Reliance Communications Limited

January 05, 2018

Summary of Rated Instrument:

Instrument	Rated Amount (Rs. crore)	Rating Outstanding
Non-convertible Debenture (NCD) Programme	5,000.00	[ICRA]D
Long-term Fund-based/Non-fund Based Limits (including unallocated)	28,116.00	[ICRA]D
Short-term Fund-based/Non-fund Based Limits (including unallocated)	7,314.00	[ICRA]D
Commercial Paper (CP) Programme	2,000.00	[ICRA]D
Total	42,430.00	

ICRA has taken a consolidated view of the RCom Group (referred to as "the Group") including Reliance Communications Limited (RCom), Reliance Telecom Limited (RTL) and Reliance Infratel Limited (RITL).

Material Event

The Group has announced that it has signed definitive binding agreements with Reliance Jio Infocomm Limited (RJIL) for sale of wireless spectrum, tower, fiber and media convergence node (MCN) assets. The assets being sold include a) 122.4 MHz of 4G Spectrum in the 800/900/1800/2100 MHz bands, b) Over 43,000 towers , c) around 1,78,000 route KMs of fiber with pan India footprint and d) 248 MCNs, covering ~5 Million sqft used for hosting telecom infrastructure. The deal consideration comprises primarily cash payment and includes transfer of deferred spectrum installments payable to the Department of Telecommunication (DoT). The Group plans to utilise the proceeds solely for pre-payment of debt to its lenders.

Further the Group is exploring other deleveraging initiatives including monetization of real estate and infusion of fresh capital by a strategic partner into its residual operations.

Impact of the Material Event

The rating remains unchanged at the earlier rating of [ICRA]D as the rating continues to take into consideration the delays in debt servicing by the Group given its weak internal cash flow generation amid sizeable debt servicing obligations. The deal, when concluded, will result in material debt reduction of the Group and alter the operational and financial profile of the Group.

The previous detailed rating rationale is available on the following link: Click here

ANALYST CONTACTS

Anjan Ghosh
+91 22 6114 3407
aghosh@icraindia.com

Harsh Jagnani
+0124-4545 394
harshj@icraindia.com

Sachin Sachdeva
+0124-4545 307
sachin.sachdeva@icraindia.com

RELATIONSHIP CONTACT

Mr. L Shivakumar
+91 22 61143406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
naznin.prodhani@icraindia.com

Helpline for business queries:

+91-124-2866928 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office
1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai	+ (91 22) 24331046/53/62/74/86/87
Chennai	+ (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata	+ (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore	+ (91 80) 2559 7401/4049
Ahmedabad	+ (91 79) 2658 4924/5049/2008
Hyderabad	+ (91 40) 2373 5061/7251
Pune	+ (91 20) 6606 9999