Reliance Infrastructure Limited
CIN : L75100MH1929PLC001530
Regd. Office:
Reliance Centre, Ground Floor,
19, Walchand Hirachand Marg,
Ballard Estate, Mumbai 400 001

Tel: +91 22 4303 1000
www.rinfra.com

July 11, 2025

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
BSE Scrip Code: 500390

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: RELINFRA

Dear Sir/ Madam,

Subject: Upgrade in Credit Rating

Three-notch upgrade in the Company's Credit Rating

Significant improvement in the Company's credit profile

India Ratings and Research assigns "IND B/Stable" rating

Removal of 'Default' rating after six years, following Company's near-zero debt profile

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that India Ratings and Research Private Limited (India Ratings) has today upgraded the **Company's credit rating on its existing non-fund-based working capital limits from 'IND D' to 'IND B / Stable / IND A4'**.

Additionally, India Ratings has withdrawn the ratings assigned to the earlier proposed fund-based and non-fund-based limits, which were not raised or availed by the Company.

This upgrade represents a significant improvement of three notches in the Company's credit profile, achieved after six years at the IND D rating level. The upgrade also reflects the Company's substantial deleveraging efforts, resulting in net zero debt with banks and financial institutions.

A copy of the press release dated July 11, 2025, issued by India Ratings, is enclosed herewith for your reference.

You are requested to kindly take the above on record.

Yours faithfully,

For **Reliance Infrastructure Limited**

PARESH PURUSHOTTAMLAL RATHOD
Digitally signed by PARESH PURUSHOTTAMLAL RATHOD
Date: 2025.07.11 17:28:26 +05'30'

Paresh Rathod
Company Secretary

Encl.: As above

India Ratings Upgrades Reliance Infrastructure’s Bank Facilities to ‘IND B’/Stable

Jul 11, 2025 | Civil Construction

India Ratings and Research (Ind-Ra) has upgraded Reliance Infrastructure Limited’s (Reliance Infra) bank loan ratings to ‘IND B’ from 'IND D'. The Outlook is Stable. The detailed rating actions are as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating Assigned along with Outlook/ Watch	Rating Action
Non-fund-based working capital limits *	-	-	-	INR18,602.3 (reduced from INR23,460.0)	IND B/Stable/IND A4	Upgraded
Proposed fund/non-fund-based limit #	-	-	-	INR11,540.0	WD	Withdrawn

* The earlier rated fund-/non-fund-based limit has now been termed as non-fund-based working capital limits.

Ind-Ra has withdrawn the rating as the issuer is no longer expected to proceed with the instrument as previously envisaged. This is consistent with Ind-Ra’s Policy on Withdrawal of Ratings.

Analytical Approach

Ind-Ra has revised its analytical approach to take a standalone view of Reliance Infra from a consolidated approach it took earlier, while also factoring in the potential cash support Reliance Infra may need to extend to its guaranteed subsidiaries and emerging business segments. This change reflects the limited financial integration and restricted cash fungibility between Reliance Infra and its subsidiaries.

Detailed Rationale of the Rating Action

The upgrade reflects Reliance Infra’s timely servicing of standalone debt obligations for three consecutive months ended 30 June 2025. Regarding the guaranteed debt, the company has executed one-time settlement agreements with the lenders of its subsidiaries, including the final payment to lender by JR Toll Road Private Limited on 23 June 2025. These repayments were facilitated by a significant long-term capital infusion through the issuance of warrants amounting to INR30.1 billion, of which INR7.5 billion was received in FY25 and INR2.25 billion in 1QFY26, which have eased liquidity pressures, boosting Reliance Infra’s credit profile. However, the ratings continue to be constrained by the company’s weak financial risk profile and its exposure to risks arising from the ongoing arbitration proceedings, and large payables and contingent liabilities involving both standalone and financially stressed subsidiaries, which remain key monitorable.

Nevertheless, the ratings are supported by the substantial deleveraging of the standalone balance sheet, improved revenue visibility from the engineering and construction (E&C) segment, and the company’s long-standing presence and experience in the infrastructure sector. The company’s E&C business is likely to turnaround in FY26, driven by management’s expected order flows in new age business. Moreover, the company issued INR30.1 billion of warrants in October 2024 and has board-approved plans to raise INR30 billion through long-tenored foreign currency convertible bonds (FCCBs) and another INR30 billion through qualified institutional placement (QIP) of equity.

List of Key Rating Drivers

Weaknesses

- Weak financial risk profile
- Continued group-level stress from defaulting subsidiaries
- Contingent liabilities and residual guarantee exposure
- Ongoing legal disputes and arbitration claims

Strengths

- Deleveraging of standalone balance sheet supported by warrants issue
- Near-term order book visibility

Detailed Description of Key Rating Drivers

Weak Financial Risk Profile: Reliance Infra's financial risk profile remained under pressure in FY25, despite a marginal year-on-year improvement. The company reported a negative EBITDA (including other income) of INR1.01 billion in FY25, (FY24: negative INR0.7 billion), reflecting continued operational stress and weak debt coverage metrics. The consistent net losses for five consecutive years have eroded Reliance Infra's net worth to INR53.15 billion (FY24: INR56.67 billion, FY23: INR67.06 billion). Additionally, the current ratio remains below unity, primarily due to high trade payables of INR12.9 billion and customer advances of INR5.1 billion. While the management has indicated that a significant portion of these payables are under dispute and not immediately payable, they continue to weigh on liquidity. During FY25, the company issued warrants worth INR30.1 billion, of which INR7.5 billion was received within the year. This infusion has provided some relief by supporting debt reduction efforts, though the overall financial flexibility remains constrained. An improvement in the financial risk profile will remain a key monitorable.

Continued Group-level Stress from Defaulting Subsidiaries: Reliance Infra continues to face elevated group-level risk due to the financial distress in several subsidiaries, excluding major subsidiaries BSES Yamuna Power Limited (BYPL; debt rated at 'IND BBB+'/Stable) and BSES Rajdhani Power Limited (BRPL; debt rated at 'IND A-'/Stable). While Reliance Infra is assessed on a standalone basis and legal ring-fencing limits direct financial contagion, the presence of multiple defaulting subsidiaries under the group, exposes the company to contingent liabilities. This risk is further compounded by the limited financial flexibility available from stronger subsidiaries.

Despite BYPL and BRPL being financially sound and net debt free at FYE25, structural constraints restrict their ability to extend financial support to Reliance Infra. Ind-Ra believes any dividend distribution from these entities could support Reliance Infra's standalone credit profile.

Contingent Liabilities and Residual Guarantee Exposure: During FY25 and 1QFY26, Reliance Infra made a significant progress in resolving legacy financial obligations arising from corporate guarantees and other liabilities. Key settlements were achieved with Cosmea Business Acquisition Private Limited and the lender of JR Toll Road Private Limited totalling to INR6980 million. In addition, Reliance Infra made payment of INR927 million to Dhursar Solar Power Private Limited in 1QFY26. As per the management, only three corporate guarantees remain outstanding. The most significant one is of INR6 billion to a wholly owned subsidiary, which is currently meeting its debt obligations through toll collection. However, any adverse deviation in traffic volume could impair the subsidiary ability to meet its debt obligation, potentially requiring financial support from Reliance Infra. The remaining two guarantees are related to debt service reserve account (DSRA) requirement. These pose minimal risk, considering the cash position in the respective subsidiaries against the underline outstanding debt position. Nevertheless, any material financial outflow or support requirement arising from the remaining contingent liabilities and guaranteed debt will remain a key rating monitorable.

Ongoing Legal Disputes and Arbitration Claims: Reliance Infra remains exposed to event risks arising from the ongoing legal disputes and arbitration proceedings. In its dispute with Damodar Valley Corporation (bonds rated at IND AAA(CE)), the company secured a favorable arbitration award of INR8.98 billion in FY20, from which it withdrew INR6 billion against the submission of a bank guarantee. In a separate case involving the Delhi Airport Metro project (DAMEPL), the Supreme Court's order dated 10 April 2024 directed DAMEPL to return INR26 billion to Delhi Metro Rail Corporation (DMRC). As per the management, the aforesaid order does not impose any liability on Reliance Infra as it has not received any money from DMRC/DAMEPL under the arbitral award. Furthermore, there is a dispute of about INR12.5 billion arising under an award in December 2022 in favour of Shanghai Electric Group (SEC). The matter is before the Delhi High Court and the company is contesting proceedings initiated by SEC in furtherance of the award. Additionally, Ind-Ra believes the outstanding bank guarantees (BG) of INR1.7 billion related to Talcher II, North Karanpura transmission line and thermal power projects, remain at the risk of invocation. Any adverse arbitration outcome, BG invocation or a reversal of favourable awards will be key rating monitorable.

Deleveraging of Standalone Balance Sheet: Reliance Infra undertook significant deleveraging measures during FY25. The company issued warrants worth INR30.1 billion, of which INR7.5 billion was received in FY25. Additionally, it realised around INR28 billion through the enforcement of securities and settlement of legacy debts. These inflows were utilised to reduce the standalone debt, which declined sharply to INR4.7 billion at FYE25 (FYE24: INR30.6 billion). Of this, only INR0.85 billion is secured, while the remaining comprises unsecured inter-corporate borrowings of INR2.3 billion from group entities and INR1.5 billion from unrelated parties. The company had no fund-based working capital borrowings outstanding at end-June 2025. During 1QFY26, Reliance Infra received the second tranche of INR2.25 billion under the warrant issuance. The board has also approved the plans to raise INR30 billion through long-tenored FCCBs and another INR30 billion through QIP of equity. Ind-Ra expects some of the funds to be used for the standalone E&C business and a significant amount of balance surplus to be deployed as growth capital for its defence and new-age businesses.

Near-term Order Book Visibility: As on 31 March 2025, Reliance Infra had a legacy order backlog of around INR9 billion, primarily comprising construction contracts for the Mumbai metro. In addition, the company is likely to undertake a few large E&C orders within the group, which would improve the revenue visibility in the near-to-medium term.

Liquidity

Stretched: During FY25, Reliance Infra's liquidity position improved with the warrant receipt of INR7.5 billion, which helped the company to reduce its debt obligations and enabled timely debt servicing for three consecutive months ended June 2025. The company held INR0.98 billion in unencumbered cash at year-end and had no fund-based working capital limits, with an average utilisation of non-fund-based limits at 48% during the 12 months ended May 2025. In 1QFY26, it received an additional INR2.25 billion from a warrant issue. There are no scheduled debt obligations in the next 9MFY26 and FY27, though INR8.5 billion repayment is due in FY28. Despite these improvements, the liquidity remains classified as stretched due to the ongoing arbitration and settlement-related event risks. However, considering the board approved plans for capital raises of INR 60 billion through FCCBs and QIP and the balance warrants receipt in the near to medium term are likely to strengthen the company's liquidity. Reliance Infra also benefits from financial flexibility through its 24.9% stake in Reliance Power Limited at end-June 2025.

Rating Sensitivities

Positive: A sustained improvement in the liquidity, along with the material resolution of ongoing arbitrations and a visible recovery in revenue and profitability, with a significant improvement in credit metrics on sustained basis, will be positive from the ratings.

Negative: Any reduction or material delay in the planned fund infusion, or crystallisation of significant claims or arbitration outcomes that adversely impact the liquidity, will be negative from the ratings.

Any Other Information

Not applicable

About the Company

Reliance Infra, a part of the Reliance Group, stands as one of India's foremost infrastructure conglomerates. Incorporated in October 1929 under the Companies Act, 1913, Reliance Infra operates through a diversified network of special purpose vehicles (SPVs) across critical growth sectors such as power, roads, metro rail, airports, and defence. Reliance Infra also provides E&C services and delivers turnkey solutions across power, transportation, and infrastructure projects.

It is a public limited company and its equity are listed on both recognised stock exchanges in India i.e. the Bombay Stock Exchange and National Stock Exchange of India.

Key Financial Indicators

Particulars (INR billion)	FY25	FY24
Revenue	2.12	4.25
EBITDA	-2.44	-3.93
EBITDA (including other income)	-1.01	-0.7
EBITDA margin (%)	-115.02	-92.62
EBITDA/finance cost (x)	NM	NM
Net debt/EBITDA (x)	NM	NM
Source: R Infra, Ind-Ra NM: not meaningful		

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Rating Type	Rated Limits (million)	Current Ratings	Historical Rating/Outlook			
				25 November 2024	27 November 2023	22 September 2023	28 November 2022
Issuer rating	Long-term	-	-	-	-	WD	IND D
Non-fund-based limit	Long-term/ Short-term	INR18,602.3	IND B/Stable/IND A4	IND D	IND D	-	IND D
Fund/non-fund-based limit	Long-term/ Short-term	INR 11,540.0	WD	IND D	IND D	-	IND D
Non-convertible debenture	Long term	INR3850.0	-	WD	IND D	-	IND D

Bank wise Facilities Details

The details are as reported by the issuer as on (11 Jul 2025)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Yes Bank Ltd	Non-fund-based working capital limits	9000	IND B/Stable/IND A4
2	Canara Bank	Non-fund-based working capital limits	6009.5	IND B/Stable/IND A4
3	State Bank of India	Non-fund-based working capital limits	1170	IND B/Stable/IND A4

4	Axis Bank Limited	Non-fund-based working capital limits	314.3	IND B/Stable/IND A4
5	Union Bank of India	Non-fund-based working capital limits	360	WD
6	IDBI Bank	Non-fund-based working capital limits	1788.5	IND B/Stable/IND A4
7	ICICI Bank	Non-fund-based working capital limits	281.4	IND B/Stable/IND A4
8	CSB Bank Limited	Non-fund-based working capital limits	38.6	IND B/Stable/IND A4
9	NA	Non-fund-based working capital limits	11540	WD

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
fund/non-fund based working capital limit	Low
Non-fund-based working capital limits	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

Contact

Primary Analyst
Sushant Singh
Associate Director
India Ratings and Research Pvt Ltd
Unit# 614 - 616, 6th Floor, B Wing, Mittal Tower, M G Road, Bengaluru - 560 001
+91 80 4666824
For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst
Neha Gourwani
Senior Analyst
+91 124 6687215

Media Relation
Ameya Bodkhe
Marketing Manager
+91 22 40356121

India Ratings is a 100% owned subsidiary of the Fitch Group.

For more information, visit www.indiaratings.co.in.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Default Recognition and Post-Default Curing Period

The Rating Process

Short-Term Ratings Criteria for Non-Financial Corporates