

MEDIA RELEASE

RELiance CAPITAL REPORTS QUARTERLY NET PROFIT OF Rs 286 CRORE (US\$ 64 MILLION) – AN INCREASE OF 709%

TOTAL INCOME OF Rs 322 CRORE (US\$ 72 MILLION) FOR THE QUARTER – AN INCREASE OF 284%

NET PROFIT OF Rs 538 CRORE (US\$ 121 MILLION) FOR THE YEAR – AN INCREASE OF 408%

EARNINGS PER SHARE OF Rs 29.7 (US\$ 0.67) FOR THE YEAR – AN INCREASE OF 258%

CONSOLIDATED NET PROFIT OF Rs 572 CRORE (US\$ 128 MILLION) FOR THE YEAR – AN INCREASE OF 1488%

CONSOLIDATED EARNINGS PER SHARE OF Rs 31.6 (US\$ 0.71) FOR THE YEAR – AN INCREASE OF 1021%

NET WORTH OF Rs 4,568 CRORE (US\$ 1.02 BILLION) – ON CONVERSION OF OUTSTANDING EQUITY WARRANTS

UNREALISED CAPITAL GAINS OF Rs 2,355 CRORE (US\$ 528 MILLION)

Mumbai, 24th April 2006: Reliance Capital Limited (RCL) today announced its audited financial results for the year ended 31st March 2006. The performance highlights are:

For the Quarter

- **Total Income of Rs 322 crore** (US\$ 72 million), against Rs 84 crore in the corresponding previous period, **an increase of 284%**
- **Cash Profit of Rs 290 crore** (US\$ 65 million), against Rs 42 crore in the corresponding previous period, **an increase of 590%**
- **Net Profit of Rs 286 crore** (US\$ 64 million), against Rs 35 crore in the corresponding previous period, **an increase of 709%**

For the Year

- **Total Income of Rs 652 crore** (US\$ 146 million), against Rs 295 crore in the corresponding previous period, **an increase of 121%**
- **Cash Profit of Rs 561 crore** (US\$ 126 million), against Rs 134 crore in the corresponding previous period, **an increase of 319%**
- **Net Profit of Rs 538 crore** (US\$ 118 million), against Rs 106 crore in the corresponding previous period, **an increase of 408%**

- **Earning per share (EPS) of Rs 29.7 (US\$ 0.67)**, against Rs 8.3 in the corresponding previous period, **an increase of 258%**
- **Consolidated Net Profit of Rs 572 crore (US\$ 128 million)**, against Rs 36 crore in the corresponding previous period, **an increase of 1488%**
- **Consolidated Earning per share (EPS) of Rs 31.6 (US\$ 0.71)**
- **Total Assets of the company stood at Rs 4,467 crore (US\$ 1 billion)**

At the meeting held today, **the Board has approved payment of dividend of Rs 3.20 per share on an increased capital base of Rs 223 crores. The dividend payout has increased by 86% from Rs 44 crores to Rs 81 crore (US\$ 18 million) for the year ended 31st March 2006.**

Mobilisation of Resources:

During the period under review, the Company made a preferential offer of equity shares/ equity related securities to **Anil Dhirubhai Ambani Enterprises, and long term institutional investors**, amounting to Rs 2,673 crore (US\$ 614 million), to further strengthen the Company's financial position, and to generate long term resources for accelerating its future growth plans.

As on 31st March 2006, the net worth of the company stood at Rs 4,123 crore (US\$ 924 million). On conversion of outstanding equity warrants, **the net worth will increase to over Rs 4,568 crore (US\$ 1.02 billion).**

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

Credit Rating:

The Company is virtually debt free and has a debt equity ratio of 0.06 as on 31st March 2006, and enjoys the highest top-end ratings of 'A1+' and 'F1+' by ICRA and FITCH, respectively.

Operational Review:

As on 31st March 2006, the **total assets of the company stood at Rs 4,467 crore (US\$ 1 billion).**

The investment portfolio as on 31st March 2006, amounted to Rs 2,588 crore (US\$ 580 million), at cost. The **unrealised capital gains** on the investment portfolio amounted to **Rs 2,355 crore (US\$ 528 million)** as on 31st March 2006, excluding gains on unlisted securities.

The company has **no Non-performing Assets**, and it has **not raised any fixed deposits** from the public.

Group Companies:**Reliance Mutual Fund (RMF)****Reliance Capital Asset Management (RCAM)**

During the year Reliance Mutual Fund emerged as the **largest Private sector mutual fund** in the country. The **assets under management**, increased to **Rs 24,670 crore (US\$ 5.5 billion)** as on 31st March 2006 from Rs 9,543 crore as on 31st March 2005, **an increase of 159%**.

The **net profit of RCAM was Rs 30 crore** (US\$ 6.7 million) for the period under review, an increase of 150%.

Reliance Life Insurance

During the period under review, Reliance Capital Limited acquired AMP Sanmar Life Insurance Company Limited, with the approval of Insurance Regulatory and Development Authority (IRDA).

The **Premium Income** increased to Rs 224 crore from Rs 107 crore, **an increase of 109%**, within a short span of 6 months of RCL taking over the company.

Reliance Life is committed to attaining leadership rankings in the industry within the next few years.

Reliance General Insurance

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

The **Gross Direct Premium** for the financial year ended 31st March 2006 was **Rs 163 crore (US\$ 37 million)**.

The **Net Profit** was Rs 14.4 crore (US\$ 3.2 million) for the period under review, **an increase of 148%**.

Other Businesses

RCL is finalizing plans for its stock broking and distribution of financial products businesses, which will be launched in the current financial year.

Background:

Reliance Capital Ltd is a part of the Reliance - Anil Dhirubhai Ambani Group.

Reliance Capital is one of India's leading and fastest growing 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, life and general insurance, private equity and proprietary investments, stock broking and other activities in financial services.