

# Nippon Life to hike stake in RCAM to 49%

■ Japanese co has invested a total of ₹3,033 crore for 49% stake in Anil Ambani-led company

## fe Bureau

**Mumbai, Oct 13:** Nippon Life Insurance on Tuesday signed definitive agreements to increase its stake in Reliance Capital Asset Management (RCAM) from 35% to 49%. Post approvals, Nippon Life Insurance would become the co-sponsor in Reliance Capital Asset Management, and the name of the company will be changed from Reliance Capital Asset Management to Reliance Nippon Life Asset Management.

According to a media release, Nippon Life Insurance will invest ₹1,196 crore for a 14% stake in Reliance Capital Asset Management. Nippon



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**ANIL AMBANI,**  
Chairman, Reliance Group

Life Insurance is already a strategic partner in the company. The company had in 2012 acquired a 26% stake in Reliance Capital Asset Management at

an aggregate value of ₹1,450 crore.

Subsequently, the Japanese company increased its stake by 9%, to 35%, in February 2015 at

an aggregate value of ₹657 crore. "Both Reliance Capital and Nippon Life Insurance have enjoyed an extraordinary relationship in the last few years and we see this mutual respect and commitment growing stronger with time. Together we are determined to grow our businesses multi-fold and have stronger footprint in India and abroad", said Anil Ambani, chairman of Reliance Group.

The latest transaction pegs the valuations of RCAM approximately at ₹8,542 crore. According to the data from the Association of Mutual funds in India, average assets under management of Reliance Mutual Fund stood at ₹1.52 lakh

crore. "Reliance Group and Nippon Life have built a strong partnership through exchanges and collaborations in various fields. We believe this investment will further strengthen the ties of both companies, achieve perpetual growth and contribute to further economic development of India and Japan", said Yoshinobu Tsutsui, president of Nippon Life Insurance.

Nippon Life has invested a total of ₹3,033 crore, including the current transaction, for acquiring 49% stake in RCAM. This transaction is expected to be completed within the current financial year, subject to receipt of regulatory approvals.