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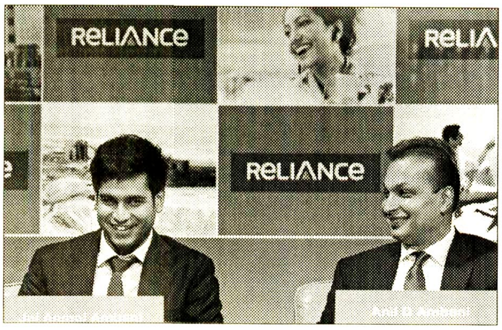
RCap eyes big gains from Sula, Grover Vineyards stake sale



FC BUREAU
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AFTER making a killing with a 27-fold return from sale of Paytm stake, Anil Ambani-led Reliance Capital is eyeing "huge capital gains" from sale of other non-core investments, including two leading vineyards of the country.

The two firms — Sula Vineyards and Grover Vineyards — together command nearly 70 per cent of the India's wines market, which is witnessing huge interest from global investors as well.

Reliance Capital, the financial services arm of Ambani-led business conglomerate, had acquired shares in the two vineyards for about Rs 171 crore and has held these investments for about three years now.

As part of its strategy of selling a substantial portion of these non-core assets by March 2018, Reliance Capital offloaded a small stake in Paytm for about Rs 275 crore, earning a huge 27-time RoI of about Rs 10 crore. It is also in the process of completing some already-sealed asset sale transactions in the films and media services, exhibition business as also in radio and TV segments with significant capital gains.

Sources said Reliance Cap is looking to sell several other non-core investments, including Sula and Grover Vineyards, and the industry estimates suggest the capital gains could be huge.

At an analyst meet hosted by Reliance Capital last week, its chairman Anil Ambani had said all non-core investments to be monetised by March next year would lead to large capital gains.

According to the analysts present at the meet, a presentation made there listed all "valuable private equity investments" including Paytm (already monetised), Paytm e-commerce, Yatra Online, Sula Vineyard, Grover Vineyard and Mahindra First Choice.

Analysts quoted Ambani as having said that the two names — Sula and Grover Vineyards — stand out in the list.

"It is very very strange, I being a teetotaler, we are still invested in those businesses. They command 70 per cent market share in the wine market in India and there are tremendous growth opportunities," one analyst quoted him as having said.

"But that does not mean we should keep those businesses. We will consolidate those businesses and we will move forward. There is a lot of global investor interest in this business and those are great value creation opportunities in front of us," the Reliance Group chairman told the analysts.