



PremjiInvest Pumps ₹700cr in Aditya Birla Cap for 2.2% Stake

Our Bureau

Mumbai: Indian private equity firm PremjiInvest has invested an estimated ₹700 crore to buy a 2.2% stake in Aditya Birla Capital (ABCL). The deal values the financial services arm of the Aditya Birla Group at ₹32,000 crore.

“The fund will subscribe to about 2.2% of the post-scheme fully diluted equity share capital of ABCL. The proposed transaction values ABCL at ₹32,000 crore on a post-money basis,” ABCL said.

ABCL, which was formerly referred to as the Aditya Birla Financial Services, is the holding company of the financial services business of the Aditya Birla Group. Premji Invest is the private equity fund promoted by Wipro chairman Azim Premji.

In a statement to the media, ABCL also said that the financial services undertaking of Grasim Industries will be demerged and transferred to itself from July 4, following which

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the ever-growing financial services sector. The sector also offers a direct exposure to India’s growth story. We will see a lot of global and domestic investors flocking to the sector,” said Naresh Makhijani, partner and head, financial services at KPMG India.

ABCL manages a sum of ₹2.46 lakh crore across asset management,

the company plans to get it listed in the equities market.

“Financial services and fintech companies are the order of the day for investors who are looking at a pie of

private equity and insurance businesses, and has a lending book of more than ₹38,000 crore, as of March 31, 2017. The company enjoys a strong presence across sectors like life insurance, asset management, private equity, corporate lending, pension fund management and health insurance businesses.

Premji Invest, a private equity fund that manages more than \$2 billion of Azim Premji’s personal wealth, has been investing around \$20-60 million in companies across India, US and China. The fund has invested in more than 40 companies so far.

Some of the financial services investments by the fund include Tata Capital, FSS, HDFC Standard Life, Equitas Holdings and JM Financial. The investment comes ahead of the proposed IPO of the financial services group later in the year.