

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 research

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

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