

Reliance General Insurance to refile papers for IPO

SEBI approval
for previous
IPO elapses

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Reliance General Insurance Company, a wholly-owned subsidiary of Reliance Capital, has initiated the process of filing fresh papers for an initial public offer (IPO). The company has already applied to the Insurance Regulatory and Development Authority of India (IRDAI) for 'revalidation'.

The company had, in October 2017, filed for an IPO with markets regulator Securities and Exchange Board of India (SEBI) and had also received a nod for the same. However, the approval, which is valid for one year, expired on November 29, 2018, since it

failed to tap the markets, primarily on account of lack of investor appetite and choppy market conditions, sources said.

"The timeline given for the previous IPO had elapsed. So, we have initiated the process of refile with the IRDAI. The revalidation is taking place; we have already applied," Rakesh Jain, Chief Executive Officer, Reliance General, told *BusinessLine*.

Once listed, Reliance General will be the third private sector non-life insurer to be listed on the bourses after ICICI Lombard General Insurance and New India Assurance.

According to Jain, the company has to receive in-principle approval from the IRDAI before it files its DRHP with SEBI. The fresh DRHP will be largely similar to the previ-



Rakesh Jain, CEO, Reliance General Insurance DEBASISH BHADURI

ous one, which is already in the public domain. As per the previous DRHP filed with SEBI, the company had planned to raise ₹1,500-2,000 crore.

"We are still in the process of constructing the document; but as per the old

DRHP, we had planned to raise ₹1,500-2,000 crore. We are still working that out; the valuations may differ as profitability has improved (in the past one year)," he said.

Reliance General, Jain said, was doing 'reasonably alright' and may not necessar-

ily need to enter into any partnership with another entity. "The group is on record that a strategic partner can be looked upon in general insurance also, subject to it meeting the overall objectives of the partnership as well as of the company. At this stage there is nothing which I can comment upon; it is not something which is a must or necessary," he said.

Net profit

For the quarter ended September 30, 2018, its net profit grew by 20 per cent (on year-on-year basis) to ₹56 crore. Its gross written premium also witnessed a 20 per cent growth to ₹2,025 crore. The company's combined ratio improved to 106 per cent during Q2 FY-19 compared to 109 per cent during the year-ago period.