

MEDIA RELEASE

RELIANCE CAPITAL SHAREHOLDERS UNANIMOUSLY APPROVE AMALGAMATION OF RELIANCE CAPITAL VENTURES

SWAP RATIO AT 5 SHARES OF RCL FOR EVERY 100 SHARES OF RCVL

**23 LAKH RELIANCE SHAREHOLDERS TO BENEFIT FROM
DIRECT HOLDING IN RELIANCE CAPITAL**

ELIMINATION OF DUAL LISTING OF RCL AND RCVL

RCL's FULLY DILUTED EQUITY CAPITAL TO REMAIN AT Rs 245 CRORE

Mumbai, 25th April 2006: Shareholders of Reliance Capital Limited (RCL) today unanimously approved, the merger of Reliance Capital Ventures Limited (RCVL) with RCL, at a High Court convened meeting.

The shareholders of RCVL are meeting in Mumbai tomorrow i.e. 26th April 2006, to consider the proposed amalgamation.

The proposed scheme of amalgamation envisages a share exchange ratio of 5 (five) equity shares of the face value of Rs.10/- each of the Company, for every 100 (one hundred) equity shares of the face value of Rs.10/- each of RCVL (after the allotment of shares pursuant to the demerger of RIL). The share exchange ratio is based on the number of shares of RCL held by RCVL, and is as recommended by the leading international firm, KPMG.

The shares of RCL held by RCVL will be cancelled under the proposed scheme of amalgamation. The fully diluted equity capital of RCL will remain at **approximately Rs 245 crore**.

The benefits of the proposed scheme are:

- **Direct shareholding of Reliance Capital by 23 lakh Reliance shareholders, leading to enhancement of their value**
- **Elimination of dual listing of RCL and RCVL**
- **Elimination of potential "holding company" discount through RCVL market price**
- **Increased liquidity for all Reliance Capital shareholders**
- **Wider domestic and international shareholder base for RCL**

Background:

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

Reliance Capital is one of India's leading and fastest growing private sector financial services companies, and ranks among the top 3 private sector financial services and banking companies, in terms of net worth.

Reliance Capital has interests in asset management and mutual funds, life and general insurance, private equity and proprietary investments, stock broking and other activities in financial services.