

RELIANCE Capital

Anil Dhirubhai Ambani Group

Dated: March 2, 2009

Reliance Capital Limited

Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi -Mumbai 400 0710
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SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (NCDs), OF AN AGGREGATE FACE VALUE OF RS.350 CRORE ON PRIVATE PLACEMENT BASIS.

CREDIT RATING: CARE AAA BY CREDIT ANALYSIS & RESEARCH LIMITED (CARE)

CREDIT RATING

CARE's ratings are opinions on credit quality and are not recommendations to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most issuers securities rated by CARE have paid a credit rating fee, based on the amount and type of securities issued.

INFORMATION MEMORANDUM

This Information Memorandum, in the form of a single initial disclosure document, has been prepared giving details as on December 31, 2008, in compliance with the applicable requirements of the regulatory authorities, in respect of various series of debentures issued by the Company of an aggregate amount of Rs.350 crore.

RBI DISCLAIMER

RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for discharge of liability by the company.

LISTING

The above NCDs of the Company are proposed to be listed on the Bombay Stock Exchange Limited (BSE).

REGISTRAR AND TRANSFER AGENT



Karvy Computershare Private Limited
Unit: Reliance Capital Limited
Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500081.
Tel : +91-40-23420818 - 25
Fax: +91-40-23420859
Email: rclinvestor@karvy.com

DEBENTURE TRUSTEE



IL & FS Trust Company Limited
The IL & FS Financial Center,
Plot C-22, G Block,
Bandra- Kurla Complex, Bandra East,
Mumbai-400051,
Tel : +91 -22 -26533333
Fax : +91 -22) -26533297

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Definitions / Abbreviations/ Terms Used

Articles of Assn. / AoA	Articles of Association of Reliance Capital Limited (RCL)
Board / BoD	Board of Directors of RCL
BSE	Bombay Stock Exchange Limited
CoR/ Certificate of Registration	The Certificate of Registration obtained from the Reserve Bank of India under Sec. 45 IA of Reserve Bank of India Act, 1934
CDSL	Central Depository Services (India) Limited
Company/ Issuer	Reliance Capital Limited
Companies Act	The Companies Act, 1956
Debentures / Debt Instruments/ NCD	Secured, redeemable Non- convertible debentures issued / proposed to be issued pursuant to this information memorandum
Depositories	CDSL and NSDL
DNBS	Department of Non- Banking Supervision (of RBI)
DP	Depository Participant
FY	Financial Year
GOI / Gol	Government of India
INR / Rs. / Rupees	Currency of Republic of India
Investors	Those persons who fall under the category of eligibility to whom this information memorandum along with pricing supplement may be sent with a view to offering the debentures for sale on private placement basis through this information memorandum
Issue	The issue of 3,500 Secured, redeemable Non- convertible debentures of Rs. 10,00,000/- each in one or more series from time to time aggregating Rs 350 crore on private placement basis
NBFC	Non Banking Financial Company
NPA	Non Performing Asset (as defined in RBI guidelines)
NSDL	National Securities Depository Limited
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
DIP Guidelines	Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 as amended from time to time
Series	Any series or tranche of NCDs issued under this information memorandum
TDS	Tax Deducted at Source

Information as per Schedule I to the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

i. Name and address of the registered office of the issuer.

Reliance Capital Limited
Registered Office: H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi -Mumbai 400 0710
Phone: 022-3047 9200 Fax: 022- 3032 7202
Website: www.reliancecapital.co.in
Contact person: V. R. Mohan, Company Secretary & Manager
Email: mohan.vellore@relianceada.com

ii. Name and address of the directors of the issuer

Board of Directors

SI No.	Name	Address
1	Anil D. Ambani Chairman	Reliance Center, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai – 400 001 Ph - 022 3032 4000 Email - Anil.ambani@relianceada.com
2	Amitabh Jhunjunwala Vice Chairman	Reliance Center, 19, Walchand Hirachand Marg, Ballard Estate, Mumbai – 400 001 Ph - 022 3032 7513 Email - amitabh.jhunjunwala@relianceada.com
3	Rajendra P. Chitale	Nirlon House, 5 th Floor, Dr. Annie Besant Road, Worli, Mumbai – 400 030 Ph - 022 40041010 - 16 Email – rajendra@mpchitale.com
4	C. P. Jain	412, Modi Tower, 98, Nehru Place, New Delhi – 110 019 Ph - 011 26292252 Email – cpjain1946@yahoo.co.in
5	Pravin N. Ghatalia	Focus Communications, Phoenix House, Prarthana Samaj, Mumbai – 400 004 Ph - 022 – 24960707 Email - p.ghatalia@rediffmail.com

Board of Directors - Profile

Shri Anil D Ambani

Regarded as one of the foremost corporate leaders of contemporary India, Shri Anil D Ambani, 49, the Chairman of all listed companies of the Reliance Anil Dhirubhai Ambani Group, namely, Reliance Communications, Reliance Capital, Reliance Infrastructure, Reliance Natural Resources and Reliance Power. He is also the President of the Dhirubhai Ambani Institute of Information and Communication Technology, Gandhinagar, Gujarat. An MBA from the Wharton School of the University of Pennsylvania, Shri Ambani is credited with pioneering several financial innovations in the Indian capital markets. He spearheaded the country's first forays into overseas capital markets with international public offerings of global depository receipts, convertibles and bonds.

Shri Ambani has been associated with a number of prestigious academic institutions in India and abroad.

- He is currently a member of :
- Wharton Board of Overseers, The Wharton School, USA
- Board of Governors, Indian Institute of Management (IIM), Ahmedabad
- Board of Governors, Indian Institute of Technology (IIT), Kanpur
- Executive Board, Indian School of Business (ISB), Hyderabad.

Select Awards and Achievements

- Voted 'the Businessman of the Year' in a poll conducted by The Times of India – TNS, December 2006
- Voted the 'Best role model' among business leaders in the biannual Mood of the Nation poll conducted by India Today magazine, August 2006 Conferred 'the CEO of the Year 2004' in the Platts Global Energy Awards
- Conferred 'The Entrepreneur of the Decade Award' by the Bombay Management Association, October 2002
- Awarded the First Wharton Indian Alumni Award by the Wharton India Economic Forum (WIEF) in recognition of his contribution to the establishment of Reliance as a global leader in many of its business areas, December 2001
- Selected by Asiaweek magazine for its list of 'Leaders of the Millennium in Business and Finance' and was introduced as the only 'new hero' in Business and Finance from India, June 1999.

Shri Amitabh Jhunjunwala, 51, is a Fellow Chartered Accountant. He has experience in the areas of finance, commercial, banking, accounts & general management. He is the group Managing Director of Reliance Anil Dhirubhai Ambani Group. He is also Vice Chairman of Reliance Capital Limited and is a Director on the Board of Harmony Art Foundation and Reliance Equity Advisors (India) Ltd. He is also a member of the Audit Committee & Chairman of the Shareholders'/ Investors' grievances committee of Reliance Capital Ltd.

Shri Rajendra P. Chitale, 47, an eminent Chartered Accountant, is the Managing Partner of M/s M. P. Chitale & Associates. He is a member of the Insurance Advisory Committee of the Insurance and Regulatory Authority of India (IRDA), the Advisory Committee on Regulations of the Competition Commission of India, and has served as a member of the Company Law Advisory Committee, Govt. of India, the Takeover Panel of the Securities and Exchange Board of India, and the Maharashtra Board for Restructuring of State Enterprises, Govt. of Maharashtra. He is a Director on boards of several large companies including National Securities Clearing Corporation Limited, Asset Reconstruction Company (India) Limited, Ambuja Cements Limited, Ishaan Real Estate Plc, Hinduja Ventures Limited, HTMT Global Solutions Limited and Reliance General Insurance Company Limited. He has also served on the boards of Life Insurance Corporation of India, Unit Trust of India, SBI Capital Markets Limited, National Stock Exchange of India Limited and Small Industries Development Bank of India.

Shri C. P. Jain, 62, is the former Chairman and Managing Director of NTPC Ltd. (National Thermal Power Corporation). Shri Jain has an illustrious career spanning over four decades of contribution in the fields of financial management, general management, strategic management and business leadership. He is a fellow member of the Institute of Chartered Accountants of India with an advanced diploma in Management and is a law graduate. He joined the Board of NTPC in 1993 as Director (Finance), was elevated as Chairman & Managing Director in September 2000 and superannuated in March 2006. He is Chairman of the Global Studies Committee of World Energy Council (WEC), world's largest energy NGO with nearly hundred member-nations. He has been on several important committees of the Government of India, latest being the 'Adhoc Group of Experts on Empowerment of CPSEs'. He was Chairman of Standing Conference of Public Enterprises (SCOPE) between April 2003 and March 2005. He is a Director on the Board of IL & FS Infrastructure Development Corporation Ltd. and Centre for Fly Ash Research and Management (a section 25 Company) and is also a member of the Audit Advisory Board of the Comptroller and Audit General of India.

Shri Pravin N. Ghatalia, 67, a Fellow Member of the Institute of Chartered Accountants of India. He specializes in accountancy and tax laws. He was a senior partner of Price Waterhouse, India and the chairman of its Audit & Business Advisory Services (ABAS) Management Committee. He has served on various committees constituted by SEBI and the Indian Merchants Chamber (IMC) and is on the advisory board of various academic institutions.

Details of the compliance officer

Shri V. R. Mohan
Company Secretary & Manager
H Block, 1st Floor, Dhirubhai Ambani Knowledge City,
Navi -Mumbai 400 0710
Phone: 022 - 3047 9200 Fax: 022- 30327202
Email: mohan.vellore@relianceada.com

iii. A brief summary of the business / activities of the issuer and its line of business.

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

Reliance Capital, incorporated in 1986 is one the India's leading and fastest growing private sector financial services company and ranks among the top 3 private sector financial services and banking companies in terms of net worth. Reliance Capital Limited is a NBFC registered with Reserve Bank of India as a non-deposit accepting NBFC holding valid Certificate of Registration.

Reliance Capital has interests in asset management and mutual funds, life and general insurance, private equity and proprietary investments, stock broking and depository services, consumer finance and distribution of financial products.

Finance & Investments

RCL's investment portfolio as on March 31, 2008 was Rs.4,715 crore (US\$ 1.2 billion) at cost. RCL's strategy for its proprietary investment and private equity is to focus on asset quality and asset mix to achieve superior returns. The Company has increasingly diversified its scope of operations into a verity of avenues as afforded under the Indian NBFC regulatory framework, through its interests in asset management and mutual funds, life and general insurance, private equity and proprietary investments, consumer finance and other forms of lending, stock broking and other activities in financial services.

Mutual Fund

Reliance Mutual Fund is managed by Reliance Capital Asset Management (RCAM). During fiscal 2007-08, RCAM became the first asset management company in India to cross the Rs.100,000 crore asset under management (AUM) mark. Reliance Mutual Fund (RMF) has maintained its leadership position in the country. The AUM was Rs.90,938 crore as at March 31, 2008.

Portfolio Management Services

Reliance Portfolio Management Services is a premium financial service for selected investors from the portfolio management division of Reliance Capital Asset Management Ltd. This division creates customised portfolios for high net-worth individuals. The AUM of our portfolio management services as on March 31, 2008 was Rs.6,901.26 crore.

Reliance Life Insurance

Reliance Life Insurance was amongst the top four private sector insurance companies in India (in terms of annual new business premium). Presently Reliance Life offering 27 insurance products, of which 22 are aimed at individuals and 5 at groups. Reliance Life is committed to attaining a leadership position in the industry in the next few years. Premium income in fiscal 2007-08 was Rs.3,225.44 crore. The policy holders' funds under management was Rs.3,555 crore. Total number of policies in force as on March 31, 2008 were 14,48,538.

Despite the high growth witnessed by the industry over the past few years, the growth potential remains strong due to the low penetration, attractive demographics, robust economic growth and increasing awareness.

Reliance General Insurance

Reliance General Insurance (RGI) offers home insurance, property insurance, auto 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 annual gross written premium). It is also the fastest growing Indian general insurance company with a market share of 17.3 per cent in the private sector

During fiscal 2007-08, Gross Direct Premium was Rs.1,946 crore.

Reliance Money

Reliance Money is a comprehensive financial services and solutions provider, providing customers with access to equities, equity options, commodities futures, mutual funds, IPOs, life and general insurance products, offshore investments and credit cards. Reliance Money formally commenced operations in April 2007. The Company has generated revenues of Rs.239 crore and achieved break even in the first year of its operations. It has a wide reaching distribution network of 8,500 outlets in over 4,250 locations in the country and a customer base of 20 lakh. It is amongst the leading Mutual fund distributors of the country distributing products of 17 AMCs. It is also among the largest private sector partners for Western Union Money Transfer, in India, crossing the one lakh transactions per month mark.

Reliance Consumer Finance

Reliance Consumer Finance division commenced operations in May 2007. It marks the entry of Reliance Capital into the fast-expanding consumer finance segment with a wide range of products which includes personal loans, vehicle loans (cars and commercial vehicles), home loans, loans against property and SME loans. The primary focus of Reliance Consumer Finance is to build a quality loan portfolio and it has setup a risk management framework to achieve this.

Reliance Consumer Finance closed the financial year 2008 with a loan book of Rs.7,120 crore.

Asset Reconstruction

During the year one of the Company's associate has got RBI approval for doing the business of asset reconstruction.

- iv. **A brief history of the issuer since its incorporation giving details of its activities including any reorganisation, reconstruction or amalgamation, changes in its capital structure (authorised, issued and subscribed) and borrowings, if any:**

History

The Company was incorporated as Reliance Capital & Finance Trust Limited on March 5, 1986 under the Companies Act, 1956 and obtained the certificate of commencement of business on March 27, 1986. The name of the Company was changed to Reliance Capital Limited vide a fresh Certificate of Incorporation consequent upon change of name dated January 5, 1995 issued by the Registrar of Companies, Gujarat, Ahmedabad.

In 1992, pursuant to a scheme of arrangement under the Companies Act, Arasina Hotels Limited (AHL) amalgamated with the Company. The Scheme of amalgamation was approved by the High Court of Gujarat and the High Court of Karnataka vide their orders dated August 4, 1992 and August 7, 1992 respectively.

In 2006, pursuant to a scheme of arrangement under the Companies Act (the "Scheme"), Reliance Capital Ventures Limited (RCAPVL) amalgamated with the Company. The Scheme of amalgamation was approved by the High Court of Gujarat at Ahmedabad and the High Court of Judicature at Bombay by orders dated June 22, 2006 and June 23, 2006 respectively.

The Company shifted its registered office from the State of Gujarat to the State of Maharashtra w.e.f November 20, 2006.

Capital Structure of the Company as on March 31, 2008

	(Rs. In crore)
AUTHORISED	
30,00,00,000 Equity Shares of Rs.10/- each	300
10,00,00,000 Preference Shares of Rs.10/- each	100
	400
ISSUED AND SUBSCRIBED	
24,69,77,006 Equity Shares of Rs.10/- each	224.21
Add: Shares issued on conversion of Equity Warrants -2,17,00,000 of Rs.10/- each	21.70
Add: Shares issued and allotted pursuant to the Scheme of Amalgamation- 6,11,56,521 Of Rs. 10/- each	61.16
Less: Shares cancelled as per the Scheme of Amalgamation as approved by the Hon'ble High Court-6,00,89,966 of Rs.10/- each	60.09
	246.98
PAID-UP	
24,56,32,800 Equity Shares of Rs.10/- each	245.63
Add: Forfeited Shares (Amount originally Paid-up on 13,44,206 Equity Shares of Rs.10/-each	0.53
	246.16

Notes

1. Of the above Equity Shares
 - i) 29,36,555 shares (Previous year 29,36,555) were allotted as fully paid up pursuant to the Scheme of Amalgamation & Arrangement without payment being received in cash.
 - ii) 6,11,56,521 shares were allotted to the shareholders of Reliance Capital Ventures Ltd. in the financial year 2006-07, pursuant to the scheme of amalgamation and arrangement sanctioned by the Hon'ble High court of Gujarat at Ahmedabad and the Hon'ble High Court of Judicature at Bombay.
 - iii) 6,00,89,966 shares held by Reliance Capital Ventures Ltd. in the financial year 2006-07, pursuant to the scheme of amalgamation and arrangement sanctioned by the Hon'ble High Court of Gujarat at Ahmedabad and the Hon'ble High Court of Judicature at Bombay were cancelled.
 - iv) 12,63,89,839 shares (Previous year 12,63,89,839) are held by AAA Enterprises Pvt. Ltd., the Holding Company.
 - v) 5,76,450 shares (Previous year 5,76,450) are held by Reliance Innoventures Pvt. Ltd., the Ultimate Parent Company.
2. The Company had allotted 2,17,00,000 equity shares of Rs.10 each at a price of Rs.228 per share on January 30, 2007, pursuant to the exercise of option by AAA Enterprises Pvt. Ltd. for conversion of equal number of warrants to equity shares.

Note: As of December 31, 2008, there has been no change in the capital structure of the Company.

Share Capital History of the Company as on December 31, 2008

Sr. No.	Date	Particulars of Issue / Forfeitures	No. of shares	Cumulative Total
1	5-3-1986	Shares issued upon incorporation	7 000	7 000
2	21-6-1990	1st Public Issue	1 99 93 000	2 00 00 000
3	28-8-1992	Equity shares Issued upon amalgamation of Arasina hotels with the Company	18 70 000	2 18 70 000
4	10-2-1993	1st Rights Issue 1992 with a ratio of 1:1	2 18 77 500	4 37 47 500
5	18-7-1994 & 29-10-1994	Preferential Allotment to Promoters	2 74 00 000	7 11 47 500
6	20-1-1995	Public Issue 1995, Promoters / Institutions / NRI's etc	4 33 97 592	11 45 45 092
7	17-2-1995	Rights Issue 1995	1 40 01 970	12 85 47 062
8	11-7-1995 to 13-11-1997	Allotment of Rights kept in abeyance	1 03 388	12 86 50 450
9	4-11-1996	Forfeiture of equity shares relating to Public Issue of 1990 and Rights Issue 1992	(1 23 400)	12 85 27 050
10	27-4-2000	Forfeiture of equity shares relating to Public and Rights Issue 1995	(12 61 455)	12 72 65 595
11	27-4-2000 to 29-7-2003	Forfeited equity shares Annulled	40 649	12 73 06 244
12	21-7-2005	Preferential Allotment to FII's	1 62 60 001	14 35 66 245
13	2-8-2005	Preferential Allotment to promoters	6 00 00 000	20 35 66 245
14	22-8-2005	Allotment to promoter upon Conversion of warrants on preferential basis	38 00 000	20 73 66 245
15	31-3-2006	Allotment to promoter upon Conversion of warrants on preferential basis	1 55 00 000	22 28 66 245
16	7-8-2006	Allotment pursuant to amalgamation	6 11 56 521	
	7-8-2006	Less: Shares extinguish due to RCVL merger with the Company	(6 00 89 966)	22 39 32 800
17	30-1-2007	Allotment to promoter upon Conversion of warrants on preferential basis	2 17 00 000	24 56 32 800

Borrowings

The Company's borrowings as of March 31, 2008 were Rs.9,325.58 crore of which Rs.2,454.48 crore were secured and Rs.6,871.10 crore were unsecured and as of December 31, 2008 were Rs.12,745.83 crore of which Rs.1,613.12 crore were secured and Rs.11,132.71 crore were unsecured.

v. Details of debt securities issued and sought to be listed including face value, nature of debt securities mode of issue i.e public issue or private placement.

At present no debt security issued by the company has been listed. The Company seeks listing of secured redeemable NCDs for an aggregate amount of Rs.350crore (Rupees three hundred fifty crore) on BSE. The face value of each debenture would be Rs.10,00,000 (Rupees ten lakh only) and the same would be issued in dematerialized form. The issue would be on private placement basis. The broad features of the NCDs are given in Annexure 1 to 4

vi. Issue Size

The Issue size is Rs.350 crore (For details please refer Annexure 1 to 4).

vii. Utilisation of Issue Proceeds

The NCDs have been issued to raise resources to meet the ongoing funding requirements for the Company's business activities and for general corporate purposes. The issue proceeds shall be utilized for the said purpose.

viii. A statement containing particulars of the dates of, and parties to all material contracts, agreements involving financial obligations of the issuer.

Copies of the contracts and documents, referred below, may be inspected at the Registered Office of the Company between 11:00 a.m and 1:00 p.m. on any working day until the date of closing of the issue.

Sl. No.	Material contracts / documents
1	Memorandum and Articles of Association of the Company.
2	Certificate of Registration issued by Reserve Bank of India under Sec. 45 IA of the RBI Act 1934.
3	Certified copy of the Resolution under Sec. 293 (1) (d) of the Companies Act 1956 passed by the members of the company in its General Meeting held on September 16, 2008.
4	Certified true copy of the resolutions of the Board of Directors of the company for raising the debentures in its Meeting held on July 25, 2007.
5	Annual Report of financial year 2007-08.
6	Copy of consent letter dated February 26, 2009 of IL&FS Trust Company Limited to act as debenture trustee for the proposed issue.
7	Copy of credit rating letter along with credit rationale dated October 20, 2008 of Credit Analysis & Research Limited.
8	Copy of consent letter of Karvy Computershare Private Limited to act as Registrar & Transfer Agent for the proposed issue.
9	Copies of the Agreement with NSDL and CDSL.

ix. Details of other borrowings including any other issue of debt securities in the past.

The Company's borrowings as of March 31, 2008 were Rs.9,325.58 crore of which, Non Convertible Debentures (NCDs) were Rs.884.32 crore, Bank borrowings were Rs.4028.24 crore, Collateralised Borrowing and Lending Obligation (CBLO) were Rs.191.92 crore and Commercial papers were Rs.4219.50 crore. As of December 31, 2008, the Company's borrowings were Rs.12745.83 crore of which NCDs were Rs.388.38 crore, Bank borrowings were Rs.7394.73 crore and Commercial papers were Rs.4911.91 crore.

x. Any material event/development or change at the time of issue or subsequent to the issue which may affect the issue or the investor's decision to invest / continue to invest in the debt securities.

There are no material events/developments or change at the time of issue or subsequent to the issue which may affect the issue or the investor's decision since the company has met all its obligations in time towards payment of interest / repayment of principal amount.

xi. Particulars of debt securities issued (i) for consideration other than cash, whether in whole or in part (ii) at a premium or discount or (iii) in pursuance of an option.

The Company has not issued any debt security for consideration other than cash. The current NCD issue is at par on private placement basis. No NCDs have been issued in pursuance of an option.

- xii. **A list of highest ten holders of each class or kind of securities of the issuer as on the date of application along with particulars as to number of shares or debt securities held by them and the address of each such holder.**

List of top 10 Shareholders as on January 31, 2009

Sr.No.	Name of the Shareholder(s)	Address	No. of Shares
1	AAA Enterprises Private Limited	Reliance Energy Centre 3rd Floor, Santacruz (East), Mumbai - 400 055	12,63,89,839
2	Janus	Deutsche Bank AG DB House Hazarimal Somani Marg, Next to Sterling Theatre, Fort P.O. Box No.1142, Mumbai – 400 001	1,23,10,880
3	JP Morgan Asset Management (Europe) S.A.R.L.A/C JP Morgan Funds -Emerging Markets Equity fund	HSBC Securities Services 2nd Floor "Shiv", Plot No.139-140B, Western Express Highway, Sahar Rd, Juncvile, Parle - East , Mumbai – 400 057	72,24,217
4	Quantum (M) Limited	Standard Chartered Bank Securities Services 23-25 M.G. Road, Fort, Mumbai – 400001	68 34,711
5	Life Insurance Corporation of India	Investment Department 6th Floor, West Wing, Central Office Yogakshema, Jeevan Bima Marg, Mumbai – 400021	63 67,554
6	Sonata Investments Limited	304, Chartered House 297/299, Dr. Cawasji Hormasji Street, Near Marine Line Churchgate, Mumbai - 400002	32 50,000
7	International Growth Portfolio	Deutsche Bank AGDB House Hazarimal Somani Marg, Next to Sterling Theatre, Fort P.O.Box No.1142, Mumbai - 400001	31 22,857
8	Vanguard	Deutsche Bank AGDB House Hazarimal Somani Marg, Next to Sterling Theatre, Fort P.O.Box No.1142, Mumbai - 400001	26 89,602
9	Swiss Finance Corporation (Mauritius) Limited	HSBC Securities Services 2nd Floor "Shiv", Plot No 139 -140B, Western Express Highway, Sahar Rd Juncvile, Parle - East , Mumbai – 400 057	22,00,784
10	Reliance Capital Asset Management Limited-A/C PMS	Deutsche Bank AGDB House Hazarimal Somani Marg, Next to Sterling Theatre, Fort P.O.Box, No.1142, Mumbai - 400001	17,85,750
	Total		17,21,76,194

List of top 10 Debenture holders as on January 31, 2009

Sr.No.	Name of the Debenture holder(s)	Address	No. of Debentures
1	Indian Bank	Indian Bank Treasury Branch, Krest Building , 2, Jehangir Street Harbour, Chennai – 600001	1,500
2	ICICI Prudential Fixed Maturity Plan	HSBC Securities Services 2nd Floor "Shiv", Plot No 139 -140B, Western Express Highway, Sahar Rd Juncvile, Parle - East , Mumbai – 400 057	1,020
3	Central Bank of India	Central Bank of India Treasury Department, Chandramukhi Building, Nariman Point, Mumbai - 400021	1,000
4	Corporation Bank	Corporation Bank General Account Investment Division, 15, Mittal Chambers 1st Floor, Nariman Point Mumbai - 400021	500
5	Sundaram BNP Paribas Mutual Fund A/C	Standard Chartered Bank Securities Services 23-25 M.G.Road, Fort, Mumbai -400001	200
6	UTI- Plan A/C	UTI AMC Pvt. Ltd UTI Tower, G N Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	180
7	Fortis Fixed Term Plan - Series 11	DB House Hazarimal Somani Marg, Fort, Post Box - 1142, Mumbai - 400001	100
8	Canara Robeco Mutual Fund A/C Canara Robeco Liquid	HDFC Bank Ltd Custody Services Trade World, A Wing, Gr Floor, Kamala Mills Compound, S B Marg, Lower Parel (W), Mumbai - 400013	50
9	JP Morgan	DB House Hazarimal Somani Marg, Fort, Post Box – 1142, Mumbai - 400001	50
10	LIC Mutual Fund A/C	LIC Mutual Fund Asset Management Coltd, Industrial Assurance Building, 4th Floor, Opp. Churchgate Station, Mumbai 400020	40
	Total		4,640

xiii. An undertaking that the issuer shall use a common form of transfer.

The Company has been issuing debentures in Demat form only and there are no physical holdings. However, the Company would use a common transfer form for physical holdings if at a later stage there is some holding in physical form due to depository giving the rematerialisation option to any investor.

xiv. Redemption amount, period of maturity, yield on redemption.

The details of redemption amount, maturity period and yield on redemption are given in Annexure 1 to 4.

xv. Information relating to terms of offer or purchase

A summary of the terms and conditions of various series of debentures referred herein are given below. Please refer relevant Annexure to this Memorandum for further details.

Year of issue	Type of issue (Privately Placed Non Convertible Debentures – NCD) / Series	Amount Allotted (Rs. In crore)	Date of Allotment	Coupon (%)	Date of redemption	Rating Symbol by Credit Analysis & Research Limited (CARE)	Refer Annexure
December 2008	NCD / B	150	31-12- 2008	13.00	31-12- 2009	CARE AAA	1
January 2009	NCD / B	50	7-1- 2009	12.50	8-1- 2010	CARE AAA	2
January 2009	NCD / B	100	16-1 2009	11.15	16-1-2010	CARE AAA	3
February 2009	NCD / B	50	10-2-2009	11.00	11-2-2010	CARE AAA	4

GENERAL TERMS AND CONDITIONS

Issue of Debentures in Dematerialised Form

The Company has made depository arrangements with National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Limited (CDSL) for the issue of Debentures in dematerialised form. The investors will have to hold the Debentures in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 /rules as notified by NSDL & CDSL from time to time.

Applicants should mention their Depository Participants' name, DP-ID and Beneficiary Account Number in the appropriate place in the Application Form. The Company shall take necessary steps to credit the Depository Account of the allottee(s) with the amount of Debentures allotted.

Mode of Transfer

The Debentures are being issued in demat form shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the existing equity shares of the Company. The provisions relating to transfer and transmission and other related matters in respect of equity shares of the Company, contained in the Articles of Association of the Company, shall apply mutatis mutandis to the transfer and transmission of the Debentures. The Company / Registrar shall register the transfer of Debenture(s) only when a proper instrument of transfer, duly executed by or on behalf of the transferor(s) and by or on behalf of transferee(s) and specifying the name, address and occupation, if any of the transferee(s), has been delivered to the Company / Registrar, along with the Debenture certificate(s) for registration. All requests for transfer should be submitted to the Company / Registrar prior to the Book Closure / Record Date for payment of interest/ principal. Transfer of Debentures in Dematerialised form would be in accordance with the rules / procedures as prescribed by NSDL / CDSL/ Depository participant. Nothing provided herein shall prejudice any power of the Company to register as Debenture holder any person to whom the right to any Debenture of the Company has been transmitted by operation of law.

Succession

In the event of demise of the sole/first holder of the Debentures, the Company will recognise the executor or administrator of the deceased Debentureholder, or the holder of succession certificate or other legal representative as having title to the Debentures. The Company shall not be bound to recognise such executor, administrator or holder of the succession certificate, unless such executor or administrator obtains probate or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Directors of the Company may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognise such holder as being entitled to the Debentures standing in the name of the deceased Debentureholder on production of sufficient documentary proof or indemnity.

Right to Re-purchase and Re-issue the Debentures

The Company may repurchase the Debentures, in the secondary market, at any time and from time to time prior to the specified date of redemption. In the event of the Debentures being bought back, or redeemed before maturity in any circumstances whatsoever, the Company shall be deemed to have always the right to re-issue the Debentures.

Terms of Payment:

The full face value of Debenture(s) to be paid along with the Application Form.

The details specific to the issuance of each Tranche will be communicated to the potential investors through a Term Sheet (indicative format as in Annexure I), which will also be filed with the Stock Exchange.

Categories of Investors

Investors in the following categories to whom an offer is specifically made under this information memorandum will be eligible to apply

- Companies and Body Corporate
- Commercial Banks including but not restricted to commercial, private, foreign, co operative and regional rural banks.
- Financial Institutions
- Provident funds/ Superannuation funds or gratuity funds, private trusts, as may be permitted by respective rules and guidelines of such funds/ trusts.
- Registered Society
- Partnership firms
- HUFs
- High Net worth Individuals
- Insurance companies
- Mutual Funds
- Any other investor permitted to invest in debentures of Indian body corporate.

Abundant pre-caution

As a matter of abundant caution and although not applicable in the case of Debentures, attention of applicants is specially drawn to the provisions of subsection (1) of Section 68A of the Companies Act, 1956:

“Any person who:

- a) makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or
- b) Otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years.

How to apply

All applications for the Debenture(s) must be in the prescribed Application Form and be completed in block letters in English. It is presumed that the application is signed and made by persons duly empowered and authorized by the entity on whose behalf the application is made. Application forms must be accompanied by either a Demand Draft or a Cheque, drawn in favour of "Reliance Capital Limited" and duly crossed "Account payee only" or through Electronic Clearing System (ECS), Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT). All cheques/ DDs/Pay orders of banks are to be made payable at Mumbai. Outstation cheques, money orders, postal orders will not be accepted. The Company will not be responsible or accountable in any manner for any instruments or applications lost in transit or mail.

It may be noted that a separate application can be made in respect of each scheme of an Indian Mutual Fund/ Asset Management Companies registered with SEBI and such applications would not be treated as multiple applications.

The application form, for each Tranche, will be made available along with the Term Sheet at the time of issue of each Tranche. The applicant should mention their PAN at the appropriate place in the application form.

Applications to be accompanied by bank account details

Every application must be accompanied by the bank account details of the applicant and the MICR code of the bank for the purpose of availing direct credit and all other amounts payable to the debenture holder through Electronic Clearing System (ECS), Real Time Gross Settlement (RTGS) or National Electronic Funds Transfer (NEFT).

Documents to be provided by investors

- Memorandum and Articles of association / Documents Governing Constitution
- Resolution authorizing investment
- Certified true copy of the Power of Attorney
- Form 15AA for investors seeking exemption from Tax deduction at source from interest on the application money
- Specimen signatures of the authorized signatories duly certified by an appropriate authority.
- SEBI registration certificate (by Mutual Funds)
- PAN to be submitted

Application under Power of Authority / Relevant Authority

In case of an application made under a Power of Attorney or resolution or authority or mandate a certified true copy thereof along with Memorandum and Articles of Association and / or bye laws must be attached to the application at the time of making the application, failing which the company reserves the full, unqualified and absolute rights to accept or reject any application in whole or in part and in either case without assigning any reasons thereto. Names and specimen signatures of all the authorized signatories must also be lodged along with the completed application forms.

Nomination Facility

The Company does not offer any nomination facility to the investors of the Debenture issued under this Information Memorandum.

Right to accept or reject applications

The Company is entitled at its sole and absolute discretion, to accept or reject any application in part or in full, without assigning any reason. Incomplete Application Forms are liable to be rejected. The full amount of Debenture(s) has to be submitted along with the Application Form. Also, in case of over subscription, the Company reserves the right to increase the size of the placement subject to necessary approvals/certifications, and the basis of allotment shall be decided by the Company.

Payment of Interest on Application Money

For applicants whose applications have been rejected or allotted in part, interest on their refundable application money will be dispatched within 21 working days of deemed allotment and the Company shall ensure adequate funds for the same. Interest will be computed at applicable rate (to be finalized at the time of issue of each Tranche), on refundable application money from the date of realization of cheque/draft/credit in the account. For the successful allottees the interest on application money on the allotted amount will be paid along with the first interest coupon payment. The interest on application money will be computed on 365 days a year basis.

Allotment Intimation

The Company would make depository arrangements with the National Securities Depository Ltd. (NSDL) / Central Depository Services (India) Ltd. (CDSL) for the issue of these Debentures in Electronic (Dematerialised) Form. The investors holding these Debentures in the Electronic (Dematerialised) Form will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by NSDL and CDSL from time to time and other applicable laws and rules notified in respect thereof.

Investors should mention their NSDL / CDSL Depository Participant's name, DP-ID and Beneficiary Account Number (Client Id) at the appropriate place in the Application Form. The Company shall take reasonable steps to credit the Beneficiary Account of the Allottee(s), with the NSDL / CDSL Depository Participant as mentioned in the Application Form, with the number of Debentures allotted. The applicant is responsible for the correctness of its details given in the Application Form vis-à-vis those with its DP. In case the information is incorrect or insufficient, the Company would not be liable for losses, if any.

The Company shall credit the Letter(s) of Allotment in Electronic Form to the demat account of the investors as per the details furnished in the Application Form. The Allotment Intimation will be sent to the Allottee(s). This Allotment Intimation should neither be construed as a Letter(s) of Allotment nor as a credit advice; and hence it is non-transferable/non-transmittable and not tradable. The Company will credit the investor(s) Demat account with the investor's DP within 15 working days from Date of Allotment.

Register of Debenture Holder(s)

A register of all Registered Debenture Holder(s) containing necessary particulars will be maintained by the Company's Registrar and Transfer Agent, viz Karvy Computershare Private Limited..

The Company shall request the Depository to provide a list of Beneficial Owners as at end of day of the Record date. This list shall be considered for payment of interest, repayment of principal and amortisation, as the case maybe.

Rights of all Debenture holders

The Debentureholders will not be entitled to any rights and privileges of shareholders other than those available to them under statutory requirements. The Debentures shall not confer upon the holders the right to receive notice, or to attend and vote at the general meetings of shareholders of the Company. The principal amount and interest, if any, on the Debentures will be paid to the holder only, or in the case of joint holders, to the one whose name stands first. The Debentures shall be subjected to other usual terms and conditions incorporated in the Debenture certificate(s) that will be issued to the allottee(s) of such Debentures by the Company and also in the Trustee Agreement / Trust Deed.

Modification of Rights

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with the consent, in writing, of those holders of the Debentures who hold at least three-fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debentureholders, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

Effect of Holidays

It would be any date except the date of allotment, fall on a Saturday, Sunday or a Public Holiday, the previous working day shall be considered as the due date for payment. .

Notices

All notices required to be given by the company to the debenture holders will be deemed to have been given if published in one English and one regional daily newspaper in the area where the debentures are listed and may at the sole discretion of the company but without any obligation form or at the address as notified by the debenture holders in due course.

Tax Deduction at Source

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. Tax exemption certificate/document, under the relevant provisions of the Income Tax Act, 1961, if any, must be lodged at the office of the Company, at least 30 days before the payment becoming due.

Payment of Interest on Allotted Debenture(s)

Interest on the face value of the Debentures outstanding (subject to deduction of Income Tax at the prescribed rate under the Income Tax Act, 1961 or any statutory modification or re-enactment being in force) shall be due from the Date of Allotment up to the Redemption Date.

Interest warrant(s)/cheque(s)/pay order(s) will be mailed to those Debenture Holder(s) whose names appear on the list of Beneficial Owners as on the Record Date, provided to the Company by the Depository. However, in case the list of Beneficial Owner(s) as at Record Date is not available from the Depository for any reason whatsoever and because of which payment of interest is delayed beyond the Interest Payment Date, the Company shall pay interest at the last coupon rate on the Interest Due from Interest Payment date up to 1 day prior to actual payment date (both days included).

In case of dispute of interest claim, the matter should be settled between the transferor(s) and the transferee(s), and not with the Company. All interest on the Debenture(s) shall cease on the date of repurchase of the Debenture(s) by or on date of redemption on maturity of Debenture(s), whichever is earlier.

Book closure / Record Date

The Book closure / Record date will be 15 calendar days prior to the Interest Payment / Principal Payment due date. The list of Beneficial Owner(s) provided by the Depository as at end of day of Record Date shall be used to determine the name(s) of person(s) to whom the Interest and/or Principal installment is to be paid.

Redemption on Maturity of Debenture(s)

Principal repayment cheques will be mailed to the holders whose names appear in the Register of Registered Debenture Holder(s)/in the list of Beneficial Owner(s) provided to the Company by the Depository as on the Record Date.

Principal payment will be made on the Principal Repayment Date by cheque/pay order to the beneficial owner(s) whose names appear on the list of Beneficial Owner(s) as on the Record Date, as provided to the Company by the Depository. The payment shall be released only after the Debentures have been discharged by the Debenture holder by signing the Discharge Form that shall be sent to the Debenture holders immediately after the record date and after the consequent extinguishment of the Debentures by the Company through the Depository.

The Company's liability towards the Beneficial Owner(s) for any payment or otherwise shall stand extinguished on the Maturity Date, in all events and upon the Company dispatching the redemption amounts to the Beneficial Owner(s). Further, the Company shall not be liable to pay any interest, income or compensation of any kind from the Maturity Date, or the date of redemption of the Debenture(s). However, in case the list of Beneficial Owner(s) as at Record Date is not available from the Depository, for any reason whatsoever and because of which repayment of principal is delayed beyond the Principal Payment Date, the Company shall pay interest at the last coupon rate on the Principal Due from Principal Payment date up to 1 day prior to actual payment date (both days included).

Investors may also request for principal payment by way of an ECS/ RTGS transfer. In such case, the investor will have to request the Company by way of an application, in formats required.

Future borrowings

The company will be entitled from time to time to make further borrowings from the public, members of the company and/ or any other persons or to raise loans and advances or such other facilities from Banks, Financial Institutions on the security or otherwise without approval or consent from the Debenture holders.

Debenture Trustees

The company has appointed IL & FS Trust Company Limited as Debenture Trustee for this issue of debentures. All the rights and remedies of the debenture holders will vest in and will be exercised by the trustees without the same having to be referred to the debenture holders. The company and Debenture Trustee would enter into a Debenture Trust Deed specifying inter alia the powers, authorities and obligations of the Trustee and Company. No debenture holder shall be entitled to proceed directly against the company, unless debenture trustee having become bound to do so or fail to do so. The debenture Trustee will endeavor to protect the interest of the debenture holders under this memorandum in the event of default in regard to timely payment of interest and principal by the company.

Debentures subject to the Term Sheet, Debenture Trust Deed, etc.

Over and above the aforesaid terms and conditions, the Debentures, if any issued under this Information Memorandum, shall be subject to the Terms and Conditions incorporated in the relevant Term Sheet, relevant Debenture Trust Deed and also be subject to the provisions of the Memorandum and Articles of Association of the Company. In the event of a contradiction between the Term Sheet and this Information Memorandum, the Term Sheet will prevail.

Governing Law and Jurisdiction

The debentures are governed by and will be construed in accordance with the Indian Laws, existing and as amended from time to time , subject to the exclusive jurisdiction of Mumbai High Court.

xvi. The discount at which such offer is made and the effective price for the investor as a result of such discount.

The Company has not issued any NCDs on Discount as on date.

xvii. The debt equity ratio prior to and after issue of the debt security.

	Prior to issue*	After the issue
Debt / Equity Ratio	1.95 : 1	1.99 : 1

*As on December 31, 2008

xviii. Servicing behavior on existing debt securities, payment of due interest on due dates on term loans and debt securities.

The payment of interest & repayment of principal is made on the respective due dates.

- xix. That the permission/consent from the prior creditor for a second or pari passu charge being created in favor of the trustees to the proposed issue has been obtained.**

The Company has obtained permission / consent from the existing lenders and trustees for the holders of debentures who hold charge on the Companies properties, for ceding a pari passu charges in favor of the trustees to the proposed issue of NCDs.

- xx. The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given his consent to the issuer for his appointment under regulation 4(4) and also in all the subsequent periodical communications sent to the holders of debt securities.**

The Debenture trustee for the proposed issue is IL & FS Trust Company Limited.

The Consent letter from Debenture Trustee is attached as Annexure - 5.

- xxi. The rating rational adopted by the rating agencies shall be disclosed.**

Credit Analysis & Research Limited (CARE) having its registered office at 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai – 400 022, Ph :(91 22) 6754 3456, Fax : (91 22) 6754 3457, has assigned “CARE AAA” [Triple A] rating to Long Term Debt Programme of the Company aggregating to Rs. 4,000 crore. Instruments with this rating are considered to be of the best credit quality, offering highest safety for timely servicing of debt obligations. Such instruments carry minimal credit risk.

Credit Rating Letter from CARE is attached as Annexure 6.

- xxii. Names of all the recognized stock exchanges where securities are proposed to be listed clearly indicating the designated stock exchange and also whether in principle approval from the recognized stock exchange has been obtained.**

The securities are proposed to be listed on the Bombay Stock Exchange Ltd., Dalal Street, Fort, Mumbai – 400 001, and it would be the designated stock exchange.

- xxiii. A summary term sheet shall be provided which shall include brief information pertaining to the Secured / Unsecured, Non Convertible debt securities (or a series thereof) as follows:**

Issuer	Reliance Capital Limited (RCL)
Instrument	Secured, Redeemable, Non-Convertible Debentures (NCDs)
Minimum Subscription	Please refer Annexure 1 to 4
Tenor / Maturity	Please refer Annexure 1 to 4
Coupon Rate/ Coupon Date	Please refer Annexure 1 to 4
Redemption date	Please refer Annexure 1 to 4
Put/ Call option	Please refer Annexure 1 to 4
Proposed Listing	RCL intends to list these debentures on the Corporate Debt Market Segment of BSE

Form of issue / Holding	These debentures would be issued only in Dematerialized form (Demat) through authorized DP.
Trading	Demat mode only
Depository	Both NSDL and CDSL
Security	Please refer Annexure 1 to 4
Rating	Please refer Annexure 1 to 4
Payment Procedure	Please refer Annexure 1 to 4
Issue date	Please refer Annexure 1 to 4
Date / Deemed date of Allotment	Please refer Annexure 1 to 4
Face Value	Rs.10,00,000/- each (Rupees ten lakh only) or as may be specified in the relevant pricing supplement for each series subject to applicable laws.
Issue Price	At Par
Interest on application money	At coupon rate from the date of credit in Company's account till the day prior to the date of allotment.
Interest payment dates	Please refer Annexure 1 to 4
Redemption Price	At Par
Interest Rates	Please refer Annexure 1 to 4
Interest Payment Frequency	Please refer Annexure 1 to 4
Refunds	Applicants whose applications have been rejected or allotted in parts will receive refunds within 21 days from the deemed date of allotment.
Tax Benefits	There are no specific tax benefits attached to the debentures. Investors are advised to consider the tax implications of their investments in the debentures
Tax Deduction at Source	The interest payments on these debentures are subject to TDS rules as may be applicable as per extant tax laws.
Registrars and Transfer Agents	Karvy Computershare Private Limited
Trustees	IL & FS Trust Company Limited

For **Reliance Capital Limited**

S/d

V. R. Mohan

Company Secretary & Manager

Date: March 2, 2009

Place: Mumbai

Annexure – 1

1,500 Secured Redeemable Non Convertible Debentures (Series – B) of Rs. 10 lakh each, for an aggregate face value of Rs. 150 crore, on Private Placement Basis

PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE AND THE AUTHORITY

The NCDs have been issued to raise resources to meet the ongoing funding requirements for the Company's business activities and for general corporate purposes.

This Issue of Debentures has been authorised by the Board of Directors in its meetings held on July 25, 2007. This borrowing is within the limits approved by the Members of the Company under Section 293(1)(d) of the Companies Act, 1956, at the Annual General Meeting held on September 16, 2008.

TERMS OF THE OFFER

Issuer	Reliance Capital Limited (RCL)
Name of Holder	Indian Bank
Nature of debt securities	Secured, Redeemable, Non Convertible Debentures (NCDs)
Minimum Subscription	Rs. 150 crore only
Tenor / Maturity	365 days / December 31, 2009
Redemption date	365 days from the date of allotment of debentures
Rating	CARE AAA (Triple A) by CARE
Face Value	Rs.10,00,000/- each (Rupees ten lakh only) or as may be specified in the relevant pricing supplement for each series subject to applicable laws.
Coupon rate	13.00% p.a
Call and Put Option	No Put and Call Option is available on the Debentures
Interest on Application Money	At coupon rate from the date of credit in Company's account till the day prior to the date of allotment.
Interest Payment date(s)	Annual
Redemption Price	At Par

ISSUE DATE

December 31, 2008

SECURITY

A charge of 1.25 times will be created on pari passu on all the book debts, outstandings, money receivables, claims and bills of Consumer Finance Business which are now due and owing or which may at any time hereafter during the continuance of this security become due and owing to the Borrower in the course of its business by any person, firm, company or by the Government or any local or public body or as security for the due repayment to the Bank at any time on demand at Mumbai.

BOOK CLOSURE / RECORD DATE

The Company's Register of Debentureholders will be closed for the purpose of payment of interest or redemption of Debentures, as the case may be, 15 days prior to the due date.

Annexure – 2

**500 Secured Redeemable Non Convertible Debentures (Series – B) of Rs. 10 lakh each,
for an aggregate face value of Rs. 50 crore, on Private Placement Basis**

PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE AND THE AUTHORITY

The NCDs have been issued to raise resources to meet the ongoing funding requirements for the Company's business activities and for general corporate purposes.

This Issue of Debentures has been authorised by the Board of Directors in its meetings held on July 25, 2007. This borrowing is within the limits approved by the Members of the Company under Section 293(1)(d) of the Companies Act, 1956, at the Annual General Meeting held on September 16, 2008.

TERMS OF THE OFFER

Issuer	Reliance Capital Limited (RCL)
Name of Holder	Corporation Bank
Nature of debt securities	Secured, Redeemable, Non Convertible Debentures (NCDs)
Minimum Subscription	Rs. 50 crore only
Tenor / Maturity	366 days / January 8, 2010
Redemption date	366 days from the date of allotment of debentures
Rating	CARE AAA (Triple A) by CARE
Face Value	Rs.10,00,000/- each (Rupees ten lakh only) or as may be specified in the relevant pricing supplement for each series subject to applicable laws.
Coupon rate	12.50% p.a
Call and Put Option	No Put and Call Option is available on the Debentures
Interest on Application Money	At coupon rate from the date of credit in Company's account till the day prior to the date of allotment.
Interest Payment date(s)	At Maturity
Redemption Price	At Par

ISSUE DATE

January 7, 2009

SECURITY

Pari passu charge on present and future book debts / business receivables and loan pertaining to the consumer finance business, with security cover of 1.25 times of the issue amount.

BOOK CLOSURE / RECORD DATE

The Company's Register of Debentureholders will be closed for the purpose of payment of interest or redemption of Debentures, as the case may be, 15 days prior to the due date.

Annexure – 3

**1,000 Secured Redeemable Non Convertible Debentures (Series – B) of Rs. 10 lakh each,
for an aggregate face value of Rs. 100 crore, on Private Placement Basis**

PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE AND THE AUTHORITY

The NCDs have been issued to raise resources to meet the ongoing funding requirements for the Company's business activities and for general corporate purposes.

This Issue of Debentures has been authorised by the Board of Directors in its meetings held on July 25, 2007. This borrowing is within the limits approved by the Members of the Company under Section 293(1)(d) of the Companies Act, 1956, at the Annual General Meeting held on September 16, 2008.

TERMS OF THE OFFER

Issuer	Reliance Capital Limited (RCL)
Name of Holder	Central Bank of India
Nature of debt securities	Secured, Redeemable, Non Convertible Debentures (NCDs)
Minimum Subscription	Rs. 100 crore only
Tenor / Maturity	365 days / January 16, 2010
Redemption date	365 days from the date of allotment of debentures
Rating	CARE AAA (Triple A) by CARE
Face Value	Rs.10,00,000/- each (Rupees ten lakh only) or as may be specified in the relevant pricing supplement for each series subject to applicable laws.
Coupon rate	11.15% p.a
Call and Put Option	No Put and Call Option is available on the Debentures
Interest on Application Money	At coupon rate from the date of credit in Company's account till the day prior to the date of allotment.
Interest Payment date(s)	At Maturity
Redemption Price	At Par

ISSUE DATE

January 16, 2009

SECURITY

Pari passu charge on present and future book debts / business receivables and loan pertaining to the consumer finance business, with security cover of 1.25 times of the issue amount.

BOOK CLOSURE / RECORD DATE

The Company's Register of Debentureholders will be closed for the purpose of payment of interest or redemption of Debentures, as the case may be, 15 days prior to the due date.

Annexure – 4

**500 Secured Redeemable Non Convertible Debentures (Series – B) of Rs. 10 lakh each,
for an aggregate face value of Rs. 50 crore, on Private Placement Basis**

PARTICULARS OF THE ISSUE

OBJECTS OF THE ISSUE AND THE AUTHORITY

The NCDs have been issued to raise resources to meet the ongoing funding requirements for the Company's business activities and for general corporate purposes.

This Issue of Debentures has been authorised by the Board of Directors in its meetings held on July 25, 2007. This borrowing is within the limits approved by the Members of the Company under Section 293(1)(d) of the Companies Act, 1956, at the Annual General Meeting held on September 16, 2008.

TERMS OF THE OFFER

Issuer	Reliance Capital Limited (RCL)
Name of Holder	Bank of India
Nature of debt securities	Secured, Redeemable, Non Convertible Debentures (NCDs)
Minimum Subscription	Rs. 50 crore only
Tenor / Maturity	365 days / February 11, 2010
Redemption date	365 days from the date of allotment of debentures
Rating	CARE AAA (Triple A) by CARE
Face Value	Rs.10,00,000/- each (Rupees ten lakh only) or as may be specified in the relevant pricing supplement for each series subject to applicable laws.
Coupon rate	11.00% p.a
Call and Put Option	No Put and Call Option is available on the Debentures
Interest on Application Money	At coupon rate from the date of credit in Company's account till the day prior to the date of allotment.
Interest Payment date(s)	At Maturity
Redemption Price	At Par

ISSUE DATE

February 10, 2009

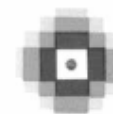
SECURITY

Pari passu charge on present and future book debts / business receivables and loan pertaining to the consumer finance business, with security cover of 1.25 times of the issue amount.

BOOK CLOSURE / RECORD DATE

The Company's Register of Debentureholders will be closed for the purpose of payment of interest or redemption of Debentures, as the case may be, 15 days prior to the due date.

Annexure - 5



ITCL

IL&FS
Trust
Company
Limited

To,

V. R. Mohan
Company Secretary & Manager
Reliance Capital Limited
570, Rectifier House
Naigaum Cross Road
Next to Royal Industrial Estate
Wadala, Mumbai 400 031

Dear Sir,

Re : Issue of Secured redeemable non convertible debentures of Rs. 350,00,00,000/- by Reliance Capital Limited (the "Company")

This is with reference to our proposal dated November 27th, 2007 which has been duly accepted by your Company. In accordance with the said Mandate we agree to act as Trustees for your issue of Debentures aggregating up to Rs. 350,00,00,000/- (Rupees Three Hundred & Fifty Crore only) issued by Reliance Capital Limited (the "Company") on a private placement basis as per the resolution passed at a meeting of the Board of Directors of the Company held on July 25, 2007. The Details of the Issues are as under:

NCD Number	Issue Date	Amount
RCAP NCD F - 01	31 st December 2008	INR 150,00,00,000/-
RCAP NCD F - 02	7 th January , 2009	INR 50,00,00,000/-
RCAP NCD F - 03	16 th January , 2009	INR 100,00,00,000/-
RCAP NCD F - 04	10 th February , 2009	INR 50,00,00,000/-

We hereby convey our consent to act as Debenture Trustee to the aforesaid Issue.

For IL&FS Trust Company Limited

Sabanya Mukherjee

(Authorised Signatory)

Dated: February 26, 2009

ITCL

Regd. Off: The IL&FS Financial Centre, Plot C-22, G Block, Bandra-Kurla Complex, Bandra East, Mumbai-400 051, INDIA
Phone : 91-22-2651 3333 Fax : 91-22-2651 3297
Branch Off: 1st Floor, A-268, Bhishm Pitamah Marg, Defence Colony, New Delhi 110 024, INDIA
Phone : 91-11-4657 7591 / 92 Fax : 91-11-4657 7590



Annexure - 6



**CREDIT ANALYSIS &
RESEARCH LTD.**

4TH Floor, Godrej Coliseum,
Somaiya Hospital Road,
Off Eastern Express Highway,
Sion (East), Mumbai - 400 022, INDIA.
☎ : 67543456 Fax : (022) 67543457
E-mail : care@careratings.com
www.careratings.com

Mr. Amit Bapna
Chief Financial Officer
Reliance Capital Limited
570, Rectifier House,
Naigaum Cross Road,
Wadala(W), Mumbai - 400 001.

October 20, 2008

CONFIDENTIAL

Dear Sir,

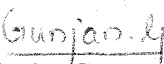
Rating of proposed Long Term Debt Programme aggregating to Rs.4000 crore


Please refer to our rating letter dated September 19, 2008.

2. The final rationale and press release for the ratings is attached in **Annexure I** and **Annexure II**. The rationale is proposed to be included in our quarterly journal 'CAREVIEW' and the press release is proposed to be issued to the press shortly.
3. If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,


[Gunjan Gupta]
Dy. Manager


[Mahesh Prabhu]
Sr. Manager

Encl: A/a



Annexure I

Rationale

Reliance Capital Ltd	
Initial Rating of Long Term Debt Programme of Rs 4000 crore	CARE AAA

CARE has assigned “CARE AAA” [Triple A] rating to Long Term Debt Programme of Reliance Capital Ltd. (RCL) aggregating to Rs 4000 crore. Instruments with this rating are considered to be of the best credit quality, offering highest safety for timely servicing of debt obligations. Such instruments carry minimal credit risk.

The rating factors in strong brand name, robust capitalisation, modest gearing level, strong presence/focus of subsidiaries/ associates in Asset Management, Life Insurance, General Insurance and Equity Broking. However, RCL’s ability to manage capital requirements of subsidiaries and associates in life & non life insurance segments, maintain profitability and asset quality in its growing consumer finance book in a very competitive business environment, remain key rating sensitivities. Going forward stability in the earnings profile is expected from subsidiaries’ strong presence in asset management & broking business and income from consumer finance.

Background .

RCL is a part of the Anil Dhirubhai Ambani (ADA) Reliance group. In June 2005, ADA group gained control of Reliance Capital Ltd. (RCL), Reliance Infrastructure Ltd.(RIL) (formerly Reliance Energy Ltd.), Reliance Natural Resources Ltd (RNRL) and Reliance Communications Ltd . RCL’s subsidiaries/associates interalia are engaged in the business of managing a Mutual fund, general & life insurance business and equity broking operations. RCL was a holding company till May 2007; subsequently it started consumer finance business.

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Key Subsidiaries & Associates

- Reliance Capital Asset Management Ltd (RCAM), in which RCL is having 93.37% stake, is India's largest AMC with assets under management (AUM) of Rs. 90,938 crore as on March 31, 2008. AUM growth was 96% in FY 08. In FY 08, RCL sold 4.76% equity stake in RCAM to Eton Park, a global fund management house valuing RCAM at Rs.10,521 crore.
- Reliance General Insurance Company Ltd (RGICL), a 100% subsidiary of RCL, offers wide range of insurance products that cover most risks including Auto, Health, Home, Property, Travel, Marine and Commercial. It is amongst the top 3 private sector insurers. Gross direct premium by RGICL in FY08 was Rs.1946 crore as against Rs.912 crore in the previous year.
- Reliance Life Insurance Company Ltd (RLIC) offers wide range of insurance products and its distribution network comprises 744 branches as on March 31, 2008. It is amongst the top 4 private sector insurers. RLIC recorded premium income of Rs.3225.44 crore during FY08. The policy holders' funds under management stood at Rs.3555 crore as on March 31, 2008.
- Reliance Money commenced commercial operations in April 2007 and has over 2.5 million customers and 9,700 outlets in more than 5,000 locations across India. The company has generated revenues of Rs.239 crore in FY08. Reliance Money is the largest brokerage and distributor of financial products in India.
- RCL has received approval in February 2008 from RBI for launching Asset Reconstruction Company wherein RCL would be principal shareholder with 49% shareholding.

These subsidiary companies and associates offer substantial potential for unlocking value as RCL directly/indirectly controls majority shareholding in these companies.

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Consumer Finance

RCL commenced consumer finance operations in May 2007 with a focus on secured lending and currently mortgage, vehicle and SME loans form bulk of the portfolio. Loans under consumer finance comprise 72% of the loan portfolio as on March 31, 2008. Unsecured portfolio viz. personal loans and SME loans accounted for 29% of outstanding consumer finance portfolio on March 31, 2008. RCL offers these products from 25 locations & RCL has plans to add 3 more locations during the current year. Within a short span of a year, RCL has built up sizable loan portfolio of around Rs.8000 crore as on June 30, 2008. RCL has clear strategy in terms of concentration on Tier I/ Tier II cities only and avoiding small ticket personal loans and loans for two-wheelers. In the current year, RCL has also introduced secured loans to SMEs.

Industry growth in housing loans and CV financing has moderated in recent past. Default rates have been higher in personal loans segment in the industry and RCL is a new entrant. However, RCL has put in place an experienced team and set up appropriate risk management systems. RCL has plans to hive off its housing loan portfolio into a separate housing finance company.

Debt and equity support to subsidiaries & associates

RCL has been providing debt and equity support to its subsidiaries. Out of the total investments of Rs.4715 crore as on March 31, 2008, investments in subsidiaries/associate companies were Rs.2643 crore i.e. about 56% of total investments. Loans to subsidiaries/associates were Rs.958 crore as on March 31, 2008. RCL's direct/indirect investment in subsidiaries/associates companies in life insurance & non-life insurance was about Rs.2000 crore as on March 31, 2008. Insurance business will require substantial capital infusion by RCL in coming years.

Capitalisation

RCL has robust capitalisation with tangible networth of Rs. 5927.50 crore and reported CAR (Capital Adequacy Ratio) of 35.37% on Mar.31, 2008. Capital requirements would increase in future on account of investment in subsidiaries and associates in life, non life



insurance segments and growing consumer finance book. Internal generation alone may not be sufficient to meet these requirements & RCL may have to inject fresh equity or raise money through timely exit from its proprietary investments. ADA Group has demonstrated its ability in raising capital funds in the past.

Asset quality

RCL commenced its consumer finance operations in May 2007 and has developed large size loan book within short span of time. The consumer finance loan book has grown to Rs.7101 crore as on March 31, 2008. The gross and net non- performing assets of the company stood at Rs.42 crore and Rs.22 crore respectively as on March 31, 2008 accounting for around 0.42% and 0.21% of the outstanding portfolio. With the company commencing its lending operations in May 2007, it is too early to comment on its asset quality.

Liquidity Risk

RCL has primarily been borrowing through CPs (Commercial Paper), NCDs and short term bank loans. There is high degree of financial flexibility in terms of access to bank lines and investment portfolio which should help RCL in managing liquidity. Proposed long term issues are also expected to strengthen its liquidity profile.

Financial Performance

RCL's total income on a standalone basis showed a quantum jump of 135% and stood at Rs.2080 crore for FY08. Sale of investments though continues to form bulk of the revenues, contribution from consumer financing has been substantial and it accounted for 16% of the total revenues in FY08. Operating expenses showed an increase Rs.107 crore in FY07 to Rs.417 crore in FY 08 following commencement of consumer finance activity. PAT recorded an increase of 59% in FY 08 and stood at Rs.1025 crore. Going forward the company is expected to benefit from economies of scale given that



infrastructure is in place for consumer lending business. The solvency position is comfortable as gearing level is at 1.58 times as on March 31, 2008 and interest coverage stood at 3.91 times for FY08.

Income on consolidated basis has risen from Rs.2158 crore in FY 07 to Rs.4919 crore in FY 08 and consolidated PAT went up from Rs. 700 crore in FY 07 to Rs.1010 crore in FY 08. Debt equity (consolidated) stood at 1.44 times as on March 31, 2008.

Quarterly Results

For the quarter ended June 30, 2008, RCL has reported total income of Rs.785 crore and PAT of Rs.327 crore, against total income of Rs.514 crore and PAT of Rs.302 crore respectively, for the corresponding period in the previous financial year. Proportion of income from consumer finance to total income has jumped to 33.4% in Q1FY09 from 16% for FY08.

Prospects

Robust capitalisation levels and strong presence/focus of subsidiaries/associates in Asset Management, Life Insurance, General Insurance and Equity Broking are comforting factors. Going forward, RCL's ability to manage capital requirements of subsidiaries and associates in life, non life insurance segments while maintaining asset quality and profitability in consumer finance would remain key rating sensitivities. RCL is also expected to face competition from banks and NBFCs – already established in the mortgages, CV, CE financing etc. RCL envisaged business structure is of a holding company and unlocking value of proprietary investments at the right time would be necessary to support capital requirement of group companies & consumer finance business. Plans are afoot to have separate subsidiaries for consumer finance business (NBFC) and housing finance (HFC) and RCL has sought regulatory approvals.

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Financial Results

(Rs. in Crore)

Particulars as on / for the year ended	31.03.06	31.03.07	31.03.08
Fund based Income	647.46	876.49	2011.17
Fee Income	0.00	0.26	57.99
Total Income	652.02	883.86	2079.79
Interest Expenses	45.20	42.63	408.15
Provisions	0.15	1.35	83.15
PBT	550.61	733.18	1171.45
PAT	537.61	646.18	1025.45
Total Assets	4467.08	6773.63	16346.5
Net Worth	4122.46	5161.23	5927.50
Key Ratios (%)			
Increase in total income	120.51	35.55	135.32
Increase in PAT	408.09	20.18	58.71
Increase in total loans and advances	710.12	205.96	176.42
Increase in investments	35.68	9.13	93.69
Operating expenses to Avg. cap. Employed	0.90	1.77	3.46
ROTA	14.77	11.49	8.87
Debt/ Net worth (times)	0.06	0.27	1.58
Interest coverage before provisions & taxes (times)	13.18	18.23	3.91

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most issuers of securities rated by CARE have paid a credit rating fee, based on the amount and type of securities issued.



Annexure II
Press Release

Reliance Capital Ltd	
Initial Rating of Long Term Debt Programme of Rs 4000 crore	CARE AAA

CARE has assigned “CARE AAA” [Triple A] rating to Long Term Debt Programme of Reliance Capital Ltd (RCL) aggregating to Rs 4000 crore. Instruments with this rating are considered to be of the best credit quality, offering highest safety for timely servicing of debt obligations. Such instruments carry minimal credit risk.

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