

## Reliance Capital in talks to divest stake in insurance biz

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Anil Ambani's financial services business Reliance Capital is in talks to bring in a strategic investor in its general insurance business.

### 49% to investors

Soumen Ghosh, Executive Director, Reliance Capital, told *BusinessLine* that the investor could take 49 per cent stake in Reliance General Insurance. Though he did not disclose the names of potential partners, Ghosh said he hopes to finalise the stake sale by next fiscal. Reliance currently holds 100 per cent stake in the company.

On Thursday, Reliance Capital reported net profit of ₹235 crore for the December 2015 quarter, up 10 per cent from its year-ago figure of ₹213 crore. The growth was led by a 12 per cent raise in net profit in the mutual fund busi-

ness where the assets under management climbed 24 per cent year-on-year to ₹1.56 lakh crore.

The other growth engine for the company, Ghosh said, is the commercial finance business, where the AUM rose 19 per cent year-on-year to ₹21,938 crore. Profit before tax in this segment, however, was stagnant at ₹112 crore. The life insurance business earned a profit of ₹8 crore while the general insurance arm made ₹15 crore.

In November, Japanese insurer Nippon Life Insurance raised its stake in Reliance's life insurance business to 49 per cent from 26 per cent earlier. Reliance is now looking for a similar arrangement in its general insurance business, Ghosh said. The general insurance business has a book value of ₹1,000 crore.

On Thursday, shares of Reliance Capital closed down 1.05 per cent at ₹362.50, on the BSE.