

Reliance Capital plans to enter banking

Special Correspondent

MUMBAI: Reliance Capital plans to enter the banking sector once the Reserve Bank of India (RBI) is ready with its final guidelines for new banking licence.

"We have always regarded banking as a high-priority sector with huge potential, and are evaluating different options contained in the guidelines," said Anil Ambani, Chairman, Reliance Capital, while addressing the 24th annual meeting of the company here on Tuesday.

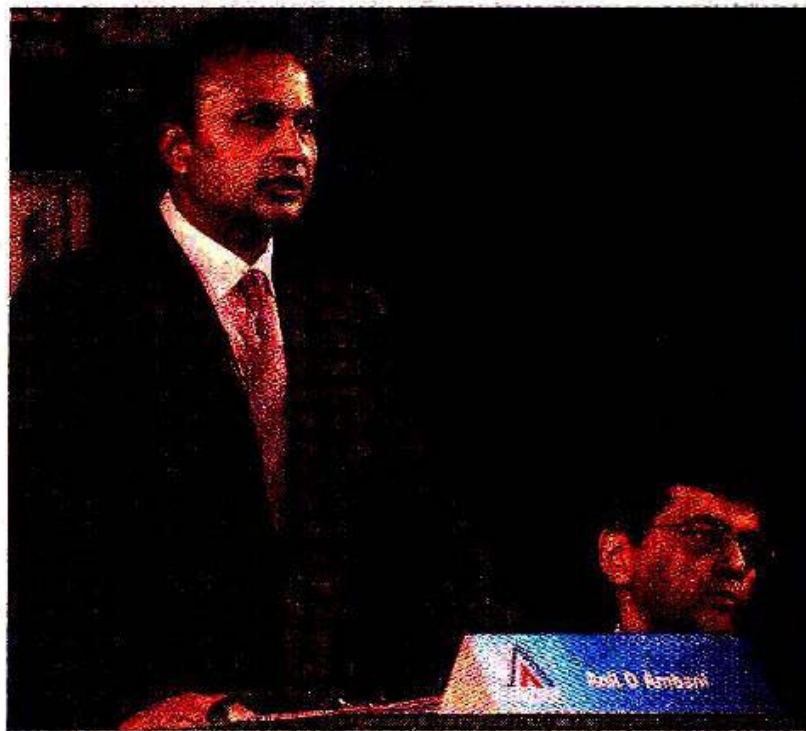
"It has always been our ambition to create a world-class bank", Mr. Ambani added.

Exuberating his company's interest in the proposed guidelines on new banking licence, Mr. Ambani said, "These guidelines outline a number of different licensing options for a company such as ours, namely, conversion, promotion or acquisition."

Reliance Capital is the financial services arm of the Anil Dhirubhai Ambani Group (ADAG).

The company also reiterated its plans for an initial public offering (IPO) for Reliance Life, part of Reliance Capital, in 2011 depending on the finalisation of guidelines by the regulator, Insurance Regulatory and Development Authority (IRDA). The IRDA is now at an advanced stage of finalising the guidelines for the listing of life insurance companies.

On the company's various business plans, Mr. Ambani said, "We entered the ex-



LEVERAGING EXPERTISE: Anil D. Ambani, Chairman, with Amitabh Jhunjhunwala, Vice-Chairman, Reliance Capital, addressing the company's annual meeting in Mumbai on Tuesday.

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change business in late 2009. We have already started a spot exchange and have a 26 per cent stake in a commodities exchange. We believe there is immense growth potential in this space and plan to have a presence across all segments of the exchange business in India."

Over the next few years, India is projected to spend over a trillion dollars or Rs.50-lakh crore in infrastructure creation.

As a group, "we will continue to play a pivotal role in this huge nation-building endeavour."

Reliance Capital will lever-

age "this unmatched domain expertise of our group to offer customised financing solutions to vendors, suppliers and contractors, with targeted returns on equity of 18 to 20 per cent," said Mr. Ambani, adding, "We aim to create, in a phased manner, an asset base of over Rs.50,000 crore in the next 3-5 years."

Replying to shareholders query on bonus issue, Mr. Ambani said that as Reliance Capital would be celebrating its 25th year in the coming year, the company would consider a bonus issue and "we hope that it will be a liberal one."