

Reliance Capital Limited
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July 6, 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 Ratings – Completely unjustified and inappropriate

There has not been any adverse change in the Company's operational parameters from the time of the last rating action, just 7 weeks ago.

We hereby inform that CARE Ratings (CARE) has reaffirmed the rating at BBB and revised rating outlook to credit watch with negative implications for long-term debt program, market linked debentures and subordinated debt of the Company. CARE has stated this action is primarily due to likely utilization of part proceeds of divestments to meet the debt guaranteed by RCL.

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 7 weeks ago and hence latest revision is completely unjustified.

CARE has stated that the revision in the ratings is because of the likely utilization of part proceeds of divestments to meet the debt guaranteed by RCL.

RCL has always been committed to fulfill all its obligations which includes standalone debt and guaranteed obligations of the company.

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 stake in Reliance Nippon Life Asset Management Limited (RNLAM) for Rs. 6,000 crore out of which the Company has already realized Rs. 1,450 crore through Offer for Sale by selling 10.75% shareholding in RNLAM.

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.

The Company has been working diligently to ensure timely debt repayments and the Company's asset monetization plan is on track.

Based on the above, the Company expects to realise 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 outlook as above.

Kindly inform your members accordingly.

Thanking you.

Yours faithfully,
For Reliance Capital Limited



Atul Tandon
Company Secretary & Compliance Officer