July 30, 2019 Revised

Reliance Communications Limited: Ratings continue to remain under ISSUER NOT-COOPERATING category

Summary of rated instruments

Instrument	Previous Rated Amount (Rs. Crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible Debenture (NCD) Programme	5,000	5,000	[ICRA]D: ISSUER NOT COOPERATING*; Rating continues to remain in the 'Issuer Not Cooperating' category
Long-term Fund-based/Non-fund Based Limits (including unallocated)	28,116	28,116	[ICRA]D: ISSUER NOT COOPERATING*; Rating continues to remain in the 'Issuer Not Cooperating' category
Short-term Fund-based/Non-fund Based Limits (including unallocated)	7,314	7,314	[ICRA]D: ISSUER NOT COOPERATING*; Rating continues to remain in the 'Issuer Not Cooperating' category
Commercial Paper (CP) Programme	2,000	2,000	[ICRA]D: ISSUER NOT COOPERATING*; Rating continues to remain in the 'Issuer Not Cooperating' category

**Issuer did not co-operate; based on the best available information*

Rationale

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

ICRA has moved the long-term and short-term ratings for the bank facilities, CP and NCD of Reliance Communications Limited (RCom) to the 'Issuer Not Cooperating' category. The rating is now denoted as "[ICRA]D ISSUER NOT COOPERATING"

ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

Analytical approach

ICRA has applied its rating methodologies/policies as indicated below:

Links to applicable criteria:

Policy in respect of non-cooperation by the rated entity

About the company

The Group has been operating as an integrated telecommunications service provider, however on January 31, 2018 it shut down its wireless retail operations. Now its operations comprise B2B focused businesses, including Indian and Global Enterprise, Internet Data Centres and private submarine cable network.

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

Key financial indicators (Consolidated)

	FY2018	FY2019
Operating Income (Rs. crore)	4,593	4,015
PAT (Rs. crore)	-23,912	-7,220
OPBDIT/OI (%)	17.6%	9.5%
RoCE (%)	-34.2%	-8.2%
Total Debt/TNW (times)	17.9	-14.5
Total Debt/OPBDIT (times)	69.0	146.5
Interest Coverage (times)	4.3	2.0

Source: RCom’s annual and quarterly consolidated results, ICRA researc

Corrigendum

Document dated July 30, 2019 has been corrected with revisions as detailed below:

In the exhibit "Key financial indicators (Consolidated)" on page 2 the financials as given in exhibit below

	FY2018	FY2019
RoCE (%)	-ve	-ve
Total Debt/TNW (times)	-	-

Have been replaced with financials as given in exhibit below

	FY2018	FY2019
RoCE (%)	-34.2%	-8.2%
Total Debt/TNW (times)	17.9	-14.5

ANALYST CONTACTS

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

Harsh Jagnani
+91-124-4545394
harshj@icraindia.com

Sachin Sachdeva
+91-124-4545307
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
communications@icraindia.com

Helpline for business queries:

+91-9354738909 (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) 2556 0194/ 6606 9999