

Pramerica Investments has a big appetite for India

Open to more acquisitions over the long term, says CEO Glenwyn Baptist

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PGIM, the global investment management business of US-based Prudential Financial Inc (known as Pramerica in India), is open to doing more acquisitions to grow its asset management business in India, Glenwyn P Baptist, Chief Executive Officer of PGIM's International Investments business said.

Recent acquisition

This would, however, be over the longer term given that PGIM has just recently (in March 2016) completed the acquisition of Deutsche Bank's Indian asset management business through its Mumbai-based affiliate, DHFL Pramerica Asset Managers (DPAM) – a 50:50 joint venture between DHFL and Prudential Financial Inc.

Billed as the largest acquisition till date in the Indian asset management industry, this deal has catapulted DPAM to be among the leading players with average assets under management (AUM) of about ₹22,900 crore at the end of June 2016.

PGIM – which is among the top 10 AMCs of the US – has nearly \$1.20 trillion in AUM, of which about \$75 billion is under management of Pramerica International Investments.

"We are open (to more acquisitions) over the long term. We will not necessarily look at it immediately. The focus now will be to grow the Indian business in a sustainable way.

"Typically, when one makes an acquisition, you want to digest it before you look for others," Baptist



Glenwyn Baptist,
CEO, Pramerica International

told *BusinessLine* in an interview here.

Ensuring stabilisation

Baptist, who was in the capital on Wednesday, said that PGIM wants to ensure that its Indian asset management business is stabilised and growing organically and sustainably

before it could be disrupted again (with any other acquisition).

"But we are opportunistic and want to continue to grow and be significant in India. Certainly, we are not going to remain satisfied where we are in the current pecking order," Baptist said.

DHFL Pramerica Mutual Fund would certainly not want to be an "also ran, me too player" in the Indian market, Baptist said.

He highlighted that India has been developing and on the cusp of substantial growth in future. "For a business that is involved in asset management and insurance, the marketplace in India certainly affords an opportunity to us," he said. Suresh Soni, CEO, DHFL Pramerica Mutual Fund, said immediate focus for DPAM will be on expanding existing set of clients and products within India.

"We are excited about India because of the growth opportunities. The recent acquisition signifi-

Asked if PGIM plans to bring any of its global products (in fixed instruments, equity and credit) to the Indian market through DPAM in the near future, Baptist replied in the negative

cantly enhances our capability and product offerings to clients. We are investing aggressively in our investment, service and distribution capabilities to better serve our clients," Soni added.

Global products

Asked if PGIM plans to bring any of its global products (in fixed instruments, equity and credit) to the Indian market through DPAM in the near future, Baptist replied in the negative.

"We have not noticed any significant increase in interest in any type of global products in the Indian marketplace.

"Our assumption is it will come over time. We will be ready to provide global products to the Indian marketplace when the time is ripe. We are not expecting that to be immediate," he said.

The current strategy is to keep focusing on certain core funds that cater to local needs, Suresh Soni added.

No chasing AUMs

As a strategy, Baptist said DHFL Pramerica Mutual Fund will follow a "balanced approach" in the Indian market and look at growth and profitability together.

"We will not be just chasing AUMs at the cost of profitability. In every market that we are in, we