

## Reliance Capital's Likely to List General Insurance Unit, Now

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**Mumbai:** Reliance Capital is likely to list unit Reliance General Insurance, three people in the know of the matter said. The company could be valued at more than ₹5,000 crore.

"Reliance Capital is looking to list its general insurance business and an announcement regarding the same will be made in the coming days," one of them said.

The company did not respond until press time on Thursday to an email seeking comment.

Reliance General Insurance is a fully-owned subsidiary of Reliance Capital, the financial services holding company of the Anil Ambani-led Reliance Group. In the past, Reliance Capital was in talks to sell a stake in the unit to foreign insurers.

Reliance General does business through 129 branches and over 24,500 agents and had a market share of 3.09%, in terms of gross premium for the year ended March 31. It had a solvency margin of 1.58 against the required 1.50 as of December 31, 2016.

The company reported a profit of ₹130 crore before tax for the last fi-



ancial year, after providing for incurred, but not reported, reserves. Before the provisioning as proposed by an external panel of actuary, the profit before tax was ₹302 crore, the company said in a statement.

Earlier this week, ICICI Lombard had announced plans to list the company, which was valued at ₹20,300 crore in a recent deal whereby Canada's Fairfax Financial Holdings sold a 12.18% stake in the company.

Anil Ambani's Reliance Group is in the process of restructuring its businesses. Last year, it decided to hive off health insurance from general insurance. The home finance business, too, will be listed. On Wednesday, the company announced its plans to list mutual fund business.

The general insurance company saw 40% growth in gross written premium to ₹3,935 crore during the last fiscal. The general insurance industry has grown 32% last financial year to ₹1.27 lakh crore. The company has a net worth of ₹1,257 crore at the end of March 31, 2017.

Several other insurance companies are also looking to list. There are talks of Star Health Insurance working on an IPO. New India Assurance and General Insurance Corporation have started the process by appointing investment bankers. Last year, ICICI Prudential Life became the first insurance company to be listed in India.

"All insurance companies that came in the first phase have matured business model and are going for IPOs," said Abizer Diwanji, head of financial services at EY. "The reasons for IPO are either monetisation or dilution."