

MEDIA RELEASE

**RELIANCE CAPITAL REPORTS CONSOLIDATED TOTAL INCOME OF RS. 6,141 CRORE
(US\$ 1.3 BILLION) FOR THE YEAR – AN INCREASE OF 3%**

**RELIANCE CAPITAL REPORTS CONSOLIDATED NET PROFIT OF RS. 435 CRORE
(US\$ 92 MILLION) FOR THE YEAR – DECREASE OF 57%**

**LOWER CAPITAL GAINS BOOKED IN THE YEAR AS SUBSTANTIAL GAINS TO BE BOOKED
FROM PLANNED STAKE SALES IN OPERATING BUSINESSES AND THRUST ON INCREASING
CONTRIBUTION FROM OPERATING BUSINESSES TOWARDS PROFITABILITY**

**RELIANCE CAPITAL ASSET MANAGEMENT – PROFIT AFTER TAX FOR
THE YEAR AT RS. 184 CRORE (US\$ 39 MILLION) – UP 46%**

**RELIANCE CONSUMER FINANCE – PROFIT BEFORE TAX
FOR THE YEAR AT RS. 135 CRORE (US\$ 28 MILLION) – UP 48%**

**RELIANCE CAPITAL ASSET MANAGEMENT MANAGED RS. 1,47,928 CRORE
(US\$ 33 BILLION), ACROSS MUTUAL FUNDS, PENSION FUNDS, MANAGED ACCOUNTS
AND HEDGE FUNDS – UP 32%**

**RELIANCE MUTUAL FUND – INDIA'S NO. 1 MUTUAL FUND – AVERAGE AUM
AT RS 1,10,412 CRORE (US\$ 24 BILLION) – UP 36%**

**RELIANCE LIFE INSURANCE – TOTAL PREMIUM FOR THE YEAR
AT RS 6,588 CRORE (US\$ 1.4 BILLION) – UP 34%**

**RELIANCE LIFE INSURANCE – TOTAL FUNDS UNDER MANAGEMENT AT
RS 13,661 CRORE (US\$ 3 BILLION) – UP 117%**

**RELIANCE LIFE INSURANCE - #1 IN TERMS OF POLICIES SOLD IN PRIVATE SECTOR FOR
THE YEAR AND IN EVERY QUARTER- OVER 2.3 MILLION POLICIES**

**RELIANCE LIFE INSURANCE – 80% REDUCTION IN CAPITAL INFUSED IN THE YEAR -
REFLECTS SUCCESSFUL MOVE TOWARDS PROFITABILITY – TARGETS TO ACHIEVE
BREAKEVEN IN CURRENT FINANCIAL YEAR**

**NET WORTH OF RS 7,712 CRORE (US\$ 2 BILLION) – RANKS AMONG
THE TOP 3 INDIAN PRIVATE SECTOR FINANCIAL SERVICES GROUPS**

TOTAL ASSETS OF RS 26,003 CRORE (US\$ 6 BILLION)

RELIANCE CAPITAL MAINTAINS DIVIDEND AT RS. 6.50 PER SHARE (65%)

Mumbai, April 30, 2010: Reliance Capital Limited (RCL) today announced its audited financial results for the year ended March 31, 2010. The performance highlights are:

Consolidated – Year ended March 31, 2010

- **Total income of Rs 6,140.6 crore** (US\$ 1.3 billion), against Rs **5,983.3 crore** in the corresponding period, **an increase of 3%**
- **Net profit of Rs 434.5 crore** (US\$ 91 million), against Rs **1,015.7 crore** in the corresponding period
- **Earnings per share of Rs. 17.63** (US\$ 0.37) against Rs **41.35** in the corresponding period

Lower capital gains were booked during the year, owing to:

- The **planned partial stake sale in the operating businesses, subject to necessary approvals**. Being the sole beneficiary of its operating businesses, the **full benefit** of this value unlocking will accrue to Reliance Capital
- And the thrust on increasing the contribution of the operating businesses towards profitability

At the meeting held today, **the Board has recommended payment of dividend of Rs. 6.50 per share on a capital base of Rs. 246.16 crore**. The dividend payout for the year ended March 31, 2010, has been maintained at Rs. 187 crore (US\$ 39 million)

Net worth:

As on March 31, 2010, **the net worth of the company stood at Rs 7,712.5 crore (US\$ 2 billion)**.

The company ranks among the top 3 Indian private sector financial services groups in terms of net worth.

Credit Rating:

The Company had a **net debt equity ratio of 1.6** as on March 31, 2010. It enjoys the **highest top-end ratings of 'A1+' and 'F1+' by ICRA and FITCH**, respectively for its short term borrowing program and **'CARE AAA'** for its long term borrowing program.

Operational Review:

As on March 31, 2010, **the total assets of the company stood at Rs 26,002.8 crore (US\$ 6 billion)**, an **increase of 8%** over the previous corresponding period.

The investment portfolio of listed equities as on March 31, 2010, amounted to **Rs 1,295.3 crore (US\$ 287 million)**, at cost.

The company has **not raised any fixed deposits** from the public.

Group Companies:

Reliance Mutual Fund (RMF)

Reliance Capital Asset Management (RCAM),

- Reliance Capital Asset Management managed **Rs. 1,47,928 crore (US\$ 33 billion)** as on March 31, 2010, across mutual funds, pension funds, managed accounts and hedge funds, as against Rs. 1,12,016 crore as on March 31, 2009, **an increase of 32%**
- **Reliance Mutual Fund (RMF)** continues to be the market leader and is ranked as **India's No. 1 Mutual Fund** in terms of AUM, with **market share of 14.8%**
- The **average assets under management (AAUM)**, **increased to Rs 1,10,412 crore (US\$ 24 billion)** for March 31, 2010 from Rs 80,963 crore for March 31, 2009, **an increase of 36%**
- RMF continues to focus on the retail investor community. In spite of challenging regulatory environment in Indian mutual fund industry, the number of investors folios were steady at **74.8 lakhs** as on March 31, 2010, highest amongst the private sector mutual funds
- RCAM's **income from its operations was Rs 682 crore (US\$ 144 million)** for the year ended March 31, 2010, as against Rs 455 crore for the corresponding previous period – **an increase of 50%**
- The **net profit** of RCAM was **Rs 184 crore (US\$ 39 million)** for the year ended March 31, 2010, as against Rs 126 crore for the corresponding previous period – **an increase of 46%**
- As on March 31, 2010 there were a total of 36 schemes comprising 17 equity oriented schemes, 17 debt oriented schemes and 2 exchange traded funds
- RMF had a presence across 246 locations in India, as on March 31, 2010
- During the year, RMF won several prestigious awards
 - **Highly acclaimed international award – 'Asia Risk Award for Asset Manager of the Year 2009'**, for its robust risk management practices. RCAM is the only Indian asset management company to be awarded this prestigious award
 - **Lipper award for "Best Equity India Fund"** to Reliance Growth Fund in the 5 years category and "Best Fund" to Reliance Regular Savings Fund – Balanced Plan, in the 3 years category
 - **"Mutual Fund House of the Year"** by CNBC TV18 – CRISIL Awards 2009
 - Reliance Smart Step Scheme was nominated as **"Most Innovative Fund/ Feature of the year"** at CNBC TV18- CRISIL Awards 2009
 - **Morning Star award** in the India Moderate Allocation category to Reliance Regular Savings – Balanced Growth
- As on March 31, 2010, the **AUM of Reliance Asset Management (Singapore) Pte Ltd**, a wholly owned subsidiary of RCAM, was at **US\$ 202 million** as against US\$ 127 million as on March 31, 2009 – **an increase of 60%**

Reliance Life Insurance

- Reliance Life Insurance (RLI) is among the **top 4 private sector life insurance players in terms of new business premium** with a market share of **10.2%** of the private sector
- RLI moved up industry rankings to emerge as the **3rd largest private sector life insurer in terms of weighted received premium**
- **Total Premium was Rs 6,588 crore (US\$ 1.4 billion)** for the year ended March 31, 2010 as against Rs 4,915 in the corresponding previous period, **an increase of 34%**
- **Renewal Premium was at Rs 2,684 crore (US\$ 566 million)** for the year ended March 31, 2010 as against Rs 1,419 crore in the corresponding previous period, **an increase of 89%**
- **New Business Premium was Rs 3,921 crore (US\$ 827 million)** for the year ended March 31, 2010 as against Rs 3,514 crore in the corresponding previous period, **an increase of 12%**, in line with the private sector industry growth
- **Weighted received premium was Rs. 3,659 crore (US\$ 772 million)** for the year ended March 31, 2010 as against Rs. 3,116 crore, **an increase of 17%**. During the same period the private sector industry achieved a growth of 13%
- In FY10, RLI sold the **largest number of policies** in the private sector life insurance industry. The number of policies sold during the year were 23,26,154 as against 22,19,678 for the corresponding previous period
- The **distribution network** increased at **1,247 branches** at the end of March 31, 2010 against 1,145 branches at the end of March 31, 2009
- The **number of agents** at the end of March 31, 2010 were at **1,95,565** as against 1,49,613 agents at the end of March 31, 2009, **an increase of 31%**
- The **total funds under management** as on March 31, 2010 increased to **Rs 13,661 crore (US\$ 3 billion)** as against Rs 6,290 crore for the corresponding previous period, **an increase of 117%**
- During the year, **Rs. 231 crore (US\$ 49 million)** was infused into the business as against Rs. 1,229 crore for the corresponding previous period – **80% reduction in capital infusion**, reflecting successful steps taken towards achieving profitability. RLI targets to breakeven in current financial year. The **total capital invested till date** in this business, is **Rs. 2,974 crore (US\$ 659 million)**

Reliance General Insurance

- Reliance General Insurance (RGI) offers auto insurance, health insurance, home insurance, property insurance, travel insurance, marine insurance, commercial insurance and other speciality insurance products

- RGI is one of the top **3 private sector general insurance companies** in India (in terms of gross written premium). It has a **market share of 5.7%** of the Indian general insurance industry and a **13.9%** market share of the private general insurers
- **Gross Direct Premium** for the year ended March 31, 2010 was **Rs 1,980 crore (US\$ 418 million)** as against Rs 1,915 crore in the corresponding previous period, an increase of 3%
- The **combined ratio** (with third party motor pool) was at **117%** as against 114% for the corresponding previous period. Combined ratio is the sum of claims, commissions and management expenses
- Loss for the year ended March 31, 2010 was **Rs 50 crore (US\$ 11 million)** as against loss of Rs 52 crore for the corresponding previous period
- The increase in combined ratio and consequently the loss was on account of high claims from health portfolio. RGI recently received approval from IRDA to re-price its health products. The Company has significantly reduced its exposure to Group Mediclaim products that were largely unprofitable. This will enable the Company to improve its combined ratio and achieve breakeven in the current financial year
- During the year, **Rs. 210 crore (US\$ 44 million)** was infused into the business. The **total capital invested till date is Rs. 1,007 crore (US\$ 212 million)**
- RGI had a **distribution network of 200 branches and over 4,600 intermediaries**, at the end of March 31, 2010

Reliance Consumer Finance

- Reliance Consumer Finance (RCF) offers a wide range of products which include Home loans, Loans against property, SME loans, Commercial Vehicle loans and loans for Construction equipment
- The outstanding **loan book** as on March 31, 2010 was at **Rs 9,170 crore (US\$ 2 billion)**, against Rs 8,576 crore as on March 31, 2009, **an increase of 7%**. This loan book is spread **across 1,17,955 customers** from top 16 Indian metros
- The focus is to increase secured asset lending and de-emphasise unsecured loans. The **disbursements** for the year ended March 31, 2010 were **Rs 5,776 crore (US\$ 1.2 billion)** as against Rs 3,928 crore for corresponding previous period, an increase of 47%. RCF is amongst the leading lenders in the Indian non banking finance sector
- In FY10, RCF **securitized loans of Rs 2,505 crore (US\$ 528 million)**
- RCF generated **revenues of Rs 1,287 crore (US\$ 271 million)** for the year ended March 31, 2010 as against Rs 1,200 crore for the corresponding previous period, **an increase of 7%**

- The **profit before tax** of RCF was **Rs 135 crore (US\$ 28 million)** for the year ended March 31, 2010 as against Rs 91 crore for the corresponding previous period, an **increase of 48%**

Reliance Money

- Reliance Money is a comprehensive financial services and solutions provider, providing customers with access to equities, equity options and commodities futures, mutual funds, IPOs, life and general insurance products, offshore investments, wealth management products, investment banking, gold coins and financial services like money changing and money transfer
- Reliance Money is a **leading brokerage and distributor of financial products in India** with a pan India presence with over **5,000 outlets**
- In the past year, Reliance Money went through significant re-structuring, creating a robust and sustainable business model. The exercise is now complete
- Reliance Money generated **revenues of Rs 259 crore (US\$ 55 million)** for the year ended March 31, 2010 as against Rs 352 crore for the quarter ended March 31, 2009
- The business achieved a **profit before tax of Rs 14.9 crore (US\$ 3 million)** for the year ended March 31, 2010, as against Rs 58 crore for the corresponding previous period

Update on other businesses

- **Reliance Spot Exchange**, a new initiative of Reliance Capital in the exchange space, commenced operations by launching **Reliance Spot Exchange (RSX)** in the month of October 2009. The first contract on the e-auction platform being metals, subsequently also added spices in the month of March 2009. RSX has successfully completed 3 auctions in metals & pepper. RSX aims to bring different markets together on a national electronic platform thereby creating transparency, efficiency and infrastructure for spot markets across India
- In the institutional broking space, Reliance Capital plans to acquire a majority stake in **Quant Capital Group**. Subject to necessary regulatory approvals, **Reliance Equity International (institutional broking arm of Reliance Capital)** and Quant Capital will integrate and increase scale of operations through business synergies and cost optimization

Quant Capital focuses primarily on the institutional cash equities and equity derivatives business. Apart from traditional fundamental research, it also combines quantitative and behavioral research to forecast trends and inflection for global currencies, commodities, and equities. Quant Capital has built and implemented state of the art trading, risk and operational platforms. The firm employs over 100 professionals with diverse skills sets

- **Reliance Asset Reconstruction** which is in the business of acquiring, managing and resolving distressed assets, has as asset base of over **Rs 17 crore (US\$ 4 million)**

- **Reliance Equity Advisors**, wholly owned subsidiary of Reliance Capital, was set up with the objective of raising third party, sector agnostic private equity fund. The first round was completed in the third quarter and the Company is now in advanced discussions to close the second round of fundraising. The international fund raising targeting International LPs & NRIs, will soon commence for Reliance Alternative Investment Fund1 LLC. This fund will co-invest with the domestic fund
- **Reliance Venture Asset Management**, wholly owned subsidiary of Reliance Capital, is the venture capital arm of the Reliance ADA Group with an investment mandate to incubate or invest into high-growth, new business ideas and is stage, sector and geography agnostic. Ranked 30th in the reputed list of US-based, Red Herring Top 100 Global Venture Capital firms in 2009 out of 1800 global VC firms, from 32 countries, and across 12 benchmarks, Reliance Venture is the only Indian Corporate Venture Capital firm to feature in the ranking. Reliance Venture Asset Management currently manages assets of Rs. 116 crores (US\$ 26 million)

Shareholding Pattern as on March 31, 2010:

Category	No. of Shares	Shareholding (%)
Reliance Anil Dhirubhai Ambani Group	13 24 82 274	53.9%
Foreign Investors – FIIs, GDRs, NRIs and others	5 35 97 135	21.8%
Domestic institutions/ Banks/ Mutual Funds	1 17 16 876	4.8%
Indian public	4 78 36 515	19.5%
TOTAL – 1.3 million shareholders	24,56,32,800	100.0%

Background:

Reliance Capital Ltd is a part of the Reliance - Anil Dhirubhai Ambani Group and is one of India's leading private sector financial services companies, and ranks among the top 3 private sector financial services and banking groups, in terms of net worth.

The Reliance Anil Dhirubhai Ambani Group currently has a market capitalization of over Rs 1,23,000 crore (US\$ 26 billion). As on March 31, 2009, the Group achieved net worth in excess of Rs 80,000 crore (US\$ 17 billion), total assets of over Rs. 159,000 crore (US\$ 35 billion) and cash flows of Rs 13,000 crore (US\$ 3 billion).

Reliance Capital has interests in asset management and mutual funds, life and general insurance, private equity and proprietary investments, stock broking, depository services, distribution of financial products, investment banking, wealth management services, consumer finance, exchanges and other activities in financial services.