



MEDIA RELEASE

**RELIANCE CAPITAL BOARD APPROVES TRANSFER OF
COMMERCIAL FINANCE DIVISION
INTO A SEPARATE WHOLLY OWNED SUBSIDIARY**

**PROPOSAL ALIGNS CORPORATE STRUCTURE OF OPERATING BUSINESSES
AS FULLY OR MAJORITY OWNED SUBSIDIARIES**

**COMMERCIAL FINANCE DIVISION HAS AGGREGATE LOANS PORTFOLIO
OF OVER RS 15,000 CRORE WITH LEADERSHIP POSITION IN SME SEGMENT**

**PROPOSAL WILL ENHANCE INDEPENDENT MANAGEMENT FOCUS
ON COMMERCIAL FINANCE BUSINESS
AND PROVIDE FLEXIBILITY TO UNLOCK VALUE THROUGH STAKE SALE**

**RELIANCE LIFE INSURANCE AND RELIANCE ASSET MANAGEMENT
ALREADY HAVE STRATEGIC FOREIGN PARTNERS WITH 49% STAKE**

**PROPOSAL WILL ALSO ENHANCE EMPLOYEE ENGAGEMENT
AND RETENTION THROUGH ABILITY TO GRANT ESOPS IN THE BUSINESS**

**DEMERGER TO BE EFFECTIVE FROM APRIL 1, 2016
SUBJECT TO REQUISITE APPROVALS**

**RELIANCE CAPITAL TO REGISTER AS CORE INVESTMENT COMPANY
WITH RESERVE BANK OF INDIA POST THIS TRANSFER**

**MOVE WILL ALSO FACILITATE APPLICATION FOR BANKING LICENCE
AS AND WHEN RBI POLICY PERMITS**

February 25, 2016, Mumbai: The Board of Directors of Reliance Capital today approved the transfer of its commercial finance division into a separate wholly owned subsidiary.

The transfer proposal of Reliance Commercial Finance (RCF), approved by the board today, aligns with the existing corporate structure of Reliance Capital wherein all operating business are held as wholly or majority owned subsidiaries.

RCF is amongst the leading SME lenders in the Indian non-banking finance space with a focus on asset backed lending and productive asset creation. The company has an aggregate asset under management (including securitized portfolio) portfolio of Rs 15,049 crore as on December 31, 2015,

"All operating businesses of Reliance Capital Ltd., except the Commercial Finance business, are held in its wholly or majority owned subsidiaries. Accordingly, to align the overall operating structure, it is proposed to transfer the Commercial Finance division of the Company into a Wholly Owned Subsidiary. This will also facilitate the treatment of the Company as a Core Investment Company (CIC) in terms of applicable RBI regulations.", said Mr Sam Ghosh, ED & Group CEO, Reliance Capital.



The proposal will enhance management focus on Reliance Commercial Finance and also provide flexibility to the company to unlock value through stake sale.

Reliance Life Insurance and Reliance Asset Management, both subsidiaries of Reliance Capital, already have a strategic partner – Nippon Life Insurance - with 49% stake.

“Reliance Commercial Finance has over 900 employees and the proposal will enhance employee engagement and retention through ability to grant ESOPs in the business”, said Mr Ghosh.

The demerger will be soon filed for requisite approvals and would be effective from April 1, 2016, subject to necessary court and regulatory approvals.

As per the scheme, the commercial finance division of Reliance Capital would be merged into Reliance Gilts Limited, a wholly owned subsidiary of Reliance Capital, and this merged entity would be renamed Reliance Commercial Finance Limited.

Reliance Capital would be applying to the RBI for registering itself as a CIC post the transfer and this move would also facilitate the application of banking licence, as and when RBI policy permits.

About Reliance Capital

www.reliancecapital.co.in

Reliance Capital, a part of the Reliance Group, is one of India’s leading private sector financial services companies. It ranks amongst the top private sector financial services and banking groups, in terms of net worth. The Company is a constituent of CNX Nifty Junior and MSCI Global Small Cap Index.

Reliance Group is amongst India’s leading business houses with over 250 million customers. The Group has a strong presence across a wide array of high growth consumer-facing businesses of financial services, telecom, energy, power, infrastructure, and Defence.

Reliance Capital has interests in asset management and mutual funds; life and general insurance; commercial and home finance; stock broking; wealth management services; distribution of financial products; asset reconstruction; proprietary investments and other activities in financial services.

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