

July 16, 2010

CARE ASSIGNS 'CARE AAA(SO)' RATING TO NCD ISSUE AND REAFFIRMS RATING ASSIGNED TO BANK FACILITIES & NCD ISSUE OF RELIANCE UTILITIES AND POWER PVT LTD.

Rating Assigned

Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Long-term bank facilities	620.07	CARE AAA	Reaffirmed
Long-term NCD [^] #	500.00	CARE AAA (SO)	Reaffirmed
Long-term NCD ^{^^} #	1000.00	CARE AAA (SO)	Assigned

[^]Repayable at par at the end of 36 months from the date of allotment

^{^^}Repayable at par at the end of 58 months from the date of allotment

The rating is dependent on the strength of the payment structure and credit quality arising from the unconditional and irrevocable corporate guarantee provided by Reliance Ports and Terminals Limited (RPTL) (rated CARE AAA as on 15th July 2010) for timely servicing of debt obligations.

The rating of long-term bank facilities continues to derive comfort from strong promoter group, experienced management, strategic importance of RUPL's facilities to RIL (Reliance Industries Limited), existing PPA (Power purchase agreement), proven track record of successful operations, no new expansions planned and low gearing. Going forward, the company's ability to maintain high availability factor is a key rating sensitivity.

The rating of long term NCD issues is dependent on the strength of the payment structure and credit quality arising from the unconditional and irrevocable corporate guarantee provided by Reliance Ports and Terminals Limited (RPTL) (rated CARE AAA as on 15th July 2010) for timely servicing of debt obligations.

Company Profile

RUPL operates and maintains power plants at Jamnagar and Hazira for catering to the needs of the refinery and petrochemical facilities of RIL.

RUPL has been operating various power plants at consistently high availability factor and load factor which has ensured stable profitability at operating level. Interest coverage has remained comfortable for past few years. Overall gearing as on 30th June 2009 was comfortable at 0.56 times.

Details of Credit Enhancement

The rating of long-term NCD issues is based on the unconditional and irrevocable corporate guarantee provided by Reliance Ports and Terminals Limited (RPTL) (rated CARE AAA as on 15th July 2010) for timely servicing of debt obligations.

RPTL, belonging to the Reliance group of companies, was incorporated on March 14, 1997. RPTL provides captive port and terminal facilities to enable import of crude oil and export of petroleum products for refineries of RIL. It has commissioned a new port facility to cater to the newly-commissioned refinery at Jamnagar. RPTL receives

¹Complete definitions of the ratings assigned are available at www.careratings.com and in various CARE publications.

payment from RIL under the throughput agreement. The new port facility started and RPTL has started getting significant revenues from the new facilities. As such, RPTL is expected to have sufficient liquidity in an event the guarantee under the present instrument being rated is invoked.

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CARE classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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