
Nippon Life completes 14% stake buy in RCap AMC

The transaction pegs the valuation at ₹8,542 crore

OUR BUREAU

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Japanese financial services giant Nippon Life Insurance (NLI) has completed acquisition of additional 14 per cent stake in Reliance Capital Asset Management (RCAM) for ₹1,200 crore, raising its holding to 49 per cent.

NLI, a Fortune 500 company and one of the largest life insurers in the world, now becomes a co-sponsor of Reliance Mutual Fund along with Reliance Capital.

In line with the new shareholding, the name of Reliance Capital Asset Management would also be changed to Reliance Nippon Life Asset Management.

The board of directors of RCAM, in a meeting held here on Thursday, approved the transfer of an

additional 9.57 per cent stake to Nippon Life Insurance, with the balance 4.43 per cent to be transferred in the next couple of weeks.

The transaction pegs the valuation of RCAM at ₹8,542 crore (\$1.3 billion), the highest valuation till date for any AMC in the country.

NLI is already a strategic partner in RCAM. The Japanese company acquired 26 per cent stake in RCAM at an aggregate value of ₹1,450 crore (\$240 million) in 2012. The transaction pegged the total valuation of RCAM at approximately ₹5,600 crore (\$920 million).

Subsequently, the Japanese company increased its stake by 9 per cent to 35 per cent in February 2015 at an aggregate value of ₹657 crore (\$108 million) that pegged the valuation of RCAM at ₹7,300 crore (\$1.2 billion).

NLI manages over \$520 billion (₹33.8 lakh crore) in assets, among the largest total assets in the world for a life insurer.