

Reliance Capital Limited

**Review report on the results for the quarter ended
June 30, 2012 (Un-audited)**

August 11, 2012

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. 54.22 = US\$ 1.00 for Q1FY13 profit and loss items and the rate of Rs. 56.31 = US\$ 1.00 for balance sheet items as on June 30, 2012. 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	2010	2011	2012	Quarter ended June 30, 2012
Reliance Capital Limited (Consolidated)				
Total Revenues	61,406	55,359	66,269	16,758
Profit After Tax	4,345	2,912	4,578	451
Net worth	77,125	78,097	116,963	117,538
Total Assets	254,438	319,939	353,436	375,552
Reliance Capital Asset Management (Consolidated)				
Total Revenues	6,817	7,330	6,647	1,520
Profit Before Tax	2,680	2,943	3,076	586
Reliance Life Insurance				
Total Premium (Net)	65,883	65,479	54,702	8,102
Profit Before Tax/(Loss)	(2,838)	(1,293)	3,726	190
Reliance Commercial Finance				
Total Revenues	13,252	13,741	19,450	4,951
Profit Before Tax	1350	2,693	2,537	656
Broking & Distribution businesses				
Total Revenues	2,585	3,109	4,661	722
Profit Before Tax	149	332	554	77
Reliance General Insurance				
Gross Written Premium	19,797	16,838	17,479	5,635
Profit Before Tax/(Loss)	(905)	(3,098)	(3,416)	(201)

Particulars	Year ended March 31,			Quarter ended June 30, 2012*
	2010 ⁺	2011 ⁺	2012 ⁺	
Reliance Mutual Fund				
Average Asset under Management (Rs. billion)	1,144	1,016	781	807
Reliance Life Insurance				
New business premium	39,208	30,349	18,093	2,505
Reliance General Insurance				
Combined Ratio (%)	116%	140%	145%	120%
Reliance Commercial Finance				
Loan book size	91,658	122,900	132,386	135,940
Broking				
Broking Accounts (Nos.)	640,000	663,900	684,900	693,100

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

^{*} Financial highlights are based on un-audited consolidated results

SECTION 2

AN OVERVIEW

Introduction:

Reliance Capital is one of India's leading private sector financial services companies and ranks No. 1 among financial services companies, in terms of net worth.

Reliance Capital is a part of the Reliance Group and is a constituent of CNX Nifty Junior and MSCI India.

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 consumer facing businesses of financial services, telecom, energy, power, infrastructure and media and entertainment.

Reliance Capital has interests in asset management and mutual funds; life and general insurance; commercial finance; equities and commodities broking; investment banking; wealth management services; distribution of financial products; exchanges; private equity; asset reconstruction; proprietary investments and other activities in financial services.

Reliance Capital Asset Management

- Reliance Capital Asset Management (RCAM) managed Rs. 1.5 trillion (US\$ 26.0 billion) as on June 30, 2012 across:
 - mutual funds* - Rs. 806.9 billion (US\$ 14.3 billion)
 - pension funds - Rs. 616.2 billion (US\$ 10.9 billion)
 - managed accounts - Rs. 14.2 billion (US\$ 252.0 million) and
 - hedge funds - Rs. 25.3 billion (US\$ 448.9 million)

** - average assets under management for the quarter ended June 30, 2012*
- RCAM continues to be the largest asset manager in the country
- RCAM's income from its operations for the quarter ended June 30, 2012 was at Rs. 1.5 billion (US\$ 28.0 million) - YoY decrease of 9%, mainly on account of 20% decline in MF AAUMs
- RCAM's total expenditure from its operations for the quarter ended June 30, 2012 was at Rs. 934.1 million (US\$ 17.2 million) - YoY decrease of 3% in line with focus on leaner cost of operations
- Profit before tax for the quarter ended June 30, 2012 was Rs. 585.5 million (US\$ 10.8 million) - a YoY decrease of 17%

- PBT margins declined from 42.3% in Q1 FY12 to 38.5% in Q1 FY13 due to fall in MF AAUMs
- Highlights for the quarter:
 - Continue to build on retail assets through widening our distribution base and penetrating emerging markets
 - Promoting systematic investment plans as a concept for investing in capital markets; receiving approximately 55,000 (average) new SIPs every month
 - Continue to tap long term retail investments through positioning Fixed Income products, in line with the India investors' savings patterns
 - To enhance investor convenience and easy access to our products, we launched technology related tools like 'Invest easy' for institutions and 'Corporate Salary Advantage'

Reliance Mutual Fund

- Reliance Mutual Fund (RMF) is amongst the top 2 mutual funds in India in terms of Assets under Management, with a market share of 12%
- The AAUM for the quarter ended June 30, 2012 was at Rs. 806.9 billion (US\$ 14.3 billion) as against Rs. 1.0 trillion for the corresponding previous period
- Continued focus on the untapped retail opportunity
 - Reliance Mutual Fund had launched an unique retail Gold Savings Fund NFO in February 2011
 - This fund was the largest and first Gold fund in India
 - The ETF + FoF was Rs. 27.8 billion (US\$ 493.4 million) in AAUM for the quarter ended June 30, 2012 - YoY growth of 145%
 - RMF had 28% market share in gold AAUMs as on June 30, 2012
- The Systematic Investment Plan (SIP) investor accounts at the end of the quarter, were nearly 1.6 million
- As on June 30, 2012, there were total of 43 schemes - 21 Equity oriented schemes, 19 debt oriented schemes, 2 exchange traded schemes and 1 fund of funds scheme

- At the end of Q1 FY13, RCAM had a wide distribution network spanning 240 offices across India

Reliance Life Insurance

- Reliance Life Insurance (RLI) offers products that fulfill savings and protection needs of customers. Reliance Life offers 27 products, of which 21 are targeted at individuals and 6 at group business
- Reliance Life Insurance has 16 optional rider offerings to provide comprehensive risk protection to customers. Of these, 12 are for Individual Business Segment and the rest for the Employee Benefits Business Segment
- 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 amongst the leading Indian private sector insurers in terms of new business premium with a private sector market share of 5.0%. (Source: June 2012 data, IRDA website)
- Total premium (Net of Reinsurance) for the quarter was Rs. 8.1 billion (US\$ 149.4 million)
- Renewal premium for the quarter was Rs. 5.7 billion (US\$ 104.3 million)
- New business premium for the quarter ended June 30, 2012, was Rs. 2.5 billion (US\$ 46.2 million). Nearly 85% of the new business individual premium was contributed by traditional products
- RLI achieved a profit before tax of Rs. 190.7 million (US\$ 3.5 million), for the quarter ended June 30, 2012 - a YoY increase of 140%. The declared results of Reliance Capital include consolidation of 38% stake of RLI
- During Q1 FY13, net surplus arising from non-participating business amounted to Rs. 895.1 million (US\$ 16.5 million). This surplus has not been included in the Q1 pretax profit
- The total funds under management were at Rs. 185.9 billion (US\$ 3.3 billion) as on June 30, 2012 - YoY increase of 5%

- The distribution network stood at 1,230 offices across India
- The number of agents as on June 30, 2012 were at approximately 120,000 - a planned YoY decline of 33%, in line with focus on productivity and performance of agents
- The total capital invested in this business, as on June 30, 2012, was Rs. 33.9 billion (US\$ 602.8 million)
- Achievements:
 - Won the “Best Non-Urban Coverage” award at the Indian Insurance Awards 2012
 - Launched “LifePlus Club”, a sales initiative to strengthen ties with existing customers

Reliance Commercial Finance

- Reliance Commercial Finance (RCF) offers a wide range of products which include Home loans, Loans against property, SME loans, Vehicle loans, Loans for Construction equipment, 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 productive asset creation. In line with this, the Company has been disbursing only secured asset backed loans and has wound down the unsecured loans portfolio
- As on June 30, 2012, nearly 100% of the outstanding book was secured as against 98% as on June 30, 2011
- The disbursements for the quarter ended June 30, 2012 were Rs. 17.0 billion (US\$ 314.0 million) as against Rs. 20.1 billion for the corresponding previous period - decrease of 15%
- As on June 30, 2012, the assets under management (including securitized portfolio) was Rs. 151.1 billion (US\$ 2.7 billion) as against Rs. 142.6 billion as on June 30, 2011 - a YoY increase of 6%

- As on June 30, 2012, the outstanding loan book was Rs. 135.9 billion (US\$ 2.4 billion) as against Rs. 130.3 billion as on June 30, 2011 - a YoY increase of 4%. This loan book is spread across approximately 91,500 customers from top 18 Indian metros
- Total income stood at Rs. 5.0 billion (US\$ 91.3 million) in Q1 FY13 as against Rs. 4.2 billion in the corresponding previous period - a YoY increase of 19%
- The Net Interest Income for the quarter ended June 30, 2012 was Rs. 1.3 billion (US\$ 24.4 million) as against Rs. 1.2 billion in the corresponding previous period - a YoY increase of 9%
- RCF achieved a profit before tax of Rs. 656.1 million (US\$ 12.1 million) - YoY increase of 13%, despite a 25% increase in interest costs

Broking business

- Reliance Capital's broking business consists of Reliance Securities, one of the leading retail broking houses in India, that provides customers with access to equities, equity options and commodities futures, wealth management, portfolio management services, mutual funds, IPOs and investment banking, and Quant Capital, which caters to wholesale client segment of the capital markets, including foreign and domestic institutions, corporations and ultra high net worth individuals
- The focus is on the key business verticals of broking, wealth management and investment banking
- Equity Broking:
 - It had over 693,100 retail broking accounts as on June 30, 2012 - YoY increase of 4%
 - Daily average stock exchange turnover stood at Rs. 25.8 billion (US\$ 475.3 million)
- Wealth Management:
 - In wealth management, client needs are assessed to create customized financial investment opportunities. Customized individual portfolios are based on their diverse investment needs and risk profiles
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- The AUM as on June 30, 2012 has increased to Rs. 6.5 billion (US\$ 114.8 million) from Rs. 3.1 billion as on June 30, 2011 - an increase of 109%
- Investment Banking:
 - In investment banking, the capital requirements of enterprises are addressed through various instruments - IPOs, private placements, M&A etc.
 - In this quarter:
 - IPO funding - Rs. 490 million (US\$ 9.0 million)
- Commodity Broking:
 - It had over 37,450 commodity broking accounts as on June 30, 2012 - YoY increase of 3%
 - The average daily commodities broking turnover was Rs. 10.5 billion (US\$ 193.1 million) - YoY increase of 61%
- Revenues of the broking business stood at Rs. 575.0 million (US\$ 10.6 million) for the quarter ended June 30, 2012 - YoY increase of 3%
- The business achieved a profit before tax of Rs. 50.9 million (US\$ 0.9 million) for the quarter ended June 30, 2012 - YoY increase of 26%
- Awards
 - 'Commercial Lines Broking Initiative of the Year - (SME / Mid Corporate)' award at the BFSI Awards, endorsed by the Asian Confederation of Businesses

Distribution business - 'Reliance Money'

- 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, life and general insurance products, money transfer, currency exchange, loans, gold coins and premium products
- As on June 30, 2012, Reliance Money had a pan India distribution network of over 5,800 outlets
- Reliance Money is manufacturer agnostic and distributes mutual funds, life & general insurance products, loans and precious metal retailing

- Reliance Money sold 590 kgs. of gold in the quarter ended June 30, 2012 - 36% YoY increase
- Reliance Money remains as the largest private sector partner for Western Union Money Transfer in India - nearly 600,000 money transfer transactions handled during the quarter - 10% YoY increase
- Reliance Money achieved revenues of Rs. 146.9 million (US\$ 2.7 million) for the quarter ended June 30, 2012 - YoY decrease of 6%
- The business achieved a profit before tax of Rs. 26.5 million (US\$ 0.5 million) for the quarter ended June 30, 2012 - YoY decrease of 2%
- Awards
 - 'Insurance Broker of the Year' award at the BFSI Awards, endorsed by the Asian Confederation of Businesses

Reliance General Insurance

- Reliance General Insurance (RGI) offers insurance solutions for auto, health, home, property, travel, marine, commercial and other specialty products
- RGI is the amongst the leading private sector general insurance players in India with a private sector market share of 8.4%
- Gross Written Premium for the quarter ended June 30, 2012 was Rs. 5.6 billion (US\$ 103.9 million) as against Rs. 5.3 billion for the corresponding previous period - increase of 7%
- The combined ratio (including 3rd party motor pool) was 120% as against 125% for the corresponding previous period
- The loss was at Rs. 201.2 million (US\$ 3.7 million) for the quarter ended June 30, 2012 as against Rs. 301.0 million in the corresponding previous period
- Third party motor claims provision, relating to amortization of transitional liability for motor third party pool in the previous years, was Rs. 205.2 million (US\$ 3.8 million) in Q1 FY13 as against Rs. 75.5 million in Q1 FY12
- The focus at RGI is on writing profitable business and improving the combined ratio. In line with this, the company is optimizing its product portfolio mix and is increasing its commercial lines of business. During the quarter, RGI realized a gross written

premium of Rs. 1.7 billion (US\$ 30.9 million) from commercial lines of business, as against Rs. 1.3 billion in Q1 FY12 - YoY increase of 28%

- The total capital invested is Rs. 15.9 billion (US\$ 282.7 million)
- The distribution network composed of 148 branches and over 7,600 intermediaries as on June 30, 2012

Reliance ExchangeNext Ltd.

- Reliance ExchangeNext Limited (R Next), is an initiative of Reliance Capital in the exchange space to set up modern exchanges, in various segments
- R Next has a 26% stake in Indian Commodity Exchange Ltd. (ICEX), as an anchor investor, a screen based online derivative exchange for commodities
 - ICEX offers a comprehensive range of integrated products. ICEX will enable physical delivery to its members while RSX members can hedge their positions, creating immense benefit for the members of both exchanges and upgrade the existing ecosystem

Reliance Spot Exchange

- Reliance Spot Exchange (RSX), a wholly owned subsidiary of R Next, is a physical delivery based commodity exchange set up by R Next
- RSX has traded over 9,000 MT during the quarter across all agriculture commodities

Quant Capital

- Quant Capital focuses on the wholesale client segment of the capital markets which includes foreign and domestic institutions, corporations and ultra high net worth individuals. Apart from traditional fundamental research, it also combines quantitative and behavioral research to forecast trends and inflection points for global currencies, commodities, and equities
- Quant has been extensively featured in the Asia Money polls 2011. In the Overall Prime Broking Services category across Asia, Quant is the only Indian firm to have been featured in the list. In the Overall Hedge Fund Services category across Asia, Quant is only one of two Indian firms that have qualified in the top 30 list

Reliance Equity Advisors (India) Limited (REAL)

- Reliance Equity Advisors manages the Reliance Alternative Investments Fund - Private Equity Scheme I, a private equity fund which is in the process of making late stage investments in mid-sized Indian companies
- Reliance Equity Advisors (India) Limited (Reliance Private Equity)'s first Fund, the Reliance Alternative Investments Fund - Private Equity Scheme I has committed investments aggregating to 74% of the fund size. The fund has concluded an investment in the domestic appliances space during the quarter and is in the final stages of an investment in a consumer durables OEM. The fund has an attractive deal pipeline, including a proposed investment in a precision machining company, which is under due diligence
- All the Fund's existing investments have performed up to expectations, and the fund continues to be closely involved in working and monitoring the growth of the investee companies

Reliance Asset Reconstruction

- Reliance Asset Reconstruction Ltd. (Reliance ARC) is in the business of acquisition, management and resolution of distressed debt / assets
- The assets under management as on June 30, 2012 were Rs. 757.9 million (US\$ 13.5 million). As on June 30, 2012, the company's own investment in NPAs rose from Rs. 89.0 million as on March 31, 2012 to Rs. 121.9 million (US\$ 2.2 million)

Reliance Venture Asset Management (RVAM)

- Reliance Venture Asset Management, wholly owned subsidiary of Reliance Capital, is the venture capital arm of the Reliance Group with an investment mandate to incubate or invest into high-growth, new business ideas and is stage, sector and geography agnostic
- RVAM currently manages assets of Rs 1.9 billion (US \$ 32.9 million) as on June 30, 2012

SECTION 3

FINANCIAL AND OPERATING HIGHLIGHTS

Key Highlights for the quarter ended June 30, 2012

- Total income of Rs. 16.8 billion (US\$ 309.1 million) against Rs. 14.9 billion in the corresponding previous period - an increase of 12%, driven by increase in topline of Commercial Finance and General Insurance businesses
- Net profit of Rs. 451.4 million (US\$ 8.4 million) against Rs. 348.3 million in the corresponding previous period - a growth of 30%
- Net debt to equity improved by 35% to 1.64 as on June 30, 2012, as compared to 2.55 at the end of Q1 FY12

Summary of Consolidated Financial Statements

(Rs. Million)

	Q1FY13	Q1FY12	Q4FY12	FY12
Total income	16,758	14,921	20,019	66,269
Staff costs	1,445	1,306	1,268	5,478
Other expenditure	4,171	3,138	3,690	12,380
Reinsurance premium ceded	1,824	2,300	1,766	7,515
Claims incurred	2,773	2,302	4,672	12,659
Interest & financial charges	5,678	5,130	5,646	22,501
Depreciation	134	120	165	544
Profit before tax	733	625	2,811	5,192
Net Profit after Minority Interest & share of profit of associates	451	348	3,293	4,578
Diluted EPS (Rs.)	1.84	1.42	13.41	18.64

Total income:

RCL's consolidated income from operations for the quarter ended June 30, 2012 was Rs. 16.8 billion (US\$ 309.1 million) from Rs. 14.9 billion in the corresponding previous period - an increase of 12%, driven by increase in topline of Commercial Finance and General Insurance businesses.

Operating expenses:

Staff costs for the quarter ended June 30, 2012 were Rs. 1.4 billion (US\$ 26.6 million) as against Rs. 1.3 billion in the corresponding previous period - an increase of 11%.

Selling, general & administrative expenses for the quarter ended June 30, 2012 were Rs. 4.2 billion (US\$ 76.9 million) as against Rs. 3.1 billion in the corresponding previous period - an increase of 33%.

Finance cost and Net profit from operations:

Interest & finance charges for the quarter were Rs. 5.7 billion (US \$ 104.7 million) as against Rs. 5.1 billion in the corresponding previous period - an increase of 11% due to continued high interest rate environment.

Depreciation for the quarter was Rs. 133.6 million (US\$ 2.5 million) as against Rs. 119.6 million in the corresponding previous period - an increase of 12%.

Profit after tax, minority interest and share of profit of associates for the quarter ended June 30, 2012 was Rs. 451.4 million (US\$ 8.3 million) as against Rs. 348.3 million in the previous quarter, an increase of 30%. Profit rose mainly driven by higher profits in the Commercial Finance business, while loss in General Insurance reduced substantially.

Balance sheet

As on June 30, 2012, the company had total assets of Rs. 375.6 billion (US\$ 6.7 billion) - YoY increase of 15%. The company had a net worth of Rs. 117.5 billion (US\$ 2.1 billion). This resulted in net debt to equity ratio of 1.64, as against 2.55 as on June 30, 2011 - an improvement of 35%.

It enjoys the highest ratings of '**A1+**' by ICRA and CRISIL, for its short term borrowing program and '**CARE AAA**' by CARE for its long term borrowing program.

BUSINESS WISE PERFORMANCE

RELIANCE CAPITAL ASSET MANAGEMENT

FINANCIAL PERFORMANCE

	(Rs. Million)			
	Q1 FY13	Q1 FY12	Q4 FY12	FY12
Total Income	1,520	1,674	1,792	6,647
Total Expenses	934	966	781	3,571
Profit before tax	586	709	1,011	3,076

Discussion of financial performance

Total income:

- RCAM's income from its operations for the quarter ended June 30, 2012 was at Rs. 1.5 billion (US\$ 28.0 million) as against Rs. 1.7 billion in the corresponding previous period - a YoY decrease of 9% mainly on account of 20% decline in MF AAUMs
- RCAM's total expenditure from its operations for the quarter ended June 30, 2012 was at Rs. 934.1 million (US\$ 17.2 million) - a YoY decrease of 3% in line with focus on leaner cost of operations
- Profit before tax for the quarter ended June 30, 2012 was Rs. 585.5 million (US\$ 10.8 million) - a YoY decrease of 17%

RELIANCE LIFE INSURANCE

- *Amongst leading private sector life insurers in India with private sector market share of 5.0% in terms of new business premium*

FINANCIAL PERFORMANCE

(Rs. Million)

	Q1 FY13	Q1 FY12	Q4 FY12	FY12
First year premium	2,221	2,317	5,868	14,364
Single premium	284	313	1,476	3,729
Total new business premium	2,505	2,630	7,343	18,093
Renewal premium	5,652	8,161	12,318	36,883
Total premium (Net of Reinsurance)	8,102	10,749	19,587	54,702
Profit before tax	191	79	3,463*	3,726*
Operating Costs (excl. commission)	2,742	2,871	3,778	12,935
Total Funds under management	185,860	177,353	187,666	187,666
Capital infused	-	-	-	3,000

* Including policyholder's surplus transferred to shareholders' account

	Q1 FY13	Q1 FY12	Q4 FY12	FY12
No of offices	1,230	1,252	1,230	1,230
No of agents	119,931	177,747	150,590	150,590

- Total premium (net of reinsurance) for the quarter was Rs. 8.1 billion (US\$ 149.4 million)
- Renewal premium for the quarter was Rs. 5.7 billion (US\$ 104.3 million)
- New Business Premium Income was Rs. 2.5 billion (US\$ 46.2 million) for the quarter ended June 30, 2012. Nearly 85% of new individual business premium was contributed by traditional products
- RLI achieved a profit before tax of Rs. 190.7 million (US\$ 3.5 million) for the quarter ended June 30, 2012, a YoY increase of 140%.
- During the quarter, net surplus arising from non-participating business amounted to Rs. 895.1 million (US\$ 16.5 million). The Q1 profit before tax figures does not include this surplus
- Operating costs (excluding commission) were at Rs. 2.7 billion (US\$ 50.6 million) for the quarter ended June 30, 2012, decline of 4% YoY. This is in line with the focus to achieve leaner cost structure

- The total funds under management were at Rs. 185.9 billion (US\$ 3.3 billion) as on June 30, 2012
- The distribution network stood at 1,230 offices at the end of Q1 FY13
- The number of agents as on June 30, 2012 were at 119,931 as against 177,747 agents as on June 30, 2011 - a YoY planned decline of 33% in line with focus on productivity and performance of agents
- The total capital invested in this business, as on June 30, 2012 was Rs. 33.9 billion (US\$ 602.8 million)

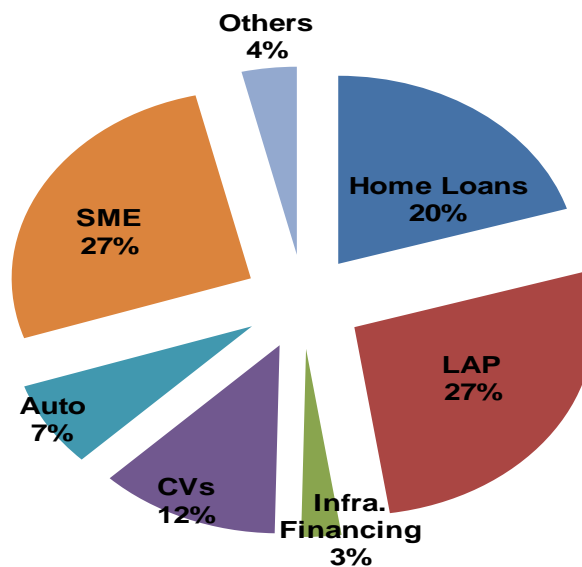
RELIANCE COMMERCIAL FINANCE

Discussion of financial performance

- Reliance Commercial Finance disbursed Rs. 17.0 billion (US\$ 314.0 million) of secured loans during the quarter, as against Rs. 20.1 billion for the corresponding previous period - decrease of 15%
- As on June 30, 2012, the assets under management (including securitized portfolio) was Rs. 151.1 billion (US\$ 2.7 billion) as against Rs. 142.6 billion as on June 30, 2011 - increase of 6%
- As on June 30, 2012 the outstanding loan book was Rs. 135.9 billion (US\$ 2.4 billion) as against Rs. 130.3 billion as on June 30, 2011 - a YoY increase of 4%. This loan book is spread across approximately 91,500 customers from top 18 Indian metros
- As on June 30, 2012, nearly 100% of the outstanding book was secured as against 98% as on June 30, 2011
- Personal loans proportion brought down to miniscule 0.2% of the outstanding loan book at the end of the year as against 1.0% at the end of the corresponding previous period

LOAN BOOK MIX - as on June 30, 2012

Outstanding Loan book - Rs. 135.9 billion



FINANCIAL PERFORMANCE

(Rs. Million)

	Q1FY13	Q1FY12	Q4FY12	FY12
Disbursements	17,023	20,100	15,913	79,373
Net Interest Income	1,325	1,215	1,333	5,104
Total Income	4,951	4,178	5,569	19,450
Total expenses	784	789	772	3,150
Interest expenses	3,351	2,673	3,495	12,801
Provisions	159	133	547	963
Profit before tax	656	583	756	2,537

- Total income stood at Rs. 5.0 billion (US\$ 91.3 million) for the quarter as against Rs. 4.2 billion for the corresponding previous period - a YoY increase of 19%
- The Net Interest Income for the quarter ended June 30, 2012 was Rs. 1.3 billion (US\$ 24.4 million) as against Rs. 1.2 billion for the corresponding previous period - a YoY increase of 9%
- The profit before tax for the quarter ended June 30, 2012 was Rs. 656.1 million (US\$ 12.1 million) as against Rs. 582.6 million for the corresponding previous period - a YoY increase of 13%, despite 25% increase in interest costs
- The cost to income ratio for the quarter improved to 15.8% as against 18.9% for Q1 FY12
- The average cost of funds for the quarter ended June 30, 2012 was 11.9%, as against 10.3% for Q1 FY12
- Average NIMs for the quarter ended June 30, 2012, stood at 4.0%, as against 4.3% for Q1 FY12
- Gross NPLs were 1.7% of outstanding AUMs at Rs. 2.6 billion (US\$ 45.8 million) as against 1.1% at Rs. 1.5 billion as on June 30, 2012
- The coverage ratio (including write-offs) stood at 70% as on June 30, 2012

BROKING BUSINESSES

FINANCIAL PERFORMANCE

(Rs. Million)

	Q1FY13	Q1FY12	Q4FY12	FY12
Total Income	575	559	923	2,749
Total Expenditure	524	518	673	2,430
Profit before tax	51	40	250	320

Discussion of financial performance

- The total income stood at Rs. 575.0 million (US\$ 10.6 million) for the quarter ended June 30, 2012 - YoY increase of 3%
- The business achieved a profit before tax of Rs. 50.9 million (US\$ 0.9 million) for the quarter ended June 30, 2012 - YoY increase of 26%

DISTRIBUTION BUSINESS - 'RELIANCE MONEY'

FINANCIAL PERFORMANCE

(Rs. Million)

	Q1FY13	Q1FY12	Q4FY12	FY12
Total Income	147	156	353	1,060
Total Expenditure	120	129	251	826
Profit before tax	26	27	102	234

Discussion of financial performance

- Total income stood at Rs. 146.9 million (US\$ 2.7 million) for the quarter ended June 30, 2012 as against Rs. 156.1 million for the corresponding previous period - a YoY decline of 6%
- The business achieved a profit before tax of Rs. 26.5 million (US\$ 0.5 million) for the quarter ended June 30, 2012 - a YoY decrease of 2%

RELIANCE GENERAL INSURANCE

- Amongst leading private sector general insurers in India with private sector market share of 8.4%

FINANCIAL PERFORMANCE

(Rs. Million)

	Q1FY13	Q1FY12	Q4FY12	FY12
Gross Written Premium	5,635	5,260	4,326	17,479
Profit before Tax/ (Loss)	(201)	(301)	(2,483)	(3,416)
Combined ratio with pool	120%	125%	197%	145%
Capital infusion	-	1,000	2,520	4,430
Investment book	28,686	23,497	27,021	27,021
No. of policies issued (millions)	0.7	0.7	0.7	2.6
No. of branches	148	181	151	151
No. of intermediaries	7,680	4,348	6,569	6,569

SEGMENT WISE BREAK UP

- Premium contribution

Particulars	Q1FY13	Q1FY12	Q4FY12
Motor	55%	59%	72%
Health	15%	15%	12%
Fire & Engineering	19%	15%	10%
Marine	2%	4%	1%
Others	9%	7%	5%
Total	100%	100%	100%

Discussion of financial performance

- Gross Written Premium for the quarter ended June 30, 2012 was Rs. 5.6 billion (US\$ 103.9 million) - YoY growth of 7%
- The combined ratio (including third party motor pool) was 120% in the quarter, as against 125% for Q1 FY12
- The loss was at Rs. 201.2 million (US\$ 3.7 million) for the quarter ended June 30, 2012 as against Rs. 301.0 million in the corresponding previous period
- The focus at RGI is on writing profitable business and improving the combined ratio. In line with this, the Company is optimizing its product portfolio mix and is increasing its commercial lines of business. During the the quarter, RGI realized a gross written premium of Rs. 1.7 billion (US\$ 30.9 million) from commercial lines of business, as against Rs. 1.3 billion in Q1 FY12 - YoY increase of 28%
- The total capital invested is Rs. 15.9 billion (US\$ 282.7 million)
- The distribution network composed of 148 branches and over 7,680 intermediaries as on June 30, 2012

SECTION 4

STOCK MARKET HIGHLIGHTS

General information

Shareholding and Financial data as on June 30, 2012	
Code/ Exchange	500111 / BSE RELCAPITAL / NSE
Bloomberg/ Reuters	RCAPT.IN
No of share outstanding (June 30, 2012)	245,632,800
Closing market price (Rs.) (June 30, 2012)	358.45
Combined volume (NSE & BSE) (for the quarter) (No. in million / day)	4.7
Combined value (NSE & BSE) (for the quarter) (Rs. billion / day)	1.6
F & O volume (NSE - for the quarter) (No. in million / day)	8.0
F & O value (NSE - for the quarter) (Rs. in billion / day)	2.7
Stock Beta (for year ended June 30, 2012)	1.72
Market capitalization as on June 30, 2012 (Rs. billion)	87.2
Market capitalization as on June 30, 2012 (US\$ billion)	1.5
Book value per equity share (Rs.)	478.5

Summarized shareholding pattern as of June 30, 2012

Category	No. of shares	Shareholding
Promoters	132,982,272	54.1%
Foreign investors - FIIs, NRIs and others	50,741,423	20.7%
Domestic institutions/ Banks / Mutual funds	14,091,409	5.7%
Indian public	47,817,696	19.5%
Total	245,632,800	100.0%