

July 03, 2018



To,
Manager
Listing Compliance
National Stock Exchange of India Ltd.
Exchange Plaza, C-1, Block G, Bandra Kurla
Complex, Bandra (E), Mumbai – 400 051,
Symbol: UJAAS

To,
Manager
Listing Compliance
The Bombay Stock Exchange (BSE Limited)
Phiroze Jeejeebhoy Towers Dalal Street
Mumbai- 400001
Scrip Code: 533644

Sub: Clarification on the revision of Credit Rating

Dear Sir / Madam,

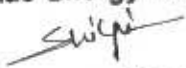
Further to our intimation to stock exchanges for revision in credit rating on June 29, 2018, wherein, CRISIL has downgraded its ratings on the bank facilities of Ujaas Energy Limited (UEL) to 'CRISIL BBB+/Negative/CRISIL A2' from 'CRISIL A-/Stable/CRISIL A2+'. Please note the below given detailed rational, as stated by the rating agency for the downward rating.

The downgrade reflects the deterioration in UEL's credit profile due to reduced order flow and elongation in its working capital cycle. UEL is facing a slower flow of orders under engineering procurement and construction (EPC) contracts for solar power plants due to ambiguity around application of tax rates under the Goods and Service Tax (GST) and competitive landscape in the industry. This is reflected in a 28 per cent reduction in turnover to Rs.337 Cr. in fiscal 2018 and an order book to set up 20 MW of solar power capacity at end of May 2018 compared to about 100 MW in March 2017. UEL is also facing a delay in realization of receivables and increased duration of retention money from certain counter parties that has lengthened the working capital cycle as reflected in Gross current asset (GCA) of about 365 days as of March 31, 2018 from about 240 days a year earlier. Elongated working capital cycle has led to increase in reliance on its short-term bank lines and reduction in the liquid reserves.

This is for your information and record.

Thanking you,
For UJAAS ENERGY LIMITED

For Ujaas Energy Limited


Company Secretary

SHILPI SINGH
COMPANY SECRETARY
M NO. A35225

UJAAS ENERGY LIMITED (Formerly known as M AND B Switchgears Ltd.)

Corporate Office: 701,
NRK Business Park, Vijay Nagar Square
Indore - 452010 (M.P.), India

Registered Office: Survey No.211/1,
Opposite Sector - C & Meridian, Sarwan Road,
Industrial Area, Indore - 452015 (M.P.), India

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CIN No.: L31200MP1959PLC013571

