

Business Standard

DHFL to finalise stake dilution in life insurance arm by March

Firm is in advanced talks for selling 23% stake to US-based partner Prudential Financial

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Dewan Housing Finance :Ltd (DHFL), which owns 74 per cent in DHFL Pramerica Life Insurance (DPLI), is in advanced talks for selling 23 per cent stake to its US-based partner Prudential Financial.

"We have discussion with Prudential Financial with regard to them increasing stake from current level of 26 per cent to 49 per cent. It is in the final stage," DHFL Chairman and Managing Director Kapil Wadhawan told PTI.

"Hopefully, final decision should be reached by March," he said, adding final discussion on valuation and other issues are going on.

Dewan Housing Finance Ltd (DHFL) acquired 74 per cent stake in DLF Pramerica Life Insurance in 2013. Following this, the company achieved the break-even level.

At the end of March 2015, the insurance firm had earned a profit of about Rs 40 crore.

On the capital raising plan of DHFL, Wadhawan said the company has also given approval for issuance of preferential shares to promoter Wadhawan Global Capital Private Ltd.

Fund infusion of up to Rs 500 crore would be made by March 2016 and the promoter holding would go up following the issuance of warrant, he said.

The warrants will be convertible into equivalent number of equity shares of Rs 10 each and will be issued at a price not lower than the price arrived at as per the Sebi provisions.