

Reliance Communications Limited (Revised)

February 09, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	9,322.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short-term bank facilities	8,034.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Non-convertible debentures	750.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category
Short-term instruments	2,880.00	CARE D; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CARE Ratings) had, vide its press release dated November 28, 2018, placed the ratings of Reliance Communications Limited (RComm) under the 'Issuer non-cooperating' category, as RComm failed to pay the surveillance fees for the rating exercise as agreed to in its Rating Agreement. RComm continues to be non-cooperative despite repeated requests through e-mails, phone calls and has not provided the requisite information for monitoring the ratings. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CARE Ratings has reviewed the rating based on best available information which, however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Rating sensitivities: Not applicable

Analytical approach: Consolidated

Considering the strong operational and financial linkage with the subsidiaries, the consolidated financials of RComm are considered for analysis purpose.

Outlook: Not applicable

Detailed description of the key rating drivers

At the time of last rating on February 27, 2023, the following were the rating strengths and weaknesses:

Key weakness

Delay in servicing of debt obligation

RComm had delayed servicing its debt obligations due to severe deterioration in the financial and liquidity profile of the company, coupled with high debt service obligations.

Liquidity: Poor

Liquidity position of the company is under stress due to weak cash accruals vis-à-vis large debt obligations.

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Mobile Service Provider](#)

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

[Consolidation](#)
About the company and industry
Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Telecommunication	Telecommunication	Telecom - services	Telecom - Cellular & fixed line services

Founded by late Dhirubhai H. Ambani, RComm is the flagship company of the Reliance Group, led by Anil Dhirubhai Ambani. RComm is one of India's integrated telecommunications service providers. The services it provides include GSM (Voice; 2G, 3G, 4G), fixed line broadband and voice, and Direct-To-Home (DTH), depending upon its areas of operation in India. The company had to shut down its business operations as a result of its high debt burden and a failed merger with Aircel. RComm is currently under corporate insolvency resolution process (CIRP) pursuant to the provisions of the Insolvency and Bankruptcy Code, 2016.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)
Total operating income	556.00	479.00
PBILDT	-62.00	-19.00
PAT	-231.00	-277.00
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A: Audited; UA: Unaudited; NM: Not meaningful

Note: Financials adjusted as per CARE Ratings' internal standards.

Status of non-cooperation with previous CRA: ICRA has continued the ratings assigned to the bank facilities of Reliance Communications Limited into 'Issuer not-cooperating' category vide press release dated July 27, 2023 on account of non-availability of requisite information from the company.

Any other information: Not applicable

Rating history for last three years: Please refer to Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term loan	-	-	-	March 2020	9322.00	CARE D; INC*
NCD	INE330H07064	07-02-2012	11.25	07-02-2019	750.00	CARE D; INC*
Non-fund-based - ST-BG/LC	-	-	-	-	8034.00	CARE D; INC*
Short-term instruments-CP/STD	-	NA	NA	7 to 364 days	2880.00	CARE D; INC*

INC: ISSUER NOT COOPERATING;

* Issuer did not cooperate; Based on best available information

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Term loan	LT	9322.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (27-Feb-23)	1)CARE D; ISSUER NOT COOPERATING* (28-Feb-22)	1)CARE D; ISSUER NOT COOPERATING* (09-Mar-21) 2)CARE D; ISSUER NOT COOPERATING* (24-Apr-20)
2	Short-term instruments-CP/STD	ST	2880.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (27-Feb-23)	1)CARE D; ISSUER NOT COOPERATING* (28-Feb-22)	1)CARE D; ISSUER NOT COOPERATING* (09-Mar-21) 2)CARE D; ISSUER NOT COOPERATING* (24-Apr-20)
3	Debentures-Non-convertible debentures	LT	750.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (27-Feb-23)	1)CARE D; ISSUER NOT COOPERATING* (28-Feb-22)	1)CARE D; ISSUER NOT COOPERATING* (09-Mar-21) 2)CARE D; ISSUER NOT COOPERATING* (24-Apr-20)
4	Non-fund-based - ST-BG/LC	ST	8034.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (27-Feb-23)	1)CARE D; ISSUER NOT COOPERATING* (28-Feb-22)	1)CARE D; ISSUER NOT COOPERATING* (09-Mar-21) 2)CARE D; ISSUER NOT COOPERATING* (24-Apr-20)

LT / ST: Long term / Short term; INC: ISSUER NOT COOPERATING

* Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities

Name of the Instrument	Detailed explanation
A. Financial covenants	NA
B. Non-financial covenants	NA

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of instrument	Complexity level
1	Debentures-Non-convertible debentures	Simple
2	Fund-based - LT-Term loan	Simple
3	Non-fund-based - ST-BG/LC	Simple
4	Short-term instruments-CP/STD	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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