



August 28, 2018

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| To,<br><b>General Manager</b><br><b>Listing Compliance</b><br><b>National Stock Exchange of India Ltd.</b><br>Exchange Plaza, C-1, Block G, Bandra Kurla<br>Complex, Bandra (E), Mumbai – 400 051,<br><b>Symbol: UJAAS</b> | To,<br><b>General Manager</b><br><b>Listing Compliance</b><br><b>The Bombay Stock Exchange (BSE Limited)</b><br>Phiroze Jeejeebhoy Towers, Dalal Street<br>Mumbai- 400001<br><b>Scrip Code: 533644</b> |
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**Sub: Revision in Credit Rating**

**Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements), 2015**

Dear Sir / Madam,

In reference to the above cited subject, please be informed that CRISIL has revised its rating as below:

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|--------------------------|--|
| <b>Long Term Rating</b>  | <b>CRISIL BBB- (Downgraded from 'CRISIL BBB+')</b> |
| <b>Short Term Rating</b> | <b>CRISIL A3 (Downgraded from 'CRISIL A2')</b>     |

**Detailed Rationale**

The downgrade reflects delay in revival of UEL's order book and elongation in its working capital cycle. The ambiguity of tax rates applicable to engineering procurement and construction (EPC) contracts for solar power plants under Goods and Service Tax (GST) Act and a competitive landscape in the industry has reduced the flow of new orders for UEL. Consequently, the company booked revenue of about Rs.47.5 cr in the quarter ended June 30, 2018, which is a 55 per cent decline compared to corresponding quarter of previous fiscal. With delay in resolution of the ambiguity on applicable tax rate, UEL's order book is yet to pick up and therefore, the revenue is expected to remain suppressed over the near term. UEL is also facing delay in realization of receivables that has lengthened the working capital cycle leading to reduced liquid reserves and higher reliance on short term funding. CRISIL believes that a correction in the working capital cycle and a revamp in the order book will be key rating sensitivity factors over the medium term.

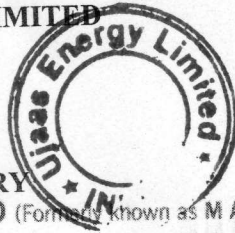
UEL has significant tradable renewable energy certificates (REC), the liquidation of which is expected to provide near term cash flow visibility till the order book from EPC business revives. Continued availability of market for the RECs at preferred price will be crucial to support UEL's liquidity over the near to medium term.

The rating also factors in extensive experience of the promoters and strong financial risk profile because of a large network and healthy gearing. These rating strengths are partially offset by working capital-intensive operations and susceptibility of business to any changes in the regulatory scenario concerning domestic procurement of solar cell.

This is for your information and record.

**Thanking you,**  
**For UJAAS ENERGY LIMITED**

  
**SHILPI SINGH**  
**COMPANY SECRETARY**  
**UJAAS ENERGY LIMITED** (Formerly known as M AND B Switchgears Ltd.)



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