

Reliance Capital to Monetise Non-core Investments by 2018

Our Bureau

Kolkata: Reliance Capital said the process of monetising its non-core investments will be completed by March 2018 and the management is now committed to the key financial services verticals.

"All non-core investments will be monetised by March 2018, leading to large capital gains," Chairman Anil Ambani told analysts at a meeting late Thursday.

He said housing loans, loans to small and medium enterprises and consumer finance will be the new growth engines.

The company with a net worth of ₹15,390 crore has been unlocking value from non-core investments in movie exhibition, film and media and radio and TV. Outside of financial services, it has holdings in Yatra Online, Sula Vineyards, Grover Vineyards and Mahindra First Choice.

Reliance Capital shares fell 0.4% to ₹601.40 at the close on the BSE on Friday.

The company sold its stake in One97 Communications, the parent of digital payments provider Paytm, to China's Alibaba earlier this month in a deal estimated at ₹275 crore, which is 27 times its initial investment.



NEW PATH

Housing loans, loans to small and medium enterprises and consumer finance will be the new growth engines

ANIL AMBANI

Chairman, Reliance Capital

The firm had total assets of ₹67,112 crore as of March 31, 2016. Its core business interests include asset management, insurance, commercial finance,

broking & distribution and asset reconstruction.

"What we have picked up from the analyst meet yesterday was the management's commitment towards trying to focus on the key businesses and trying to play a roadmap towards deleveraging the non-core assets that they have kind of carried on their balance sheet," Nilesh Parikh, associate director for wholesale capital markets at Edelweiss Financial Services told ETNow in an interview.

"This clearly brings the focus back to the core businesses that they carry.

"Over the last six to eight months they have worked around

and got the right people to run the key businesses."

Reliance Capital told the analysts that it has over 2 crore customers and ₹4 lakh crore in assets under management.

The company announced a plan on Thursday to hive off health insurance from its general insurance subsidiary and sell a part of the stake to overseas equity partners.

"The focus on health insurance is due to favourable demography and government initiatives," Ambani said, adding that Reliance Capital would explore value-creating consolidation opportunities across all businesses.