

August 4, 2018

The Manager
Dept. of Corporate Services
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001
BSE Scrip Code : 532939

The Asst Vice President
Listing Department
National Stock Exchange of India Ltd
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex, Bandra (East)
Mumbai 400 051
NSE Symbol : RPOWER

Sub: Change in Credit Rating

Dear Sir(s),

In terms of the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we inform that ICRA Limited (ICRA) has revised the long-term and short-term ratings on rated instruments of the Company to 'BB (negative outlook) issuer not cooperating' and 'A4 issuer not cooperating' and of its subsidiaries; Rosa Power Supply Company Limited and Vidarbha Industries Power Limited to 'BB+ (negative outlook)' and 'A4+', attributing inter-alia to high leveraging level and refinancing risk.

The Company has been current on servicing of its debt obligations upto July, 2018. The requisite Non Default Statement (NDS) for the month of July, 2018 has been submitted to ICRA. The action taken by ICRA is completely unjustified and unwarranted. The Company strongly disagrees with the arbitrary action taken by ICRA and has filed appeals against the same for review in terms of SEBI guidelines. However, inspite of being required by SEBI Circular SEBI/ HO/ MIRSD/ DOP2/ CIR/ P/ 2018/ 86 dated May 30, 2018, ICRA has not yet operationalised a Review Committee consisting of Independent Members.

The Company has been consistently de-leveraging itself and all its subsidiaries. The debt equity ratio has been brought down to 1.41 in March 2018 from 1.54 in March, 2017.

The Company has consistently excelled in its operating performance at all its power generating assets. The 3,960 MW Sasan UMPP is operating at 98% PLF and continues to be the best performing power plant among such large sized projects in the Country.

The Company's risk management initiatives, in respect of Tilaiya UMPP and Samalkot Gas-based Power Project have progressed well. The SPV for development of Tilaiya UMPP has been transferred to the Procurers and Bank Guarantees of Rs. 600 crore have been returned by the Procurers along with payment of agreed termination payment of Rs. 113 crore.



The Company's Bangladesh Project comprising of 718 (net) MW LNG-based Combined Cycle Power Project (CCPP) and 500 mmscfd FSRU based LNG terminal, where unused equipments of Samalkot Gas-based Project are proposed to be deployed, is proceeding on track. The said Project has achieved significant milestones with the issuance of Letter of Intent (LOI) for implementation of first phase of the Project, finalization of Power Purchase Agreement; Implementation Agreements for Power Project and LNG terminal; Terminal Use Agreement and receipt of approval for financing of the integrated project from Asian Development Bank (ADB).

The Company believes that ICRA has not appropriately factored in the above facts while assigning the ratings.

For **Reliance Power Limited**

A handwritten signature in blue ink, appearing to read "Murli Manohar Purohit".

Murli Manohar Purohit

Vice President - Company Secretary & Compliance Officer

