

Rel Capital to consider bonus shares next year

Plans to enter banking business

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INDUSTRIALIST Anil Ambani today announced that his group's financial services arm Reliance Capital will consider next year issuing bonus shares for its shareholders -- the first in the history of the company.

Replying to shareholders' query at the company's 24th Annual General Meeting here, Chairman Anil Ambani said that Reliance Capital will consider bonus shares next year.

The bonus issue will mark the 25th year of existence of Reliance Capital, which has never issued bonus shares in its history so far.

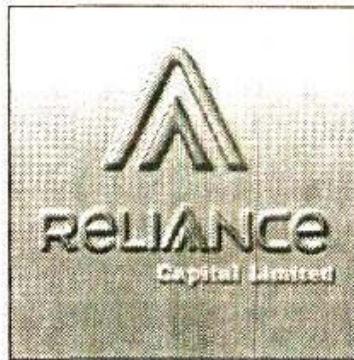
Across the Anil Ambani group also, there has been a bonus issue of shares only once, that is for Reliance Power, which had issued bonus shares in the aftermath of a sharp decline in the company's share price post its mega IPO of over Rs 11,500 crore -- the biggest so far in India's corporate history.

At the AGM, Ambani announced that major initiatives would be taken at the company to unlock shareholder value and to propel its business group. These include seeking a banking licence and listing of life insurance business. The company's CEO Sam Ghosh also listed out various plans for the group over the next 3-5 years.

During this period, the group aims to expand its customer base

from two crore to five crore and increase the number of business partners from five to 10 lakh, Ghosh said.

The company also aims to expand its distribution reach from 5,000 to 20,000 towns and cities, he added. With the RBI throwing open a discussion on granting new banking licences, the Anil Ambani said.



"We have always regarded banking as a high-priority sector with huge potential opportunity, and are evaluating the different options contained in the (RBI's proposed) guidelines," Group Chairman Anil Ambani said at the

Annual General Meeting of Reliance Capital here.

He was referring to a discussion paper recently floated by RBI on grant of new banking licenses.

"It has always been our ambition to create a world-class bank," Ambani, chairman of Reliance Capital, said.

"The Reserve Bank of India has recently come out with a discussion paper, containing revised guidelines for the grant of a banking licence," he said.

"These guidelines outline a number of different licensing options for a company such as ours, namely, conversion, promotion or acquisition," Ambani told Reliance Capital shareholders at the company's 24th AGM.

Underlining the need for more banks in the country, he said that there were not enough bank branches or even ATMs to cater to the entire population.