

# Reliance Cap bank ambition

OUR SPECIAL  
CORRESPONDENT

**Mumbai, Sept. 28:** Reliance Capital — the financial services arm of the Anil Ambani group — today said it would chase a banking licence when the RBI finally lays down the guidelines later this year. It also hopes to unlock value in its insurance venture through a maiden flotation after Sebi frames the IPO guidelines.

Reliance Capital chairman Anil Ambani said he wanted his insurance subsidiary to be the first to list on the bourses.

He said the IRDA was at an advanced stage of finalising the guidelines for the listing of life insurance firms. "Once this is done, we will explore the possibility of creating value for our investors by listing our life insurance business."

At a summit today, IRDA chairman J. Hari Narayan said the IPO norms were expected shortly from Sebi. IRDA hoped to frame merger and acquisition norms for the insurance sector soon.

## **Insurance plan**

Ambani said there was huge growth potential in insurance. "India's insurance premium, as a percentage of GDP, stands at just 4 per cent, far lower than countries such as the UK where it stands at 16 per cent. The headroom for growth is limitless." Reliance Life is now among the top three private life insurers in the country.

Ambani said while the RBI had recently come out with a discussion paper for the grant of a banking licence, these guidelines outlined a number of different licensing options for a firm such as Reliance Capital that included conversion, promotion and acquisition. Reliance Capital is a non-banking finance company, and the RBI discussion paper also focussed on the aspect of conversion of NBFCs into banks.