



Reliance Capital Limited

MEDIA RELEASE

**RELIANCE CAPITAL BOARD OF DIRECTORS
APPROVES AMALGAMATION OF RELIANCE CAPITAL VENTURES**

**SWAP RATIO PROPOSED AT 5 SHARES OF RCL
FOR EVERY 100 SHARES OF RCVL**

**23 LAKH RELIANCE SHAREHOLDERS
TO BENEFIT FROM DIRECT HOLDING IN RELIANCE CAPITAL**

ELIMINATION OF DUAL LISTING OF RCL AND RCVL

RCL's FULLY DILUTED EQUITY CAPITAL TO REMAIN AT Rs 245 CRORE

Mumbai, January 2, 2006: The Board of Directors of Reliance Capital Ltd. (RCL) today considered and approved a proposal for the amalgamation of Reliance Capital Ventures Limited (RCVL) with the Company.

The proposed scheme of amalgamation envisages a **share exchange ratio of 5 (five) equity shares of the face value of Rs.10/- each of the Company, for every 100 (one hundred) equity shares of the face value of Rs.10/- each of RCVL (after the allotment of shares pursuant to the demerger of RIL).** The share exchange ratio is based on the number of shares of RCL held by RCVL, and is as recommended by the leading international firm, KPMG.

The shares of RCL held by RCVL will be cancelled under the proposed scheme of amalgamation. **The fully diluted equity capital of RCL will remain at approximately Rs 245 crore.**



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The benefits of the proposed scheme are:

- **Direct shareholding of Reliance Capital by 23 lakh Reliance shareholders, leading to enhancement of their value**
- **Elimination of dual listing of RCL and RCVL**
- **Elimination of potential “holding company” discount through RCVL market price**
- **Increased liquidity for all Reliance Capital shareholders**
- **Wider domestic and international shareholder base for RCL**

The proposed Scheme of Amalgamation is, inter alia, subject to the approvals of the Board of RCVL, the shareholders of the Company and RCVL, the stock exchanges, the High Court of Gujarat, the High Court of Judicature at Mumbai, and all other requisite permissions, sanctions and approvals.

Reliance Capital Ltd. is a part of the Reliance - Anil Dhirubhai Ambani Group. Reliance Capital is one of India's leading private sector financial services companies, and ranks among the top 3 private sector financial services and banking companies, in terms of net worth. Reliance Capital has interests in asset management and mutual funds, stock broking, life and general insurance, proprietary investments, private equity and other activities in financial services.