

Reliance General to Sell 10% through IPO This Fiscal

Our Bureau

Mumbai: Reliance General Insurance will sell 10% through initial public offering in this financial year. It plans to sell 25% in the next three years.

Reliance General is the fourth general insurance company to have announced its intentions to list.

On Monday, the board of Reliance General Insurance approved plan to independently list on the exchanges. The move is aimed at unlocking value for all stakeholders. Reliance General is a 100%-owned subsidiary of Reliance Capital.

The listing process will be completed by this financial year subject to regulatory approvals.

IT'S ALL IN THE NUMBERS



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written premium to ₹4,007 crore as on March 31, 2017. It has net worth of ₹1,257 crore

“The general insurance industry is slated to grow with the economy where affluence-led consumption will act as its primary growth driver,” said Rakesh Jain, MD Reliance General Insurance. “The listing will enable retail investors to participate in this high growth and new wealth creation opportunity.”

The industry has been growing at 16-18% on a year-on-year basis. It grew by 32% last year, with the contributions of crop insurance which emerged as a significant segment for insurers. Reliance General reported 40% growth in gross written premium to ₹4,007 crore as on March 31, 2017. It has net worth of ₹1,257 crore.

Reliance General had reported profit before tax of ₹130 crore. It has combined ratio of 120%. Combined ratio is a measure of profitability for general insurance companies. Combined ratio below 100% shows that company is making profit in writing core business.

The company has share capital of ₹126 crore. It has reported underwriting losses of ₹300 crore during the last financial year.