

Reliance Capital Limited

**Review report on the results for the quarter ended
June 30, 2009 (Un-audited)**

July 31, 2009

Safe Harbor

This report and the discussion that follows may contain “forward looking statements” by Reliance Capital Limited (“RCL”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operation, financial condition, business prospects, plans and objectives, are based on the current beliefs, assumptions, expectations, estimates, and projections of the directors and management of RCL about the business, industry and markets in which RCL operates. These statements are not guarantees of future performance, and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond RCL’s control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements. Such statements are not, and should not be construed, as a representation as to future performance or achievements of RCL. In particular, such statements should not be regarded as a projection of future performance of RCL. It should be noted that the actual performance or achievements of RCL may vary significantly from such statements.

General Risk

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Company unless they can afford to take the risk of losing their investment. For taking an investment decision, investors must rely on their own examination of RCL including the risks involved.

Convenience translation

We publish our financial statements in Indian Rupees. All references herein to “Indian Rupees” and “Rs.” are to Indian Rupees and all references herein to “US dollars” and “US\$” are to United States dollars. All translations from Indian Rupees to United States dollars were made (unless otherwise indicated) using the rate of Rs. 46.46 = US \$ 1.00 for Q1 FY10 profit and loss items and the rate of Rs. 47.87 = US\$1 for balance sheet items as on June 30, 2009. All amounts translated into United States dollars as described above are provided solely for the convenience of the reader, and no representation is made that the Indian Rupees or United States dollar amounts referred to herein could have been or could be converted into United States dollars or Indian Rupees respectively, as the case may be, at any particular rate, the above rates or at all. Any discrepancies in any table between totals and sums of the amounts listed are due to rounding off. We also use the international convention of presenting financial information in millions or billions of rupees. Note: One million rupees is equal to ten lakh rupees. Ten million rupees is equal to one crore rupees. One billion rupees is equal to one hundred crore rupees.

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SECTION 1

RELIANCE CAPITAL – PERFORMANCE AT A GLANCE

(Rs. Million)

Particulars	Year ended March 31,			Quarter ended June 30, 2009*
	2007	2008	2009	
Total Revenues	21,579	49,192	59,400	14,692
Net Profits	7,032	10,091	10,157	1,510
Networth	52,973	65,078	73,403	75,003
Reliance Mutual Fund				
Assets under Management (Rs.billion)	463	909	809	1,083
Reliance Life Insurance				
New business premium	9,321	27,510	35,139	5,054
Reliance General Insurance				
Gross written premium	9,120	19,460	19,149	5,548
Reliance Money				
Revenues	0	2,385	3,520	682
Reliance Consumer Finance				
Loan book size	1,328	71,204	85,761	85,110

+ All the financial highlights given are based on consolidated audited results

* Based on consolidated unaudited results

SECTION 2

AN OVERVIEW

Introduction:

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 groups, in terms of network.

Reliance Capital is a part of the Reliance - Anil Dhirubhai Ambani Group and is a constituent of S&P CNX Nifty and MSCI India.

Reliance ADA group is amongst India's top 3 business houses with a market cap of US\$ 33 billion and 150 million customers. It has a strong presence across a wide array of high growth consumer-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, consumer finance and other activities in financial services.

Reliance Capital Asset Management (RCAM)

Reliance Mutual Fund

- Reliance Mutual Fund (RMF) has maintained its leadership position in the country. It had a market share of 16.1% at the end of June 2009
- The average AUM for June 2009 was at Rs. 1,083 billion (US\$ 23 billion) as against Rs. 908 billion for June 2008, an increase of 19%. During the same period, the AUM of the entire Indian mutual fund industry went from Rs. 5.6 trillion to Rs. 6.7 trillion (US\$ 97 billion), a similar increase of 19% (Source: AMFI website).
- The number of investors in RMF increased to 7.1 million as at the end of June 30, 2009 as against 6.7 million investors at the end of June 30, 2008. Of the 7.1 million investors, 1 million investors are currently Systematic Investment Plan (SIP) investors.
- As on June 30, 2009, there were a total of 35 schemes - 16 equity oriented schemes, 15 debt oriented schemes and 2 exchange traded schemes
- At the end of Q1FY10, RCAM had a presence across 316 locations in India
- In the month of May 2009, RMF launched a new fund – Reliance Infrastructure Fund
 - The fund collected around Rs. 23 billion from over 420,000 investors, which twice the aggregate amount collected by all Equity NFOs in the Indian mutual fund industry in the past 12 months
 - In terms of amount mobilized, ranks 8th amongst the top 10 Equity NFOs in the industry in past 5 years – Infact 5 of the top 10 Equity NFOs are RMF NFOs

- RCAM has received approvals from regulatory authorities in United Kingdom and Malaysia to commence investment advisory and asset management operations in the respective countries
- During the previous year, RMF won several prestigious awards
 - “Most Trusted Mutual Fund” by AC Nielsen/ORG MARG – for 3 consecutive years
 - “Equity Fund House of the Year 2008” award by Morning Star
 - “Best Fund House of the Year 2008” - India category” by Asia Asset Management
 - Lipper award for its performance in Reliance Banking Fund for period of 3 years in the Gulf
 - Won the certificate of Finalist Recognition in "Sales category - Best Sales Team" in the Annual Stevie Sales & Customer Service Awards 2009 & by Stevie International Business Awards 2008
 - Has been accorded the Superbrand status in the 2nd edition of the Business Superbrands for the year 2008. The Superbrand status is accorded on the criteria of Market dominance, Longevity, Goodwill and Customer Loyalty
 - ICRA Awards 2009- five schemes were winners and overall we have received 6 scheme awards at the ceremony in their respective category
 - "Reader's Digest Trusted Brands Gold Award" - winner for the Investment Fund Company category in India in 2008

Portfolio Management Services

- Reliance Portfolio Management Services is a premium financial service for select investors from the portfolio management division of Reliance Capital Asset Management Ltd. This division creates customized portfolios for high net-worth individuals keeping in mind their risk return preferences and endeavors to generate superior returns
- The AUM as at end of June 30, 2009 was to Rs. 31.6 billion (US\$ 660 million) as against Rs. 32.6 billion as at June 30, 2008
- RCAM has been appointed as one of the fund managers by the Employees Provident Fund Organization (EPFO). A hugely prestigious account, EPFO has entrusted Rs. 284 billion (US\$ 5.9 billion) to RCAM, for investment management.
- RCAM was also appointed as one of the six asset managers by The Pension Fund Regulatory and Development Authority (PFRDA) to manage money under the new pension scheme. The new pension scheme will be a government regulated pension plans on the lines of the '401K retirement plan' in the US (a defined contribution plan) and can be availed by the general public in India
- RCAM is the only private sector asset management company which has been selected to manage funds for both - EPFO and the new pension scheme

Reliance Asset Management (Singapore) Pte Ltd.

- Reliance Asset Management (Singapore) Pte Ltd, a wholly owned subsidiary of Reliance Capital Limited (through Reliance Asset management Company). It currently manages 5 India dedicated funds viz. – India Equity Growth Fund, India Equity Long Term Fund, India Equity Derivative Fund, India Multi Strategy Fund and Lawrence India Mauritius Fund
- Its AUM as on June 30, 2009 stood at US\$ 255 million (including un-drawn amount of US\$ 92 million) as against US\$ 165 million as on June 30, 2008

Reliance Life Insurance

- Reliance Life Insurance (RLI) offers products that fulfill savings and protection needs of customers. Reliance Life offers 32 products, of which 26 are targeted at individuals and 6 at group business. Reliance Life is committed to emerge as a transnational Life Insurer of global scale and standard and attaining leadership rankings in the industry within the next few years
- RLI is ranked 4th amongst private sector players with a market share of 9.3% of the private sector. (Source: YTD June 2009 data, IRDA website)
- Total premium for the quarter was Rs. 90 billion (US\$ 194 million) as against Rs. 75 billion for the corresponding previous period – an increase of 20%
- This quarter, RLIC ranked #1 in terms of policies in the private sector industry. The number of policies sold during the quarter were 415,747 as against 286,700 for the corresponding previous period – an increase of 45%
- The focus is on regular premium policies –the single premium component of the new business premium has been reduced significantly to 12% from 27% YoY. The first year regular premium for the quarter, grew by 9% YoY, to Rs. 4.4 billion (US\$ 95 million) from Rs. 4.0 billion for the corresponding previous period
- As a result of this, the annualized premium equivalent for the quarter increased by 7% to Rs.4.5 billion (US\$ 97 million) as against Rs.4.2 billion. The industry reported a decrease of 7% APE, while private sector players witnessed a decrease of 18%
- Renewal premium for the quarter was Rs. 3.9 billion (US\$ 86 million) as against Rs. 19 billion – an increase of 105%
- The distribution network increased to 1,145 branches at the end of June 30, 2009 from 745 branches at the end of June 30, 2008
- The number of agents at the end of June 30, 2009 was 161,093 as against 193,648 at the end of June 30, 2008 – a decrease of 17%, reflecting the emphasis on productivity
- The total funds under management increased to Rs. 83 billion (US\$ 1.7 billion) as on June 30, 2009 against Rs. 39 billion as on June 30, 2008 – an increase of 112%

- The life insurance business did not require any capital in this quarter as against Rs. 3.3 billion (US\$ 71 million) for the corresponding previous period. The capital invested in this business, till date, is Rs. 27.4 billion (US\$ 573 million)
- The new business achieved profit (NBAP) margin for the quarter ended June 30, 2009 was Rs.974 million (21.2%). The NBAP margin for the year ended March 31, 2009 was Rs.6.2 billion (20.9%).

Reliance General Insurance

- Reliance General Insurance (RGI) offers property insurance, engineering insurance, auto insurance, health insurance, travel insurance, marine insurance, commercial insurance and other specialty insurance products
- RGI is one of the top three private sector General insurance companies in India (in terms of business premium). It has a market share of 6.3% of the general insurance market in India
- Gross Written Premium for the quarter ended June 30, 2009 was Rs 5.6 billion (US\$ 120 million) virtually unchanged from the corresponding previous period
- The combined ratio (without pool) improved to 108% from 113% for the corresponding previous period
- Net Profit for the quarter ended June 30, 2009 was Rs. 10 million (US\$ 2 million) as against a loss of Rs. 142 million for the corresponding previous period
- The distribution network composed of 200 branches and over 5,400 intermediaries at the end of June 30, 2009

Reliance Consumer Finance

- Reliance Consumer Finance offers a wide range of products which include Home loans, loan against property, vehicle loans (cars and commercial vehicles) and SME loans
- The focus in this business is not just growth of credit per se but the quality of credit. Backed by our long-standing conservative approach, we have developed in-house stringent credit risk management systems to ensure the highest quality of credit
- As on June 30, 2009 the loan book was Rs. 85 billion (US\$ 1.8 billion) virtually unchanged from the loan book as at the end of March 31, 2009. This loan book is spread across 125,000 customers from top 20 Indian metros.
- Reliance Consumer Finance generated revenues of Rs. 2.9 billion (US\$ 62 million) for the quarter ended June 30, 2009, as against Rs. 2.6 billion for the corresponding previous period – an increase of 10%
- Reliance Home Finance – the home finance subsidiary of Reliance Capital has commenced full fledged lending activities

Reliance Money

- Reliance Money is the one of the leading brokerage and distributor of financial products in India with more than 3 million customers
- Reliance Money is a comprehensive financial services and solutions provider, providing customers with access to equities, equity options and commodities futures, wealth management, portfolio management services, mutual funds, IPOs, life and general insurance products, offshore investments, credit cards, money transfer, currency exchange and gold coins
- As on June 30, 2009, Reliance Money had a distribution network of 8,673 outlets in over 5,000 locations in India
- Reliance Money generated revenues of Rs. 682 million (US\$ 15 million) for the quarter ended June 30, 2009 as against Rs. 782 million of the corresponding previous period. For the same period, it achieved a net profit of Rs. 105 million (US\$ 2 million) as against a loss of Rs. 106 million in the previous quarter
- In April 2009, Reliance Money was adjudged the 'Best Equity Broking House 2009' and the 'Largest E-broking House' by Dun and Bradstreet.
- Reliance Money has tied up with global partners like Reuters, Vasco, Valcambi, Webaroo, optionsXpress Holdings, Goldride Securities, World Gold Council, Wincor Nixdorf and DBS Vickers to facilitate better access to wider world class choices to its customers
- In addition to the home-grown portfolio of products and services that Reliance Capital has to offer, Reliance Money also distributes a variety of third party financial products. It also assists millions of investors in creating customized individual portfolios based on their diverse investment needs and risk profiles
- It is amongst the leading Mutual fund distributors of the country distributing products of 20 AMCs. It is the the largest private sector partner for Western Union Money Transfer in India
- Reliance Money has tied up with India Post and World Gold Council to sell gold coins through the post office network across the country

Reliance Asset Reconstruction

- Reliance Asset Reconstruction Ltd. (Reliance ARC) is in the business of acquisition, management and resolution of distressed debt/assets. It formally commenced business operations in the first half of FY09. The other sponsors / shareholders of Reliance ARC are Corporation Bank, Indian Bank, GIC of India, Dacecroft and Blue Ridge
- In Q1 FY10, Reliance ARC acquired 2 NPAs for an aggregate consideration of Rs. 243 million (US\$ 5 million)
- As on June 30, 2009; the asset base was Rs. 264 million (US\$ 6 million)

Reliance Equities International

- Reliance Equities International Private Limited (REIPL) is the institutional stock broking subsidiary of Reliance Capital. REIPL has been set up to complement Reliance Capital's current financial services businesses
- It aims is to add value to our clients investment decision making process with thematic and differentiated research, access to corporate managements and lateral input providers and the highest standards of client servicing
- Commenced operations in October 2008 with over 50 employees and has 65 companies currently under research
- Despite the challenging market environment, has set up over 50 FII parent accounts and over 500 sub accounts
- During the quarter, REIPL entered into an exclusive tie up with Auerbach Grayson & Company (AGC). AGC is a New York based stock broker, committed to serving the international needs of major North American institutional investors, with a focus on emerging markets. Auerbach is empanelled with over 400 clients including pension funds, mutual funds and hedge funds and covers 80% of the available AUM. Through its worldwide network of broker partners, Auerbach Grayson offers research, execution and clearance in equities, derivatives and fixed-income instruments in over 125 countries
- Through this tie up, REIPL will increase its presence and distribution in North America and tap into a rapidly expanding pool of money available for investment into India. It will also help REIPL's team of Analysts get access to Auerbach's global research from their partners across the world. On the trading side, it will give clients, additional flexibility to trade Indian ADRs/GDRs as well as trade in various other global markets to reward REIPL for service

Reliance Equity Advisors (India) Limited (REAL)

- Reliance Equity Advisors (India) Limited, has been set up with the objective of raising a third party, sector neutral private equity (PE) fund. The fund will primarily focus on growth capital, acquisition financing and minority investment in India
- A team with an extensive private equity and M&A background with considerable experience in transactions across diverse sectors set in place last year
- The team has recently commenced domestic fund raising for their first private equity fund, with a special focus on high networth individuals and financial institutions

Reliance Capital Services

- The Reliance ADA Group offers a diverse range of products and services: from telecom to financial services, from power and infrastructure to media and entertainment. This means that we have a huge pool of customers across our different businesses, who are not using all our products and services
- A Reliance mobile user may not have a Reliance Money demat account or a Reliance Mutual Fund account. A Reliance Power shareholder may not be buying insurance from Reliance Life or General Insurance
- There is a tremendous opportunity in cross selling Reliance Capital products across the entire customer universe of the Reliance ADA Group
- To capitalize on this opportunity in July 2008, Reliance Capital Services was set up, a company that will cross sell Reliance Capital products to the 150 million strong family of the Reliance ADA Group, comprising shareholders, customers and other stakeholders
- Cross selling will lower our cost of customer acquisition and further improve profitability
- Currently it has 1,700 employees and associates across nearly 100 locations in India and has acquired more than 70,000 customers in less than six months
- Reliance Capital Services today is among the top 3 distributors for our general insurance business and among the top 10 for our life insurance business

SECTION 3

FINANCIAL AND OPERATING HIGHLIGHTS

Key Highlights for the quarter ended June 30, 2009

- Total income of Rs. 14.7 billion (US\$ 316 million) against Rs 15.1 billion in the corresponding period – a decrease of 3%
- Net profit of Rs. 1.5 billion (US\$ 33 million) against Rs 3.4 billion in the corresponding period – a decrease of 56%

Summary of Consolidated Financial Statements

(Rs. Million)

	Q1 FY10	Q1 FY09	FY09
Total income	14,692	15,144	59,833
Staff costs	1,282	1,447	5,541
Other expenditure	3,549	2,966	11,559
Reinsurance premium ceded	2,158	1,944	6,758
Claims incurred	2,246	2,374	10,729
Interest & financial charges	3,672	2,346	12,638
Depreciation	143	114	567
Profit before tax	1,643	3,954	12,042
Net Profit after Minority Interest & share of profit of associates	1,510	3,431	10,157
Diluted EPS (Rs)	6.15	13.97	41.35

Segmental Performance

(Rs. Million)

	Q1 FY10	Q1 FY09	FY09
Finance & Investments			
Revenue	3,469	5,157	18,391
Profit before tax	1,163	3,361	10,375
Capital employed	66,175	52,538	62,979
Asset Management			
Revenue	1,222	1,163	3,907
Profit before tax	323	413	1,147
Capital employed	538	941	468
General Insurance			
Revenue	6,226	6,203	23,116
Profit before tax	10	(142)	(502)
Capital employed	6,326	4,789	6,316
Consumer Finance			
Revenue	2,887	2,621	12,033
Profit before tax	90	354	917
Capital employed	12,738	11,456	11,225
Others			
Revenue	888	0	2,386
Profit before tax	59	0	115
Capital employed	4,118	0	4,551

Note:

The segmental performance given above is as per SEBI and listing agreement guidelines. The consolidated performance of Reliance Capital Limited is classified according to the source and nature of revenues and profits.

In case of the financial performance discussed given hereafter, the financial performance of each business division (except the consumer finance division) represents the unaudited financials of the respective operating subsidiary/ company. The consumer finance division, at present, is a business division of Reliance Capital Limited (Standalone).

There will be a difference in the numbers/ figures in the segmental performance given above and those given in the business financial performance given hereafter.

For e.g. the consolidated income reported under asset management segment above would include the investment management fees from activities across the various subsidiaries of Reliance Capital. This will not be comparable with the income of Reliance Asset Management Company. This would include the income from investment management fees as well finance & investment income and other income.

Total income:

RCL's consolidated income from operations for the quarter ended June 30, 2009 was Rs. 14.7 billion (US \$ 316 million) from Rs 15.1 billion in the corresponding previous period – a marginal decrease of 3%.

Operating expenses:

Staff costs for the quarter ended were Rs. 1.3 billion (US\$ 28 million) as against Rs. 1.4 billion in the corresponding period previous quarter – a decrease of 11%.

Selling, general & administrative expenses for the quarter ended June 30, 2009 were Rs. 4.8 billion (US\$ 10 million) as against Rs 4.4 billion in the corresponding previous quarter – an increase of 9%.

Finance cost and Net profit from operations:

Interest & finance charges for the quarter were Rs. 3.7 billion (US \$ 79 million) as against Rs. 2.3 billion in the corresponding period previous quarter.

The increase was largely offset by the interest income from consumer finance business and treasury assets.

Depreciation for the quarter was Rs. 143 million (US\$ 3 million) as against Rs. 114 million in the corresponding previous period, an increase of 25%. This increase was mainly due to an increase in the fixed assets base.

Profit after tax, minority interest and share of profit of associates for the quarter ended June 30, 2009 was Rs. 1.5 billion (US\$ 33 million) as against Rs. 3.4 billion in the previous quarter, a decrease of 56%

The decrease in total income and profits were due to planned lower contribution from finance & investments, while the core businesses of asset management, insurance and consumer finance maintained steady revenue flows.

For this quarter, lower capital gains were booked, owing to the planned partial stake sale in Reliance Life Insurance – subject to necessary approvals. Being the sole beneficiary of Reliance Life Insurance, the full benefit of value unlocking will form part of Reliance Capital's net profit for the current financial year.

Balance sheet

As on June 30, 2009, the company had total assets of Rs 251 billion (US\$ 5.2 billion) and a net worth of Rs. 75 billion (US\$ 1.6 billion).

The company had a net debt of Rs 119 billion (US\$ 2.5 billion) as on June 30, 2009 and equity of Rs. 75 billion (US\$ 1.6 billion), resulting to net debt to equity ratio of 1.6.

BUSINESS WISE PERFORMANCE

RELIANCE CAPITAL ASSET MANAGEMENT

MUTUAL FUND

TOTAL ASSETS UNDER MANAGEMENT

(Rs. Billion)

Particulars	As at Jun 30, 2009	As at Jun 30, 2008	As at Mar 31, 2008
Mutual Funds			
Average AUM	1,083	908	809
- Equity	33%	32%	29%
- Debt	67%	68%	71%
Portfolio Management Services			
- Discretionary	16	19	15
- Advisory	15	14	14
- EPFO	284	-	276
TOTAL	315	33	305
Offshore Funds (US\$ million)	255*	165	218*

* Includes un-drawn amount of US\$ 92 million

COMPETITIVE STANDING – INDIAN MUTUAL FUNDS

	As at Jun 30 2009	As at Jun 30 2008	As at Mar 31 2008
Rank	#1	#1	#1
Market Share	16%	16%	16%

(Source: AMFI website)

DISTRIBUTION REACH

	As at Jun 30 2009	As at Jun 30 2008	As at Mar 31 2008
Branches	156	103	156
Reliance Mutual Fund (RMF) Centers	20	28	25
Resident Representatives	140	212	160
TOTAL LOCATIONS	316	343	341

FINANCIAL PERFORMANCE

(Rs. Million)

	Q1 FY10	Q1 FY09	Q4 FY09	FY09
Income	1,358	1,264	1,195	4,547
Personnel costs	317	314	329	1,206
Marketing expenses	387	217	92	619
Administration & other expenses	183	220	365	1,036
Profit before tax	471	514	410	1,686
Profit after tax	374	328	337	1,257

Discussion of financial performance

Total income:

RCAM's income from its operations for the quarter ended June 30, 2009 was at Rs. 1,358 million (US \$ 29 million) from Rs. 1,264 million in the corresponding period previous quarter – an increase of 7%.

Operating expenses:

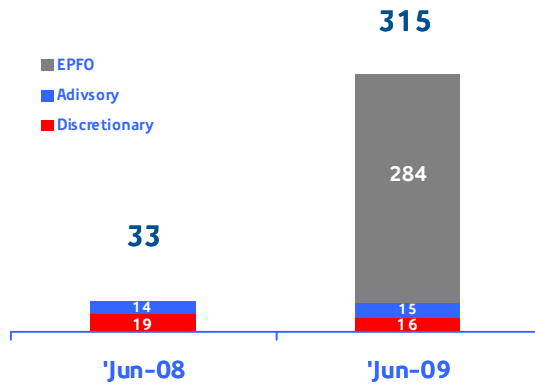
Staff costs for the quarter ended June 30, 2009 remained nearly the same at Rs. 317 million (US\$ 7 million) as against Rs. 314 million in the corresponding period previous quarter.

Selling, general & administrative expenses were Rs. 570 million (US\$ 12 million) as against Rs. 437 million, an increase of 30%. This increase was mainly due to the increase in the marketing spend towards the launch of Reliance Infrastructure New Fund. The aggregate amount spent on the launch was approximately Rs. 300 million.

Profit after tax for the period ended June 30, 2009 was Rs. 374 million (US\$ 8 million) as against Rs. 328 million in the previous quarter, an increase of 14%.

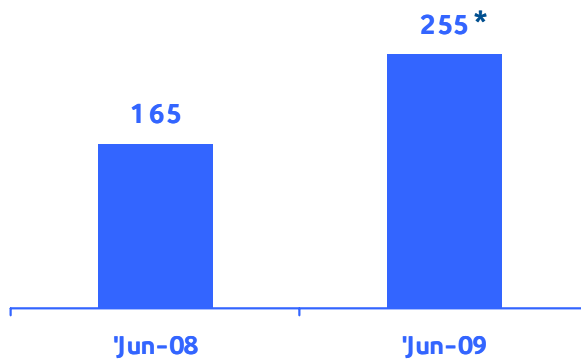
PORTFOLIO MANAGEMENT SERVICES

ASSETS UNDER MANAGEMENT (Rs. Billion)



OFFSHORE FUNDS

ASSETS UNDER MANAGEMENT (US\$ Million)



* The AUM of June 2009 includes the un-drawn amount of US\$ 92 million

RELIANCE LIFE INSURANCE

FINANCIAL PERFORMANCE

(Rs. Million)

	Q1 FY10	Q1 FY09	FY09
First year premium	4,430	4,051	29,657
Single premium	624	1,523	5,482
Total new business premium	5,055	5,574	35,140
Renewal premium	3,981	1,923	14,186
Total premium	9,035	7,497	49,325
Annualized premium equivalent (APE)	4,492	4,203	30,206
No of policies issued	415,747	286,700	2,219,273
Average premium per policy (Rs.)	11,040	18,373	15,059
No of branches	1,145	745	1,145
No of agents	161,093	193,648	149,613
Funds under management			
Policyholders	80,601	36,392	58,950
Shareholders	2,328	2,739	3,947
Policyholders funds under management			
Equity	54,233	24,919	33,473
Other than equity	26,368	11,473	25,477
Capital infused	Nil	3,300	12,293

- Total premium for the quarter was Rs. 90 billion (US\$ 194 million) as against Rs. 75 billion for the corresponding previous period – an increase of 20%
- The number of policies sold during the quarter were 415,747 as against 286,700 for the corresponding previous period – an increase of 45%. This quarter, RLIC sold the highest number of policies in the private sector life insurance industry
- The focus is on regular premium policies –the single premium component of the new business premium has been reduced significantly to 12% from 27% YoY. The first year regular premium for the quarter, grew by 9% YoY, to Rs. 4.4 billion (US\$ 95 million) from Rs. 4.0 billion for the corresponding previous period
- As a result of this, the annualized premium equivalent for the quarter increased by 7% to Rs.4.5 billion (US\$ 97 million) as against Rs.4.2 billion. The industry reported a decrease of 7% APE, while private sector players witnessed a decrease of 18%

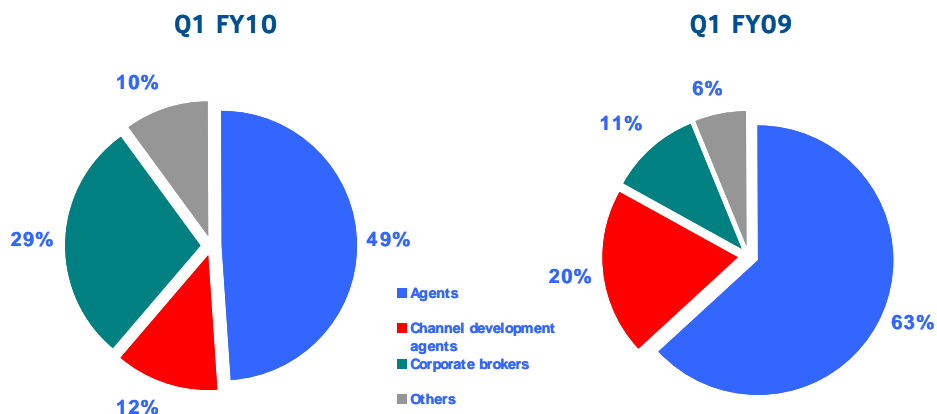
- Renewal premium for the quarter was Rs. 3.9 billion (US\$ 86 million) as against Rs. 19 billion – an increase of 105%
- New Business Premium Income was Rs 5.1 billion (US\$ 109 million) for the quarter as against Rs 5.6 billion in the corresponding previous period, a decrease of 9%
- As on June 30, 2009, RLIC has a distribution network of 1,145 branches and 161,093 agents
- The total funds under management were at Rs. 83 billion (US\$ 1.7 billion) as on June 30, 2009 against Rs. 39 billion as on June 30, 2008 – an increase of 112%
- The life insurance business did not require any capital in this quarter as against Rs. 3.3 billion (US\$ 71 million) for the corresponding previous period. The capital invested in this business, till date, is Rs. 27.4 billion (US\$ 573 million)
- The new business achieved profit (NBAP) margin for the quarter ended June 30, 2009 was Rs.974 million (21.2%). The NBAP margin for the year ended March 31, 2009 was Rs.6.2 billion (20.9%).

COMPETITIVE STANDING – INDIAN LIFE INSURANCE INDUSTRY

	As at Jun 30 2009	As at Jun 30 2008	As at Mar 31 2009
Rank (Private Life Insurance Industry)	# 4	# 4	# 4
Market Share (Private Sector Life Insurers)	9.3%	8.2%	10.3%
Overall Market Share	3.5%	3.9%	4.0%

(Source: IRDA website)

DISTRIBUTION BREAK UP – well diversified



PRODUCT MIX

- Top 5 products contribute over **80% of new business premium** viz. Reliance Super InvestAssure Plan, Reliance Super Automatic Investment Plan, Reliance Super Golden Years Plan, Reliance Money Guarantee Plan and Reliance Super InvestAssure Plan Plus

NEW BUSINESS ACHIEVED PROFIT (NBAP)

Definition

NBAP is defined as present value of future profits for shareholders on account of new business sales, based on a given set of assumptions

Actual experience may differ from these assumptions

Basis of preparation

The NBAP is calculated net of tax after providing for cost of capital that would be required to support business. Cost of capital is taken as difference between nominal value for solvency capital and present value, at risk discount rate, of future releases of capital together with investment earnings on solvency capital

- The new business achieved profit for quarter ended June 30, 2009 was Rs. 974 million
- The new business achieved profit margin for quarter ended June 30, 2009 was 21.2%

The assumptions used are as follows:

Economic Assumptions:

Particulars	Assumptions p.a.
Cash/ Money Market/ TB	5.00%
Government Securities	7.50%
Corporate Bond	8.50%
Equities	12.00%
Inflation	5.50%
Risk discount rate	12.50%
Tax rate	14.16%

Operating Assumptions:

- Operating assumptions such as mortality, morbidity & persistency are based industry & reinsurers experience, using our operating experience where such experience is credible
- Expense assumptions are based on our latest expense projection which reflects recent responses to lower growth environment. The chosen expense loadings are consistent with current pricing assumptions & represent the our most recent view of long term expense assumptions
- No allowance has been made for any expense over runs that we experience in the short term
- Projections assume that we pay tax at the full rate of tax, with no credit for existing tax losses

Sensitivity:

The sensitivity of the NBAP to economic assumptions is given below:

(Rs. Million)

Particulars	Base Value	+ 1%	- 1%
Investment return	973.8	1,008.0	940.4
Risk discount rate	973.8	896.5	1,059.1

Investment return sensitivity considers a change in assumed rate of growth for unit linked funds, assumed rate of investments on non unit cash flows & reserves and on assets supporting solvency margin, & a change in rate of expense inflation

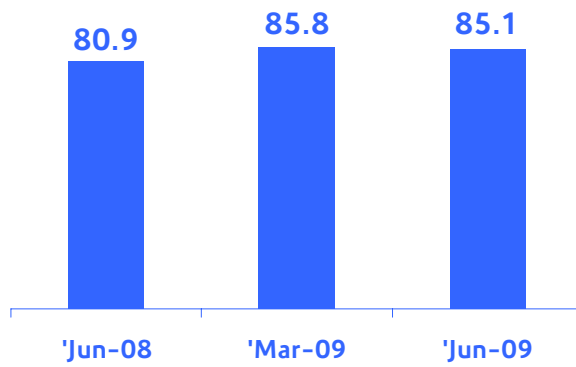
Further consideration:

- NBAP reflects 95.2% of new business written in quarter ended June 30, 2009
- Value from group business and traditional business has been ignored. These two business lines represent 1.34% & 3.46% respectively of annualized new business premium

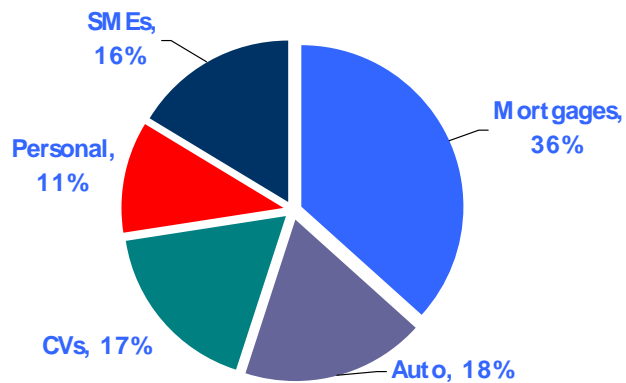
RELIANCE CONSUMER FINANCE

LOAN BOOK– AMOUNT OUTSTANDING

(Rs. Billion)



LOAN BOOK MIX – as on June 30, 2009



FINANCIAL PERFORMANCE

(Rs. Million)

	Q1 FY10	Q1 FY09	Q4 FY09	FY09
Disbursements	6,830	14,338	3,560	39,278
Interest Income	2,764	2,488	2,931	11,586
Other Income	118	139	38	416
Total Income	2,882	2,627	2,969	12,002
Personnel Costs	190	261	212	903
Interest expenses	1,589	1,384	1,881	7,034
Other expenses	385	486	519	1,845
Provisions	632	187	343	1,308
Profit before tax	86	310	15	912

Discussion of financial performance

- Reliance Consumer Finance disbursed Rs. 6.9 billion (US\$ 147 million) during the quarter, as against Rs. 14.3 billion for the corresponding previous period, in line with a conscious strategy to maintain loan book size and focus on asset quality
- As on June 30, 2009 the loan book was Rs. 85 billion (US\$ 1.8 billion) virtually unchanged from the loan book as at the end of March 31, 2009. This loan book is spread across 125,000 customers from top 20 Indian metros.
- Reliance Consumer Finance generated revenues of Rs. 2.9 billion (US\$ 62 million) for the quarter ended June 30, 2009, as against Rs. 2.6 billion for the corresponding previous period – an increase of 10%
- The provisioning till date is Rs. 1.9 billion (US\$ 42 million) i.e. 2.3 % of the outstanding loan book
- The cost to income ratio for the quarter declined to 44% from 60% for the corresponding previous period
- The profit before tax for the quarter ended June 30, 2009 was Rs. 86 million (US\$ 2 million) as against Rs. 310 million. However the business achieved a profit growth of 490% QoQ

RELIANCE MONEY

FINANCIAL PERFORMANCE

(Rs. Million)

	Q1 FY10	Q1 FY09	Q4 FY09	FY09
Broking Income	328	408	379	1,762
Distribution Income	106	272	153	879
Others	248	102	253	880
Total Income	682	782	785	3,520
Sub brokerage	57	184	89	421
Personnel Costs	299	244	303	1,150
Other expenses	221	235	450	1,369
Profit before tax	105	119	(56)	581
Profit after tax	105	119	(106)	368

SCALE OF OPERATIONS

	As at Jun 30, 2009	As at Jun 30, 2008	As at Mar 31, 2009
No of outlets			
Franchisees	8,500	9,475	10,125
Owned	173	254	225
No. of broking accounts	950,000	880,000	1,010,000
Total no. of customers (in million)	3.5	2.5	3.3
Daily average stock exchange turnover (Rs. Billion)	16.2	22.5	22.5

Discussion of financial performance

- Reliance Money generated revenues of Rs. 682 million (US\$ 15 million) for the quarter ended June 30, 2009 as against Rs. 782 million of the corresponding previous period. This decrease in income was due to the decline in revenues from the broking and distribution arm of Reliance Money. The revenues from the other services like money transfer, gold coin sales and money changing showed a strong growth of 143%
- For the same period, it achieved a net profit of Rs. 105 million (US\$ 2 million) as against a profit of Rs.119 million in the corresponding previous period. However it turned profitable after a loss of Rs. 106 million in the fourth quarter of the previous year. This was achieved by aligning the cost structures of the business
- The revenue mix is well balanced with broking contributing to 48% of the total revenues and distribution of financial products & other services (money transfer, currency changing & precious metal retailing) contribute to the balance 52%

RELIANCE GENERAL INSURANCE

FINANCIAL PERFORMANCE

(Rs. Million)

	Q1 FY10	Q1 FY09	Q4 FY09	FY09
Gross Written Premium	5,575	5,564	4,197	19,149
Net Written Premium	3,418	3,622	3,281	13,996
Net Earned Premium	3,192	3,203	3,541	13,889
Commission earned	268	359	168	891
Investment Income	382	276	459	1,465
Claims	2,246	2,374	3,156	10,737
Management expenses	1,403	1,443	1,170	5,414
Commission paid	185	165	111	575
Underwriting result (accounting)	(118)	(242)	(422)	(986)
Profit before tax	10	(142)	(297)	(502)
Combined ratio with pool	112%	113%	121%	114%
Combined ratio without pool	108%	113%	118%	111%
Networth	6,326	4,789	6,316	6,316
Reserve for Unexpired Risk	,7055	7,142	6,830	6,830
Capital infusion	-	-	1,600	1,600
Investment book				
Equity	957	1,323	611	611
Debt	1,3887	11,949	13,029	13,029
Total	14,844	13,273	13,640	13,640

COMPETITIVE STANDING – INDIAN GENERAL INSURANCE INDUSTRY

	As at Jun 30 2009	As at Jun 30 2008	As at Mar 10 2008
Rank (Private General Insurance Industry)	# 3	# 3	# 3
Market Share (Private Sector General Insurers)	16%	17%	17%
Overall Market Share	6.3%	6.6%	6.3%

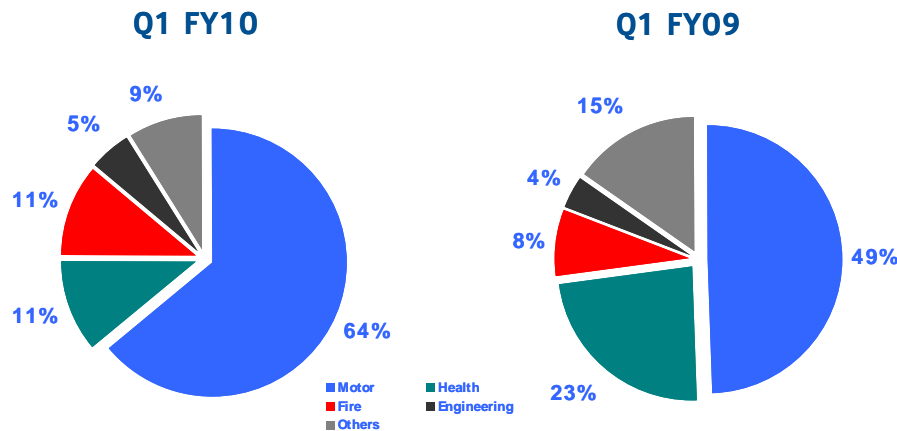
(Source: IRDA)

SCALE OF OPERATIONS

	Q1 FY10	Q1 FY09	FY09
No of branches	200	200	200
No of intermediaries			
Motor dealers	608	578	486
Agents	4,854	4,693	4,854
No of policies issued (millions)	0.8	0.7	2.7
No of policies in force (millions)	3.2	3.5	2.7
No of claims handled	77,788	84,540	535,489

SEGMENT WISE BREAK UP

- Premium contribution



Discussion of financial performance

- Gross Written Premium for the quarter ended June 30, 2009 was Rs 5.6 billion (US\$ 120 million) virtually unchanged from the corresponding previous period. However, the business recorded a growth of 32% over the previous quarter
- Net Profit for the quarter ended June 30, 2009 was Rs. 10 million (US\$ 2 million) as against a loss of Rs. 142 million for the corresponding previous period
- The distribution network composed of 200 branches and over 5,400 intermediaries at the end of June 30, 2009
- The focus for the general insurance business is to improve the combined ratio. To achieve this, several have been undertaken to contain the claims ratio and the management expenses. Various areas have been identified where the claims experience had been adverse and accordingly appropriate measures were taken to re-price the risk.
- Also various steps have been taken to limit management costs. This involved cost optimization exercises like re-negotiation of branch rentals and various expenses relating to vendors, suppliers & distributors
- As a result of this, the combined ratio (without pool) has improved to 108% from 113% for the corresponding previous period

RELIANCE CAPITAL - FINANCE & INVESTMENTS (STANDALONE)

(Rs. Million)

	Q1 FY10	Q1 FY09	FY09
Interest & finance income	1,902	1,445	5,610
Profit on sale (net) investments	1,329	3,384	11,416
Other income	103	99	753
Total	3,334	4,928	17,779
Profit before tax	1,015	3,241	9,865

- The income for finance & investments division (standalone) was Rs. 3.3 billion (US \$ 72 million) for quarter ended June 30, 2009 as against Rs. 4.9 billion for corresponding previous period
- For this quarter, lower capital gains were booked, owing to the planned partial stake sale in Reliance Life Insurance – subject to necessary approvals. Being the sole beneficiary of Reliance Life Insurance, the full benefit of value unlocking will form a part of Reliance Capital's net profits for the current financial year

• **SECTION 4**

STOCK MARKET HIGHLIGHTS

General information

Shareholding and Financial data as on June 30, 2009	
Code/ Exchange	500111/ BSE RELCAPITAL/ NSE
Bloomberg/ Reuters	RCFT / RLCP.NS
No of share outstanding (Jun.30, 2009)	245,732,800
Closing market price (Rs.) (Jun. 30, 2009)	900.35
Combined volume (NSE & BSE) (for the quarter) (No. in million/ day)	11.71
Combined value (NSE & BSE) (for the quarter) (Rs. billion / day)	8.71
F& O volume (NSE – for the quarter) (No. in million/ day)	10.7
F& O value (NSE – for the quarter) (Rs. in billion/ day)	13.0
Weightage of Reliance Capital in indices: S&P CNX Nifty MSCI	0.88% 1.20%
Stock Beta (for last 12 months ended June 30, 2009)	1.57
Market capitalization (Rs bn)	221.2
Market capitalization (US\$ bn)	4.6
Book value per equity share (Rs.)	304

Summarized shareholding pattern as of June 30, 2009

Category	No of shares	Shareholding %
Reliance Dhirubhai Ambani Group	131,382,274	53.5%
Foreign investors – FIIs, GDRs, NRIs, and others	58,394,292	23.8%
Domestic institutions/ Banks / Mutual funds	10,560,070	4.3%
Indian public	45,296,164	18.4%
Total	24,56,32,800	100.00%

Reliance Capital daily stock price & volume (NSE) movement (Source: Reuters)



Comparison of Reliance Capital stock movement with peer groups (Data Source: NSE website)

