



MEDIA RELEASE

CONSOLIDATED TOTAL INCOME OF RS. 5,498 CRORE (US\$ 1.2 BILLION)
– DECREASE OF 10%, MAINLY ON ACCOUNT OF DECLINE IN GENERAL INSURANCE PREMIUM
AND LOWER CAPITAL GAINS BOOKED

CONSOLIDATED NET PROFIT OF RS. 475 CRORE (US\$ 104 MILLION)
(BEFORE ONE TIME PROVISIONING) – INCREASE OF 9%,

CORE BUSINESSES CONTRIBUTED TO NEARLY 100% OF OPERATING PROFITS
AS AGAINST 56% IN CORRESPONDING PREVIOUS PERIOD

OPERATING PROFITS FROM CORE BUSINESSES APPROX AT RS. 600 CRORE
(US\$ 131 MILLION) – INCREASE OF 43%

NET WORTH OF RS 7,810 CRORE (US\$ 2 BILLION) – RANKS AMONG THE TOP 4 INDIAN
PRIVATE SECTOR FINANCIAL SERVICES GROUPS

TOTAL ASSETS OF RS 31,994 CRORE (US\$ 7 BILLION) – INCREASE OF 23%

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

RCAM – PROFIT AT RS. 294 CRORE (US\$ 65 MILLION) – UP 10%

RCAM MANAGED RS. 1,49,175 CRORE (US\$ 33 BILLION), ACROSS MUTUAL FUNDS, PENSION
FUNDS, MANAGED ACCOUNTS AND HEDGE FUNDS

RELIANCE COMMERCIAL FINANCE – PROFIT AT RS. 269 CRORE
(US\$ 59 MILLION) – UP NEARLY 100%

RELIANCE COMMERCIAL FINANCE – 97% OF LOAN BOOK SECURED

RELIANCE COMMERCIAL FINANCE – ASSETS UNDER MANAGEMENT
AT RS. 13,789 CRORE (US\$ 3 BILLION) – UP 25%

RELIANCE COMMERCIAL FINANCE – GROSS NPLS DECLINE BY 51%

RELIANCE LIFE INSURANCE – TOTAL PREMIUM AT RS 6,548 CRORE (US\$ 1.4 BILLION)

RELIANCE LIFE INSURANCE – RENEWAL PREMIUM AT RS. 3,536 CRORE
(US\$ 776 MILLION) – UP 32%

RELIANCE LIFE INSURANCE – TOTAL FUNDS UNDER MANAGEMENT
AT RS 17,855 CRORE (US\$ 3 BILLION) – UP 31%

RELIANCE LIFE INSURANCE – HIGHEST NUMBER OF INDIVIDUAL PREMIUM POLICIES SOLD IN
PRIVATE SECTOR AT 19 LAKHS WITH OVER 50 LAKH POLICIES IN FORCE

RELIANCE LIFE INSURANCE – 48% REDUCTION IN CAPITAL INFUSED IN THE YEAR – WILL BE
PROFITABLE IN CURRENT FINANCIAL YEAR

Mumbai, May 30, 2011: Reliance Capital Limited (RCL) today announced its audited financial results for the year ended March 31, 2011. The performance highlights are:

Consolidated – Year ended March 31, 2011

- **Total income of Rs 5,498.5 crore** (US\$ 1.2 billion), against Rs **6,140.6 crore** in the corresponding previous period, **a decrease of 10%**, mainly owing to decline in general insurance premium and lower capital gains booked during the year
- **Net profit was at Rs 474.9 crore** (US\$ 104 million) **(before one time provisioning)**, against Rs **434.5 crore** in the corresponding period, **an increase of 9%**
 - One time provisioning of **Rs. 183.7 crore (US\$ 40 million)** made on account of **change in provisioning norms** relating to **commercial motor third party pool losses** in general insurance, as intimated by the regulator. These losses, aggregating to approximately Rs. 7,000 crore (US\$ 1.5 billion) for the entire industry, have been shared by all players in proportion to their total market share
- Owing to this provisioning, **the Net profit declined by 33% to Rs 291.2 crore** (US\$ 64 million) **(after one time provisioning)**, as against Rs **434.5 crore** in the corresponding previous period
- **Nearly 100%** of Reliance Capital's **operating profits** were contributed by its **core businesses** of asset management, commercial finance and broking & distribution, as against **56%** for the previous corresponding period
- In fact, the **operating profits from core business** increased by **43% YoY to Rs. 598.6 crore (US\$ 131 million)**, as against Rs. **417.9 crore** for the corresponding previous period

At the meeting held today, **the Board has recommended a 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, 2011, has been maintained at Rs.161 crore (US\$ 36 million)

Net worth:

As on March 31, 2011, **the net worth of the company stood at Rs 7,809.7 crore (US\$ 2 billion), an increase of 1%.**

The company ranks among the top 4 Indian private sector financial services groups in terms of net worth.

Credit Rating:

The Company had a **net debt equity ratio of 2.2** as on March 31, 2011. 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, 2011, the total assets of the company stood at **Rs 31,993.9 crore (US\$ 7 billion)**, an **increase of 23%** over the previous corresponding period.

The investment portfolio of listed equities as on March 31, 2011, amounted to **Rs 1,672.0 crore (US\$ 374 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. 1,49,175 crore (US\$ 33 billion)** as on March 31, 2011, across mutual funds, pension funds, managed accounts and hedge funds
- Reliance Mutual Fund (RMF) continues to be the market leader and is ranked **as India's No. 1 Mutual Fund** in terms of AUM (assets under management), with a market share of **14.5%**
- The **average assets under management (AAUM)** for the quarter ended March 2011, stood at **Rs 1,01,576 crore (US\$ 22 billion)** as against Rs 1,14,429 crore for the corresponding previous period
- The high focus on the untapped retail opportunity continues.
 - Reliance Mutual Fund launched an unique retail **Gold Savings Fund** in Q4FY11
 - The fund is the **largest and first Gold fund in India**
 - More than **2 lakh investors** participated in this NFO through SIPs and RMF received a commitment of approximately **Rs. 3,000 crore (US\$ 672 million)** over **10 years through these SIPs**
 - The number of **investor folios** in RMF remained steady at **73 lakhs** as on March 31, 2011, with a **market share of over 15%** in number of investor folios
 - During the year, the Systematic Investment Plan (SIP) and Systematic Transfer Plan (STP) investor accounts **increased by 71% to 19 lakhs**. During the year, RMF added an average of 1,00,000 SIPs every month
 - Focus on Tier 2 & 3 cities and alternate channels have yielded results. RMF's market share of AUM garnered from beyond the 100th city is **more than 40%**
 - RMF has created a wide distribution network in more than **200 cities and over 75,000 retail touch points** in India
- RCAM's **income from its operations was Rs 733 crore (US\$ 161 million)** for the year ended March 31, 2011, as against Rs 682 crore for the corresponding previous period – **an increase of 8%**

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- The **profit before tax** of RCAM was **Rs 294 crore (US\$ 65 million)** for the year ended March 31, 2011, as against Rs 268 crore for the corresponding previous period – **an increase of 10%**
- As on March 31, 2011, there were a total of 44 schemes comprising 21 equity oriented schemes, 20 debt oriented schemes, 2 exchange traded funds and 1 Fund of funds
- Achievements in FY11:
 - RMF has been awarded with '**Best Fund House – Debt Category**' by **ICRA & Bloomberg UTV**
 - RMF won the award for '**Best Asset Management Company**' from **Business World**
 - RMF won the '**Best Mutual Fund House**' Award by **Outlook Money**
 - RMF won 5 Awards - the maximum by any AMC - on different categories in the NDTV Profit Mutual Fund Awards 2010
 - RMF won the **Bloomberg UTV** award in Investor Education – '**Best Contribution in Investor Education & Category Enhancement of the Year**'. During the year, RMF conducted **over 4,400 training programs with more than 100,000 participants**
 - RCAM is the **first AMC** to create a **separate asset category in Gold** for retail investors by launching Gold Savings Fund allowing retail investors to invest as low as Rs. 500 without the need of a DEMAT account
 - ET Intelligence Group awarded RMF with 12 awards including the highest number (5) of Platinum Awards for the various schemes
 - Achieved the **highest CSAT** (customer satisfaction survey) score conducted by **AC Nielsen** – the highest in the industry, reflecting the positive experience of customers and distributors

Reliance Life Insurance

- Reliance Life Insurance (RLI) is the among **top 4 private sector life insurance players** with a **market share of 8.7%** of the private sector (in terms of individual new business premium)
- **Total Premium remained steady at Rs 6,548 crore (US\$ 1.4 billion)** for the year ended March 31, 2011 as against Rs 6,588 in the corresponding previous period
- **Renewal Premium was at Rs 3,536 crore (US\$ 776 million)** for the year ended March 31, 2011 as against Rs 2,684 crore in the corresponding previous period, **an increase of 32%**
- In FY11, RLI sold the **largest number of individual premium policies** in the private sector life insurance industry. The number of individual premium policies sold during the year were 19,02,685. The **total number of policies in force have crossed 50 lakhs**, a **YoY growth of 14%**

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- The **total funds under management** as on March 31, 2011 stood at **Rs 17,855 crore (US\$ 4 billion)** as against Rs 13,661 crore as on March 31, 2010, **an increase of 31%**
- The **loss for the year ended March 31, 2011** was **Rs. 129 crore (US\$ 28 million)** as against Rs. 284 crore for the previous corresponding period, **a decrease of 54%**. In fact, RLI turned **profitable in H2 FY11** with a **profit of Rs. 34 crore (US\$ 7 million)**. RLI will be profitable in the current financial year
- During the year, **capital of Rs. 120 crore (US\$ 26 million)** was infused into the business, as against Rs. 231 crore for the corresponding previous period – **48% reduction in capital infusion**. RLI did not need fresh capital infusion in the **second half of the year**, reflecting successful steps taken towards achieving profitability. The **capital invested** in this business, till date, is **Rs. 3,094 crore (US\$ 679 million)**
- The **distribution network** stood at **1,248 branches** at the end of March 31, 2011
- The **number of agents** at the end of March 31, 2011 were at **1,89,304** as against 1,95,565 agents at the end of March 31, 2010, **a decrease of 3%**, in line with the focus on productivity and performance of agents
- Achievements in FY11:
 - In Q4FY11, **Nippon Life, Japan's largest private life insurer**, signed a definitive agreement to **acquire a 26% stake in Reliance Life Insurance**, subject to necessary regulatory approvals
 - This is the **largest FDI in Indian Financial Services sector** and by far, the **largest FDI in Insurance sector**
 - The transaction pegs **Reliance Life Insurance valuation at approximately Rs. 11,500 crore (US\$ 2.6 Billion)**. Nippon Life Insurance will invest **Rs. 3,062 crore (US\$ 680 million)** to acquire 26% in RLI
 - **Nippon Life is 121 year old life insurance company, 6th largest in the world and largest in Japan**. As a strategic partner, Nippon Life will bring vast experience, expertise and global best practices - in areas of product development, underwriting, investment management, distribution, customer relationship management and risk management
 - RLI was assigned '**BWR AAA^{effs}**' **risk rating** from Brickwork Ratings for **best Enterprise wide risk management capabilities and financial strength** to meet ongoing policyholder obligations. It is the **first life insurance company in India** to be awarded a high rating from Brickwork, a global reputed risk rating agency
 - **Superior fund management performance** – 17 of the 23 funds **outperformed their respective benchmark indices**. And the **Flagship Equity Fund** which is **largest ULIP fund in private sector Industry with an AUM of Rs. 9,400 crore (US \$ 2.1 billion)** is among the **top 3 in fund performance**
 - During the year, RLI launched **7 new products** – 6 targeted towards individuals and 1 group premium product
 - RLI made its **foray into the health insurance space** with the launch of a new health insurance product – '**Reliance Life Care For You**', which offers unique and attractive features that are first-of-a-kind in India

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- Among **'Top 3 Most Trusted Insurance Brands'** by ET-Brand Equity **Most Trusted Brands Survey 2010**. RLI also ranked among the **Top 30** in **'Most Trusted Service Brands'**
- Awarded **'Best campaign of the Year'** and **'Brand Excellence'** by CMO Asia
- Won the **iCGM Enterprise & IT Architecture Excellence Award** under the category **'Business Process Management & BPMS'**

Reliance General Insurance

- Reliance General Insurance (RGI) offers insurance solutions for auto, health, home, property, travel, marine, commercial and other specialty products
- RGI is amongst the leading private sector general insurance players in India with a **private sector market share of 9.4%** (in terms of gross written premium)
- **Gross Direct Premium** for the year ended March 31, 2011 was **Rs 1,655 crore (US\$ 363 million)** as against Rs 1,980 crore in the corresponding previous period, a **decline of 16%**, in line with the underwriting strategy at RGI
- The Loss for the year ended March 31, 2011 was **Rs 310 crore (US\$ 68 million)** as against loss of Rs 91 crore for the corresponding previous period
- The loss for the year has been largely on account of change in the provisioning norms relating to commercial motor third party pool losses. These third party pool losses have been shared by the industry players in proportion of their total industry market share. RGI has provided for these losses fully during Q4FY11
- During the year, **Rs. 142 crore (US\$ 32 million)** was infused into the business, as against Rs. 210 crore in FY10, a **decline of 32%**, reflecting the focus on writing profitable business. The **total capital invested till date is Rs. 1,149 crore (US\$ 257 million)**
- RGI had a **distribution network of 200 branches** and **over 4,200 intermediaries and associates**, at the end of March 31, 2011

Reliance Commercial Finance

- Reliance Commercial Finance (RCF) offers a wide range of products which include Home loans, Loans against property, SME loans, Commercial Vehicle loans, Loans for Construction equipment, Loans against securities and Infrastructure financing
- RCF is amongst the leading lenders in the Indian non banking finance sector. The focus in this business continues to be on asset backed lending and de-emphasise unsecured loans. As on March 31, 2011, **97% of the loan book was secured** as against **88%** as on March 31, 2010
- RCF achieved a **profit before tax of Rs. 269 crore (US\$ 59 million)** for the year ended March 31, 2011, as against Rs 135 crore for the corresponding previous period **an increase of nearly 100%**

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- The **net interest income** for the year ended March 31, 2011 was **Rs. 512 crore (US\$ 112 million)** as against Rs. 459 crore for the corresponding previous period, an **increase of 11%**
- The **provisions** (including write offs) decreased significantly to **Rs. 130 crore (US\$ 28 million)** for the year ended March 31, 2011 from Rs. 276 crore for the corresponding previous period, a **decrease of 53%** as the **gross NPLs declined 51% YoY**
- The **disbursements** for the year ended March 31, 2011 were **Rs. 8,782 crore (US\$ 2 billion)** as against Rs. 5,776 crore for corresponding previous period, an **increase of 52%**
- As on March 31, 2011, the **assets under management** (including securitized portfolio) was **Rs. 13,789 crore (US\$ 3 billion)** as against Rs. 11,042 crore as on March 31, 2010 – **increase of 25%**
- The outstanding **loan book** as on March 31, 2011 was at **Rs 12,290 crore (US\$ 2.8 billion)**, against Rs 9,166 crore as on March 31, 2010, an **increase of 34%**. This loan book is spread across **1,09,833 customers** across top 18 Indian metros
- During the year, RCF **securitized loans of Rs. 1,054 crore (US\$ 236 million)** as against Rs. 2,505 crore for the corresponding previous period, a **decrease of 58%**

Broking businesses

- Reliance Securities (RSec) is the equity broking arm of Reliance Capital, is one of the leading retail broking houses in India, providing customers access to equities, equity options, wealth management, mutual funds, IPOs and investment banking
- The key focus is on the business verticals of broking, wealth management and investment banking. Wealth management and investment banking are new initiatives undertaken in FY11
- In **equity broking**, at the end of March 31, 2011, RSec had **over 6 lakh retail broking accounts** with an **average daily equities turnover of Rs. 1,413 crore (US\$ 310 million)**
- In **wealth management**, customer needs are assessed to create customized financial investment opportunities. The **AUM** as on March 31, 2011 stood at **Rs. 169 crore (US\$ 38 million)**, a **YoY increase of 88%**
- In investment banking, the capital requirements of enterprises are addressed through various instruments – IPOs, private placements, M&A etc. During the year, as a **syndicate member**, RSec handled **4 issues** and **mobilized total amount of over Rs. 6,200 crore (US\$ 136 million)** and **Rs. 3,500 crore (US\$ 784 million)** of IPO funding
- The business generated **revenues of Rs 165 crore (US\$ 36 million)** for the year ended March 31, 2011 as against Rs. 215 crore for the corresponding previous period
- **Profit before tax** was **Rs. 22 crore (US\$ 5 million)** for the year ended March 31, 2011, as against Rs. 28 crore for the previous corresponding period

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Distribution business

- The distribution business of Reliance Capital, branded as 'Reliance Money' is a comprehensive financial services and solutions provider, providing customers with access to mutual funds, insurance products, gold coins, money transfer and currency exchange
- Reliance Money is amongst the **leading domestic distributors of financial products** with a pan India presence of nearly **6,200 outlets**
- In the **gold coin business**, through its pan India presence, Reliance Money has sold nearly **1.5 tonne of gold** in FY11, **an increase of 235%**
- Reliance Money, **largest private sector partner for Western Union Money Transfer** handled **over 20 lakh money transfer transactions** during the year, **a YoY increase of 20%**. **The market share** increased to **12% in FY11** from **10.7%** in the corresponding previous period
- The business generated **revenues of Rs 59 crore (US\$ 13 million)** for the year ended March 31, 2011 as against Rs. 43 crore for the corresponding previous period, **an increase of 35%**
- **Profit before tax** for the year ended March 31, 2011 was **Rs. 12 crore (US\$ 3 million)**, as against a **loss of Rs. 13 crore** for the previous period

Shareholding Pattern as on March 31, 2011:

Category	No. of Shares	Shareholding (%)
Reliance Anil Dhirubhai Ambani Group	13 29 82 274	54.1%
Foreign Investors – FII, GDRs, NRIs and others	5 59 99 591	22.8%
Domestic institutions/ Banks/ Mutual Funds	1 20 29 819	4.9%
Indian public	4 46 21 116	18.2%
TOTAL – 1.3 million shareholders	24,56,32,800	100.0%

Background:

Reliance Capital Ltd is a part of the Reliance Group and is one of India's leading private sector financial services companies, and ranks among the top 4 private sector financial services and banking groups, in terms of net worth.

Reliance group is amongst India's leading business houses with over 230 million customers. It has a strong presence across a wide array of high growth Commercial- facing businesses of Telecom, Financial Services, Energy, Power, Infrastructure and Media and Entertainment.

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, Commercial finance, exchanges and other activities in financial services.