

Reliance Capital Limited

**Review report on the results for the quarter ended
March 31, 2009 (Audited)**

April 30, 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. 45.91 = US \$1.00 for FY09 and Rs. 49.76 = US \$ 1.00 for Q4 FY09 profit and loss items and the rate of Rs. 50.95 = UD\$1 for balance sheet items as on March 31, 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,			
	2006	2007	2008	2009
Total Revenues	9,470	21,579	49,192	59,761
Net Profits	5,713	7,032	10,091	10,157
Networth	42,052	52,973	65,078	74,914
Reliance Mutual Fund				
Assets under Management (Rs.billion)	247	463	909	809
Reliance Life Insurance				
New business premium	1,940	9,320	27,510	35,140
Reliance General Insurance				
Gross written premium	1,630	9,120	19,460	19,149
Reliance Money				
Revenues	0	0	2,385	3,520
Reliance Consumer Finance				
Loan book size	0	0	71,200	85,761

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

SECTION 2

AN OVERVIEW

Introduction:

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 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\$ 22 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

- The average assets under management (AAUM) of the Indian mutual fund industry declined by 7% - from 5.3 trillion for March 2008 to Rs. 4.9 trillion for March 2008. During the same period, 5 new asset management companies were given licenses to commence operations, taking the total number of mutual funds in India to 38. The industry is highly fragmented and the top 5 players account for 58% of the AUM. (Source: AMFI website)
- In the same period, the AAUM for Reliance Mutual Fund (RMF) declined from Rs. 909 billion to Rs 809 billion (US\$ 15.9 billion). However, RMF continued to be India's No.1 Mutual Fund with a market share of 16.4%
- The number of investors in RMF increased to 7.2 million as at the end of March 31, 2009 as against 6.4 million investors at the end of March 31, 2008.
- As on March 31, 2009, there were a total of 38 schemes - 16 equity oriented schemes, 21 debt oriented schemes and 1 exchange traded schemes
- At the end of FY09, RCAM had a presence across 341 locations in India
- During the 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
- The number of Systematic Investment Plan Investors has crossed 1.2 million
 - During the year, RCAM received approval from Malaysian Authorities to start operations in Malaysia. RCAM is looking to start a Shariah compliant fund based on the Islamic principles.
 - Also during the year, RCAM also received approval from Financial Services Authority in United Kingdom to commence investment advisory operations in United Kingdom

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 March 31, 2009 increased to Rs. 305 billion (US\$ 7 billion) from Rs. 69 billion as at March 31, 2008
- RCAM has been appointed this year as one of the fund managers by the Employees Provident Fund Organization (EPFO).

A hugely prestigious account, EPFO has entrusted Rs. 275.7 billion (US\$ 5.4 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 started operations in February 2007. 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 March 31, 2009 stood at US\$ 218 million (including un-drawn amount of US\$ 92 million) as against US\$ 200 million as on March 31, 2008

Reliance Life Insurance

- During the year, the Indian life insurance industry recorded new business premium of Rs. 871 billion (US\$ 19 billion) as against Rs. 930 billion in the previous year, a decrease of 6%. While, Reliance Life Insurance recorded New Business Premium of Rs. 35 billion (US\$ 547 million) for the year as against Rs. 28 billion in the previous year, an increase of 28%
- During the period from April 2008 to February 2009, 4 new life insurance companies were given licenses to commence operations, taking the total number of life insurance companies in India to 22.
- Reliance Life Insurance (RLIC) has maintained its position amongst the top four (in terms of monthly new business premium) private sector life insurance companies in India. It is one of the fastest growing life insurance companies in India with a private sector market share of 10.3% - up from 8.1% for the previous year
- The annualized premium equivalent for the year was Rs. 30 billion as against Rs.19 billion for the corresponding previous period - an increase of 56%
- The policyholders' funds under management were at Rs. 59 billion (US\$ 1.2 billion) as on March 31, 2009 against Rs. 36 billion as on March 31, 2008 – an increase of 65%
- For the year ended March 31, 2009, Rs. 12 billion of capital was infused- capital invested in the life insurance business till date is Rs. 27.4 billion
- Total numbers of policies in force as on March 31, 2009 were 3,303,165 as against 1,448,200 as on March 31, 2008 - an increase of 128%
- The distribution network has been increased to 1,145 branches at the end of March 31, 2009 against 745 branches at the end of March 31, 2008
- The numbers of agents at the end of March 31, 2009 were 149,613 as against 184,233 in the previous period – a decrease of 19%, reflecting the emphasis on productivity
- Reliance Life Insurance (RLIC) offers you products that fulfill savings and protection needs of customers. Reliance Life offers 35 products, of which 29 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
- During FY09, 8 new life insurance policies were launched, viz. Reliance Super Invest Assure plan, Reliance Super Invest Assure Plus Plan , Reliance Guaranteed Return Plan Series I Insurance , Reliance Guaranteed Return Plan Series I Pension , Reliance Group Savings Linked Insurance Plan , Reliance Group Credit Shield Plan, Reliance Imaan Investment Plan and Reliance Savings Linked Insurance Plan
- During the same period, 5 of the top selling existing products were re-launched viz. Reliance Super Automatic Investment Plan, Reliance Super Market Return Plan, Reliance Super Golden Years Plan, Reliance Super Golden Years Plan Plus and

Reliance Super Golden Years Plan Value. This was done to standardize the charge structures and improve profitability

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), SME loans and Personal 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 March 31, 2009 the loan book was brought down to Rs. 86 billion (US\$ 2 billion) brought down from Rs.89 billion at the end of December 31, 2008. This loan book is spread across 119,759 customers spread and 23 locations. The loan book as on March 31, 2008 was Rs. 71 billion
- Reliance Consumer Finance generated revenues of Rs. 3 billion (US\$ 60 million) for the quarter ended March 31, 2009, as against Rs. 2 billion for the corresponding previous period – an increase of 52%
- Reliance Consumer Finance generated revenues of Rs. 12 billion (US\$ 261 million) for the year ended March 31, 2009, as against Rs. 4 billion for the corresponding previous period – an increase of 204%
- Reliance Capital received approvals from RBI and National Housing Bank to set up separate subsidiaries for consumer finance and home finance respectively. These subsidiaries, capitalized with Rs.1 billion (US\$ 20 million) each as on March 31, 2009, and have commenced business operations

Reliance Money

- During the period from April 2008 to March 2009, the daily average cash turnover on both Stock Exchanges (BSE & NSE), was Rs. 159 billion (US\$ 3 billion) as compared to Rs. 204 billion in the corresponding previous period, a decrease of 22%. The daily average F&O turnover on both Stock Exchanges (BSE & NSE) was Rs. 453 billion (US\$ 10 billion) as compared to Rs. 520 billion in the corresponding previous period, a decrease of 13%
- Reliance Money generated revenues of Rs. 35 billion (US\$ 767 million) for the year March 31, 2009 as against Rs. 24 billion of the corresponding previous period, an increase of 48%. It also achieved a net profit of Rs. 368 million (US\$ 8 million) for the same period, as against a net profit of Rs. 1 million for the corresponding previous period
- 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 March 31, 2009, Reliance Money had a distribution network of over 10,000 outlets across 5,165 locations in India
- 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
- To further improve its position in the money changing and money transfer business, Reliance Money has acquired a significant share holding in Wall Street Finance Ltd, a leading provider of money changing and money transfer services in the Country
- Reliance Money has tied up with Kuoni India and plans to retail its forex products/ services through the national network of over 70 Kuoni outlets
- 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 Money has obtained Category I Merchant Banking License from the Securities and Exchange Board of India. This new license allows Reliance Money to provide a wide range of investment banking services such as Issue Management, Underwriting, Private Equity Advisory/ Syndication and Corporate Finance services in India
- Reliance Money is taking its first steps into the Commodities Exchange business and is in the process of acquiring a 15 per cent stake in Hong Kong Mercantile Exchange (HKMEx). With this holding, Reliance Money becomes the second-largest shareholder in the commodity exchange and will have a board membership. Reliance Money is the first Indian firm to acquire a stake in an international exchange
- It has also obtained approval from the Ministry of Consumer Affairs for acquiring 10% stake in the National Multi-Commodity Exchange of India Ltd. (NMCE).

Reliance General Insurance

- During the period from April 2008 to March 2009, the gross written premium of the entire Indian general insurance fund industry increased by 9.3% from Rs. 280 billion of the corresponding previous period, to Rs. 306 billion (US\$ 7 billion). (Source: General Insurance Council)

- During the period from April 2008 to March 2009, 2 new general insurance companies were given licenses to commence operations, taking the total number of general insurance companies in India to 16
- Reliance General Insurance (RGI) has maintained its position amongst the top three (in terms of monthly gross written premium) private sector General insurance companies in India, with a market share of 6.3%
- Gross Written Premium for the year ended March 31, 2009 was virtually unchanged at Rs. 19.1 billion (US\$ 416 million) as against Rs. 19.5 billion in the corresponding previous period – a decline of 2%. The pace of growth was moderated in response to the general economic slowdown and the ongoing focus on improved profitability and not topline revenues
- During the year, Rs. 1.6 billion (US\$ 35 million) of capital was infused into the general insurance business, taking the total capital invested till date to Rs. 8 billion (US\$ 157 million)
- The distribution network composed of 200 branches and over 7,700 intermediaries at the end of March 31, 2009
- Reliance General Insurance (RGI) offers property insurance, engineering insurance, auto insurance, health insurance, travel insurance, marine insurance, commercial insurance and other specialty insurance products

Reliance Asset Reconstruction

- Reliance Asset Reconstruction Ltd. (Reliance ARC), which is in the business of acquisition, management and resolution of distressed debt/assets, formally commenced business operations in the first half of FY09 by acquiring two non-performing assets (NPAs), from Corporation Bank and Arcil respectively, at an aggregate acquisition price of Rs 31.70 million (US\$ 0.6 million). These have since been resolved with recovery of our investment in full
- In January 2009, Reliance ARC acquired 2 NPAs from Dena Bank for an aggregate acquisition price of Rs. 21.5 million (US\$ 0.4 million). These are expected to be resolved in Q1, FY0910

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 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 60 companies currently under research

- Despite the challenging market environment, has set up over 50 FII parent accounts and over 500 sub accounts

Reliance Equity Advisors (India) Limited (REAL)

- Reliance Equity Advisors (India) Limited, has been set up with the objective of raising a third party, multi sector private equity (PE) fund. The fund will primarily focus on acquisition financing, growth and consolidation capital in India
- A team with an extensive private equity and M&A background with considerable experience in transactions across diverse sectors is in place
- With investors reining in their investment appetite, fundraising in international and domestic markets is challenging. However the outlook for PE asset class remains good especially in emerging markets vis-à-vis the mature markets and India is likely a preferred destination given the number of promising new opportunities here. Consequently the team is endeavoring to raise funds in the domestic and international markets

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 1,500 employees and associates across nearly 100 locations in India and has acquired more than 40,000 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 year ended March 31, 2009

- Total income of Rs. 60 billion (US\$ 1.3 billion) against Rs 49 billion in the corresponding period – an increase of 22%
- Net profit of Rs. 10.1 billion (US\$ 221 million) against Rs 10.0 billion in the corresponding period – an increase of 1%
- Networth of Rs. 75 billion (US\$ 1.5 billion) as on March 31, 2009 – an increase of 15% from the previous year
- Total assets of Rs. 243 billion (US\$ 4.8 billion) as on March 31, 2009 – an increase of 32% from the previous year

Summary of Consolidated Financial Statements

(Rs. Million)

	Q4 FY09	Q4 FY08	FY09	FY08
Total income	15,469	16,347	59,761	49,140
Staff costs	1,329	1,495	5,541	4,032
Other expenditure	2,301	3,529	11,920	13,319
Reinsurance premium ceded	1,509	1,736	6,758	7,665
Claims incurred	3,148	3,054	10,729	7,507
Interest & financial charges	3,647	1,848	12,638	4,099
Depreciation	171	192	567	412
Profit before tax	3,684	4,494	12,042	12,157
Net Profit after Minority Interest & share of profit of associates	3,117	3,656	10,157	10,091
Diluted EPS (Rs)	12.59	15.02	41.35	41.08

Segmental Performance

(Rs. Million)

	Q4 FY09	Q4 FY08	FY09	FY08
Finance & Investments				
Revenue	6,105	6,181	18,752	17,035
Profit before tax	3,829	4,292	10,375	11,593
Capital employed	66,059	57,336	66,059	57,336
Asset Management				
Revenue	895	1,905	3,907	4,558
Profit before tax	176	1,125	1,147	1,931
Capital employed	468	677	468	677
General Insurance				
Revenue	5,417	6,444	23,116	23,461
Profit before tax	(292)	(893)	(502)	(1,628)
Capital employed	6,316	4,939	6,316	4,939
Consumer Finance				
Revenue	3,000	1,951	12,032	3,946
Profit before tax	20	151	917	361
Capital employed	11,225	8,906	11,225	8,906
Others				
Revenue	374	239	2,386	563
Profit before tax	(124)	(149)	115	140
Capital employed	4,551	737	4,551	737

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 year ended March 31, 2009 increased to Rs 60 billion (US \$ 1.3 billion) from Rs 49 billion in the corresponding previous period, registering a growth of 21%

The above growth was largely due to the growth of the consumer finance business and the sale of investments.

Operating expenses:

Staff costs for the year ended were Rs. 6 billion (US\$ 131 million) as against Rs. 4 billion in the corresponding previous period.

This increase was due to rapid expansion of operations and distribution networks and entry into three new business streams i.e. institutional broking, private equity, asset reconstruction and the launch of the cross-sell initiative, Reliance Capital Services.

Selling, general & administrative expenses for the year were Rs. 12 billion (US\$ 240 million) as against Rs. 13 billion - decrease of 11%. This decrease was achieved in spite of an increase in scale of operations of the businesses. The decrease was achieved as a result of optimization of costs, improvement in operational efficiency and utilizing a healthy mix of own and third party distribution reach.

Finance cost and Net profit from operations:

Interest & finance charges for the year were Rs. 13 billion (US \$ 283 million) as against Rs. 4 billion in the corresponding period previous year, an increase of 225%.

The increase was due to the increased borrowings for funding the consumer finance business and cost of borrowings.

Depreciation for the year was Rs. 567 million (US\$ 123 million) as against Rs. 412 million in the corresponding period previous year, an increase of 38 %. This year-on-year 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 year ended March 31, 2009 was Rs. 10.1 billion (US\$ 221 million) as against Rs. 10 billion in the previous year, an increase of 1%

Balance sheet

As on March 31, 2009, the company had total assets of Rs 243 billion (US\$ 4.8 billion) as against Rs. 183 billion as on March 31, 2008 – an increase of 32%

As on March 31, 2009, the company had a net worth of Rs. 75 billion (US\$ 1.5 billion) as against Rs. 65 billion as on March 31, 2008 – an increase of 15%

The company had a debt of Rs 141 billion (US\$ 3 billion) as on March 31, 2009 and equity of Rs. 75 billion (US\$ 1.5 billion), resulting to net debt to equity ratio of 1.9

BUSINESS WISE PERFORMANCE

RELIANCE CAPITAL ASSET MANAGEMENT

MUTUAL FUND

TOTAL ASSETS UNDER MANAGEMENT

(Rs. Billion)

Particulars	As at 31 Mar 2009	As at 31 Mar 2008	As at 31 Mar 2007
Mutual Funds			
Average AUM	809.6	909.4	463.1
- Equity	29%	35%	38%
- Debt	71%	65%	62%
Portfolio Management Services			
- Discretionary	14.6	20.1	12.3
- Advisory	14.5	48.9	17.8
- EPFO	275.8	-	-
TOTAL	304.8	69.0	30.1
Offshore Funds (US\$ million)	218	200	95

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

COMPETITIVE STANDING – INDIAN MUTUAL FUNDS

	As at 31 Mar 2009	As at 31 Mar 2008	As at 31 Mar 2007
Rank	#1	#1	#1
Market Share	16%	17%	14%

(Source: AMFI website)

DISTRIBUTION REACH

	As at 31 Mar 2009	As at 31 Mar 2008	As at 31 Mar 2007
Branches	156	89	52
Reliance Mutual Fund (RMF) Centers	25	29	22
Resident Representatives	160	142	103
TOTAL LOCATIONS	341	260	177

FINANCIAL PERFORMANCE

(Rs. Million)

	Q4 FY09	Q4 FY08	FY09	FY08
Income	1,195	2,043	4,547	4,741
Personnel costs	329	319	1,206	873
Marketing expenses	92	281	619	1,060
Administration & other expenses	365	241	1,036	755
Profit before tax	410	1,204	1,686	2,054
Profit after tax	337	933	1,257	1,497

Discussion of financial performance

Total income:

RCAM's income from its operations for the year ended March 31, 2009 was at Rs. 4.6 billion (US \$ 99 million) from Rs. 4.7 billion in the corresponding period previous year. This was largely due to the decline in the average assets under management and absence of performance fees in declining markets.

Operating expenses:

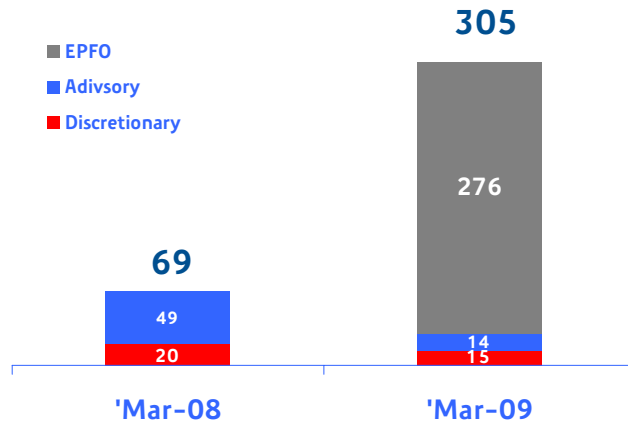
Staff costs for the year ended March 31, 2009 were Rs. 1.2 billion (US\$ 27 million) as against Rs. 873 million in the corresponding period previous year, an increase of 34 % largely due to increase in staff strength.

Selling, general & administrative expenses were Rs. 1.7 billion (US\$ 36 million) as against Rs. 1.8 billion, a decrease of 7 %. The decrease was achieved as a result of optimization of costs and cost rationalization exercises implemented for investor communication costs, improvement in operational efficiency, utilizing a healthy mix of own and third party distribution reach and lower selling and marketing expenses.

Profit after tax for the period ended March 31, 2009 was Rs. 1.3 billion (US\$ 27 million) as against Rs. 1.5 billion in the previous year, a decrease of 16% - reflecting the decrease in average assets under management.

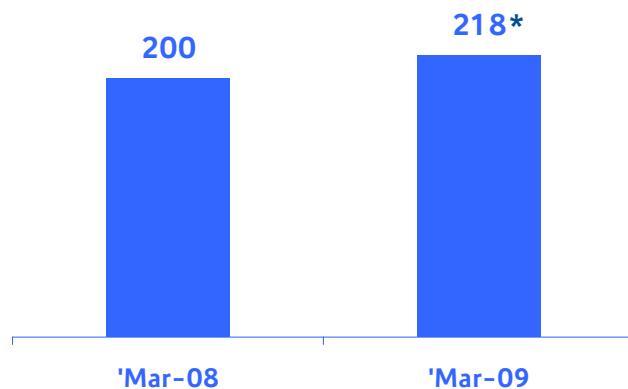
PORTFOLIO MANAGEMENT SERVICES

ASSETS UNDER MANAGEMENT (Rs. Billion)



OFFSHORE FUNDS

ASSETS UNDER MANAGEMENT (US\$ Million)*



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

RELIANCE LIFE INSURANCE

FINANCIAL PERFORMANCE

(Rs. Million)

	Q4 FY09	Q4 FY08	FY09	FY08
First year premium	10,198	7,795	29,657	18,440
Single premium	1,913	5,821	5,482	9,071
Total new business premium	12,110	13,616	35,140	27,511
Total premium	18,585	15,842	49,153	32,133
Annualized premium equivalent (APE)	10,389	8,377	30,206	19,347
No of policies issued	864,439	500,291	2,219,273	1,073,715
Average premium per policy (Rs.)	13,166	22,828	15,059	21,801
No of branches	1145	745	1145	745
No of agents	149,613	184,233	149,613	184,233
Funds under management				
Policyholders	58,791	35,545	58,950	35,545
Shareholders	3,947	2,222	3,947	2,222
Policyholders funds under management				
Equity	36,072	21,954	36,072	21,954
Debt (incl Tbills)	22,719	13,591	22,719	13,591
Capital infused	2,180	2,700	12,290	8,500

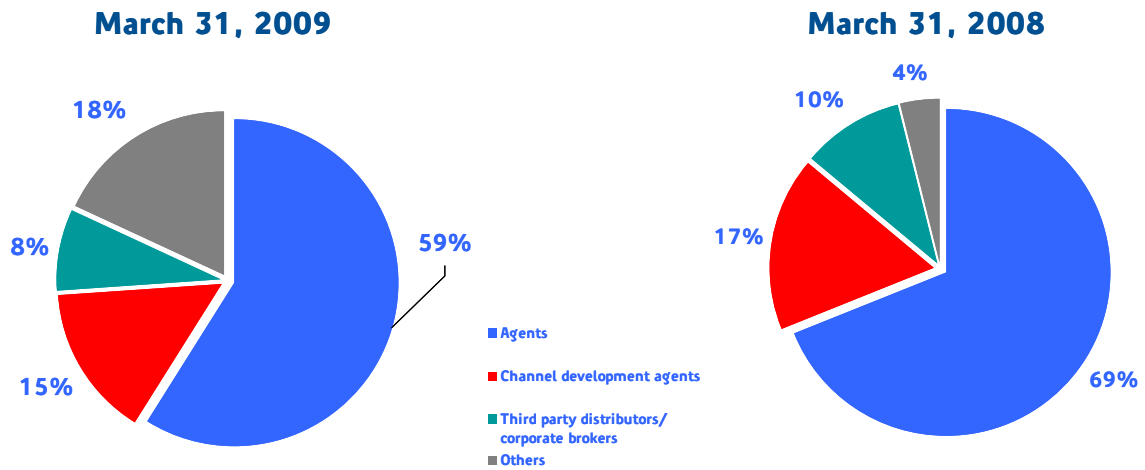
- The new business premium for the year ended March 31, 2009 was Rs. 35 billion (US\$ 762 million) as against Rs. 28 billion, an increase of 28%
- The revenue during the period from Single premium policies has decreased by 40% YoY – due to focus on regular premium products
- Annualized Premium Equivalent (APE) for the year ended March 31, 2009 was Rs. 30 billion (US\$ 653 million) as against Rs. 19 billion, an increase of 56 %. The APE has been calculated as: APE = Regular new business premium +10% of Single new business premium. The APE growth was 56% as against new business premium growth of 28%

- The policyholders' funds under management were at Rs. 59 billion (US\$ 1.2 billion) as on March 31, 2009 against Rs. 36 billion as on March 31, 2008. The equity component was 61% of total assets
- The capital infused in this business for the year ended March 31, 2009 was Rs. 12 billion taking the total capital infused till date to Rs. 27 billion
- Total numbers of policies issued for year ended March 31, 2009 were 2,219,273 as against 1,073,715 as on March 31, 2008- an increase of 107%.
- The average premium per policy for year March 31, 2009 has decreased to Rs. 15,059 from Rs. 21,801 in the corresponding previous period. This is largely due to launch of new products to cater to the customers in the lower income segment and Tier III & IV cities
- Reliance Life Insurance has built a strong and extensive distribution network with 1,145 branches at the end of March 31, 2009 from 745 at the end of March 31, 2008
- The numbers of agents at the end of March 31, 2009 were 149,613 as against 184,233 in the previous period, a decrease of 19%. This year, approximately 50,000 agents were discontinued on account of low productivity

COMPETITIVE STANDING – INDIAN LIFE INSURANCE INDUSTRY

	As at 31 Mar 2009	As at 31 Mar 2008
Rank (Private Life Insurance Industry)	# 4	# 4
Market Share (Private Sector Life Insurers)	10.3%	8.1%
Overall Market Share	4.0%	3.0%

DISTRIBUTION BREAK UP – well diversified



PRODUCT MIX

- Top 5 products contribute to **70% of new business premium** viz. Automatic Investment Plan, Reliance Super Invest Assure Plan, Golden Years Plan, Reliance Super Automatic Investment Plan and Reliance Super Golden Year Plan

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.

The cost of capital is taken as the difference between the nominal value for solvency capital and the present value, at the risk discount rate, of future releases of capital together with investment earnings on the solvency capital

- **The new business achieved profit for year ended March 31, 2009 was Rs. 6,196 million**
- **The new business achieved profit margin for year ended March 31, 2009 was 20.9%**

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 and persistency are based on industry and re-insurers experience, using the Company's operating experience where such experience is credible
- Expense assumptions are based on the Company's latest expense projection which reflects recent responses to the lower growth environment. The chosen expense loadings are consistent with current pricing assumptions and represent the Company's most recent view of long term expense assumptions. No allowance has been made for any expense overruns that the Company experiences in the short term

- The projections assume that the Company pays taxation 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	6,196	6,508	5,904
Risk discount rate	6,196	5,598	6,854

The investment return sensitivity considers a change in the assumed rate of growth for unit-linked funds, the assumed rate of investment return on non unit cash flows and reserves and on assets supporting the solvency margin, and a change in the rate of expense inflation.

Further consideration:

- The NBAP reflects 96.86% of the new business written in the year to 31 March 2009
- The value from group business and from traditional business has been ignored. These two business lines represent 1.56% and 1.58% respectively of the annualized new business premium
- The value of one year's new business was determined by the Reliance Life Insurance. Watson Wyatt performed a review of the overall reasonableness of the assumptions used, the calculation methods (relative to a traditional deterministic embedded value approach) and the reasonableness of the results

RELIANCE CONSUMER FINANCE

LOAN BOOK DETAILS – AMOUNT OUTSTANDING

(Rs. Billion)

	As on March 31, 2009	%	As on March 31, 2008	%
Mortgages	30.5	36%	20.6	29%
Personal Loans	10.6	12%	10.8	15%
Commercial Vehicles	14.6	17%	12.6	18%
Auto Loans	16.3	19%	13.5	19%
SME Loans	13.8	16%	13.7	19%
Total	85.8	100%	71.2	100%

FINANCIAL PERFORMANCE

(Rs. Million)

	Q4 FY09	Q4 FY08	FY09	FY08
Interest Income	2,931	1,724	11,586	3,371
Other Income	38	227	416	575
Total Income	2,969	1,951	12,002	3,946
Personnel Costs	212	375	903	629
Interest expenses	1,881	899	7,034	1,714
Other expenses	519	459	1,845	1,172
Provisions	343	65	1,308	69
Profit before tax	15	152	912	361

Discussion of financial performance

- As on March 31, 2009, the loan book stands at Rs. 86 billion from Rs. 71 billion for the corresponding previous period. This loan book is well spread across 120,000 customers from 23 locations
- The focus in this business is primarily the asset quality and profitability and not growth or market share gains. In the third quarter of the year, there was curtailing of liquidity due to

the global financial meltdown and its fallout on India. Consequently loan disbursements were slowed down - resulting in the shrinkage of the loan book from its peak of Rs. 95 billion to Rs. 86 billion.

- Reliance Consumer Finance generated revenues of Rs. 12 billion (US\$ 261 million) for the year ended March 31, 2009, as against Rs. 4 billion for the corresponding previous period, an increase of 204%. This was due to increase in the loan book to Rs. 86 billion (US\$ 2 billion) from Rs. 71 billion as on March 31, 2008
- The profit before tax for the year ended March 31, 2009 was Rs. 911 million (US\$ 20 million) as against Rs. 361 million – an increase of 152%
- The average cost of borrowing for the year was 9.7% as against 8.3% for the corresponding previous period
- The provisioning till date is Rs. 1.4 billion i.e. 2 % of the outstanding loan book
- Reliance Consumer Finance business has been allocated equity of Rs.13 billion (including capitalization of the 2 new subsidiaries – Reliance Consumer Finance Pvt Ltd and Reliance Home Finance Pvt Ltd)

RELIANCE MONEY

FINANCIAL PERFORMANCE

(Rs. Million)

	Q4 FY09	Q4 FY08	FY09	FY08
Broking Income	379	581	1,762	1,112
Distribution Income	153	583	879	1,062
Others	253	64	880	211
Total Income	785	1,227	3,520	2,385
Sub brokerage	89	293	421	440
Personnel Costs	303	181	1,150	602
Other expenses	450	602	1,369	1,342
Profit before tax	(56)	131	581	1
Profit after tax	(106)	131	368	1

SCALE OF OPERATIONS

	As at Mar 31, 2009	As at Mar 31, 2008
No of outlets	10,350	8,512
Franchisees	10,125	8,279
Owned	225	233
No. of broking accounts	1,010,000	713,636
Total no. of customers	3,300,000	2,000,000
Daily average stock exchange turnover (Rs. Billion)	15	15

Discussion of financial performance

- Reliance Money generated revenues of Rs. 35 billion (US\$ 767 million) for the year ended March 31, 2009 as against Rs. 24 million of the corresponding previous period, an increase of 48 %. This increase was primarily due to the expansion of the distribution network and increase in its customer base
- The revenue mix is well balanced with broking contributing to 50% of the total revenues and distribution of financial products & other services (money transfer, currency changing & precious metal retailing) contribute to the balance 50%
- It achieved a net profit of Rs. 368 million (US\$ 8 million) for the year ended March 31, 2008, as against a profit of Rs. 1 million of the corresponding previous period

RELIANCE GENERAL INSURANCE

FINANCIAL PERFORMANCE

(Rs. Million)

	Q4 FY09	Q4 FY08	FY09	FY08
Gross Written Premium	4,197	4,219	19,149	19,464
Net Written Premium	3,281	4,068	13,996	13,375
Net Earned Premium	3,541	3,409	13,889	9,600
Commission earned	168	248	891	1,309
Investment Income	459	330	1,465	1,041
Claims	3,156	3,054	10,737	7,507
Management expenses	1,170	1,778	5,414	5,632
Commission paid	111	111	575	512
Underwriting result (accounting)	(422)	(989)	(986)	(2,061)
Profit before tax	(297)	(893)	(502)	(1,628)
Combined ratio (accounting)	121%	138%	114%	129%
Networth	6,316	4,939	6,316	4,939
Reserve for Unexpired Risk	6,830	6,723	6,830	6,723
Capital infusion	1,600	1,870	1,600	4,000
Investment book				
Equity	611	1072	611	1,072
Debt	13,029	12,036	13,029	12,036
Total	13,640	13,107	13,640	13,107

COMPETITIVE STANDING – INDIAN GENERAL INSURANCE INDUSTRY

	As at 31 Mar 2009	As at 31 Mar 2008
Rank (Private General Insurance Industry)	# 3	# 3
Market Share (Private Sector General Insurers)	15%	17%
Overall Market Share	6.3%	6.9%

(Source: General Insurance Council)

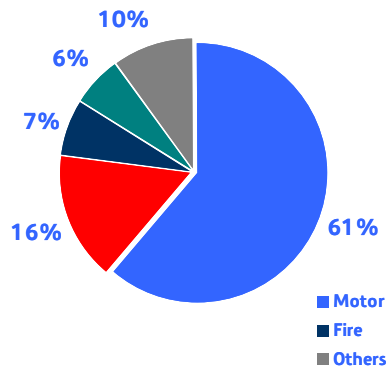
SCALE OF OPERATIONS

	FY09	FY08
No of branches	200	200
No of intermediaries		
Motor dealers	2,880	,3000
Agents	4,854	3,860
No of policies issued (millions)	2.7	3.7
No of policies in force (millions)	2.7	3.7
No of claims handled	535,489	321,820

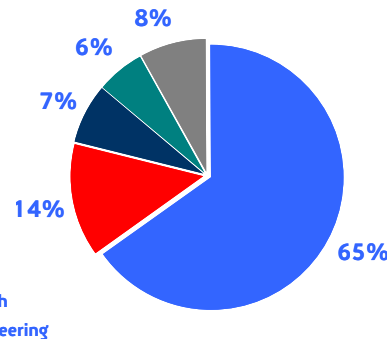
SEGMENT WISE BREAK UP

- Premium contribution

As on March 31, 2009



As on March 31, 2008



Discussion of financial performance

- Gross Written Premium for the year ended March 31, 2009 was virtually unchanged at Rs. 19.1 billion (US\$ 416 million) as against Rs. 19.5 billion in the corresponding previous period. The pace of growth was moderated in response to the general economic slowdown and the ongoing focus on improved profitability as against topline revenues
- Net Written Premium for the year ended March 31, 2009 was Rs 14.0 billion (US\$ 305 million) as against Rs. 13.4 billion in the corresponding previous period, an increase of 4% translating to an improvement in the retention ratio from 69% to 73%
- 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 has improved from 129% in FY08 to 114% for FY09

RELIANCE CAPITAL - FINANCE & INVESTMENTS (STANDALONE)

(Rs. Million)

	Q4 FY09	Q4 FY08	FY09	FY08
Interest & finance income	1,583	1,814	5,610	5,087
Profit on sale (net) investments	3,875	4,228	11,777	11,233
Other income	374	0	753	532
Total	5,832	6,042	18,140	16,852
Profit before tax	3,623	4,213	9,865	11,593

- The income for finance & investments division (standalone) was Rs. 18 billion (US \$ 395 million) for year ended March 31, 2009 as against Rs. 17 billion for corresponding previous period – an increase of 7%

• **SECTION 4**

STOCK MARKET HIGHLIGHTS

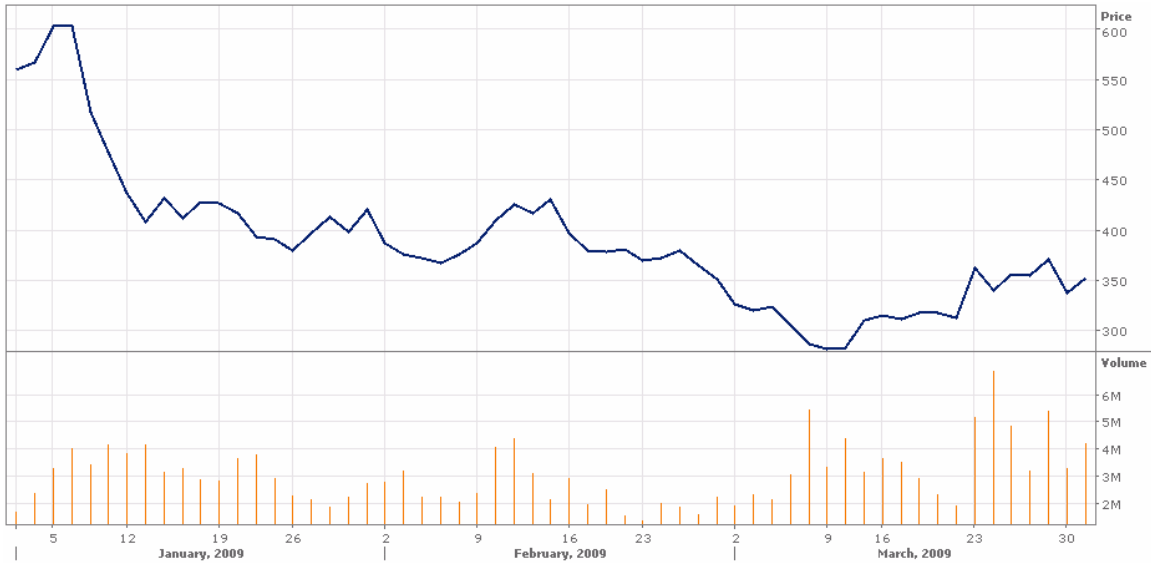
General information

Shareholding and Financial data as on March 31, 2009	
Code/ Exchange	500111/ BSE RELCAPITAL/ NSE
Bloomberg/ Reuters	RCFT / RLCP.NS
No of share outstanding (Mar.31, 2009)	245,732,800
Closing market price (Rs.) (Mar. 31, 2009)	353.55
Combined volume (NSE & BSE) (for the quarter) (No. in million/ day)	9.8
Combined value (NSE & BSE) (for the quarter) (Rs. billion / day)	3.8
F& O volume (NSE – for the quarter) (No. in million/ day)	36.6
F& O value (NSE – for the quarter) (Rs. in billion/ day)	5.1
Weightage of Reliance Capital in indices: S&P CNX Nifty MSCI	0.6% 0.9%
Stock Beta (for the 12 months ended March 31, 2009)	1.56
Market capitalization (Rs bn)	86.8
Market capitalization (US\$ bn)	1.7
Book value per equity share (Rs.)	305

Summarized shareholding pattern as of March 31, 2009

Category	No of shares	Shareholding %
Reliance Dhirubhai Ambani Group	131,382,274	53.5%
Foreign investors – FIIs, GDRs, NRIs, and others	53,158,548	21.6%
Domestic institutions/ Banks / Mutual funds	10,024,858	4.1%
Indian public	51,067,120	20.8%
Total	24,56,32,800	100.00%

Reliance Capital daily stock price & volume (NSE) movement



Comparison of Reliance Capital stock movement with peer groups

