



Nippon Life to hike stake in RCAM to 49%

ENSECONOMIC BUREAU

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NIPPON LIFE Insurance on Tuesday signed definitive agreements to increase its stake in Reliance Capital Asset Management (RCAM) from 35 per cent to 49 per cent.

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 Rs 1,196 crore for a 14 per cent stake in Reliance Capital Asset Management. Nippon Life Insurance is already a strategic partner in the company. The company had in 2012 acquired a 26 per cent stake in Reliance Capital Asset Management at an aggregate value of Rs 1,450 crore.

Subsequently, the Japanese

company increased its stake by 9 per cent, to 35 per cent, in February 2015 at an aggregate value of Rs 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 transaction pegs the valuations of RCAM approximately at Rs 8,542 crore. According to Association of Mutual funds in India, average assets under management of Reliance Mutual Fund stood at Rs 1.52 lakh crore.

"We believe this will strengthen the ties of both firms, achieve perpetual growth and contribute to further development of India and Japan", said Yoshinobu Tsutsui, president of Nippon Life Insurance.