said the success of the IPO bidding process for Reliance MF came despite some of the other group companies, managed by Anil Ambani, facing tough times, including fai-

**SUBSCRIBED
OVER 81 TIMES**

led deals and large piles of loans. Through the IPO, Reliance MF garnered about Rs 1,542 crore, of which about Rs 617 crore was for the company, while the balance went to its two promoters, who sold a small chunk of their holdings in the fund house.

"The IPO was subscribed within a minute of opening and at the final count there were about 16 lakh applications, which made it the second-largest maiden offer by a private sector company behind D-Mart (Avenue Supermarts) IPO," Sikka said. According to him, the government's demonetisation move has given a boost to financial savings and large fund houses are a direct beneficiary of the same, witnessing large inflows into their funds.