

Reliance Capital Limited
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May 18, 2019

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: 500111

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor, Plot No. C/1,
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai 400 051
NSE Scrip Symbol: RELCAPITAL

Dear Sir(s),

Sub.: Credit Rating action by CARE Rating

We inform you that CARE Ratings (CARE) has revised its rating to CARE BBB (credit watch with developing implications) for long-term debt programme, market linked debentures and subordinated debt of the Company.

The Company respectfully protests and disagrees with the revision. There has not been any adverse change in the Company's operational parameters and/or any other circumstances from the time of the last rating action, just 4 weeks ago and hence latest revision is completely unjustified.

CARE has stated that the revision in the ratings factors in the recent developments in its subsidiaries 'Reliance Home Finance Limited' (RHF) and 'Reliance Commercial Finance Limited' (RCF).

RCL's rating has to be considered on a standalone basis, delinked from the debt and ratings of RCF and RHF. RCL is a Core Investment Company and is not dependent in any manner for funding on RCF and RHF.

CARE further stated that RCL's financial risk profile is characterized by depletion of liquidity, high dependence on planned disinvestments for debt servicing.

The Company has been working diligently to ensure timely debt repayments and is regular in all its debt payments.

The Company's asset monetization plan is on track.

As publicly informed, the Company is in the process of monetising its entire 42.88% stake in Reliance Nippon Life Asset Management Limited, which at current market price is valued at over Rs.5,000 crore. The Company expects to realise a premium on this monetisation.

The Company has also announced its plans to monetise 49% stake in Reliance General Insurance Company Limited (which is presently 100% owned), and the DRHP has recently been filed with SEBI.

CARE also stated that the company is unable to conclude the exits from non-financial investments.

The Company is at an advanced stage of monetisation of several of its non-core investments.

Based on the above, the Company expects to realise minimum proceeds of ~ over Rs.10,000 crore, and sharply cut its overall debt by more than 50% within the current financial year.

The rating agency did not fully factor in the impact of our massive debt reduction and value unlocking plan and has unjustifiably revised the rating as above.

Kindly inform your members accordingly.

Thanking you.

Yours faithfully,

For Reliance Capital Limited



Atul Tandon

Company Secretary & Compliance Officer