

Reliance Communications Limited

February 06, 2025

| 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 – 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 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 ratings based on best available information, which, however, in CARE Ratings' opinion is not sufficient to arrive at a fair rating. Ratings on RComm's bank facilities and instruments continue to be denoted as 'CARE D; ISSUER NOT COOPERATING'.

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

Rating sensitivities: Factors likely to lead to rating actions

Not applicable

Analytical approach: Consolidated

Considering the strong operational and financial linkages with the subsidiaries, the consolidated financials of RComm are considered for analysis purpose. Entities considered for consolidating financials are listed in Annexure-6

Outlook: Not applicable

Detailed description of key rating drivers:

At the time of last rating on February 09, 2024, 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, and high debt service obligations.

Liquidity: Poor

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

Assumptions/Covenants

Not applicable

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

Environment, social, and governance (ESG) risks

Not applicable

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

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

[Mobile Service Provider](#)

[Infrastructure Sector Ratings](#)

[Financial Ratios – Non financial Sector](#)

[Consolidation](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

| Macroeconomic 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, 2023 (A) | March 31, 2024 (A) | H1FY25 (UA) |
|----------------------------|--------------------|--------------------|-------------|
| Total operating income | 479.00 | 383.00 | 185.00 |
| PBILDT | -19.00 | -11.00 | 16.00 |
| PAT | -277.00 | -101.00 | -50.00 |
| Overall gearing (times) | NM | NM | NM |
| Interest coverage (times) | NM | NM | 0.70 |

A: Audited UA: Unaudited NM: Not Meaningful; Note: these are latest available financial results

Status of non-cooperation with previous CRA: ICRA has continued the ratings assigned to bank facilities of Reliance Communications Limited into 'Issuer not-cooperating' category vide press release dated July 23, 2024 considering non-availability of requisite information from the company.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

| Name of the Instrument | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|---------------------------------------|--------------|-------------------------------|-----------------|----------------------------|-----------------------------|------------------------------------|
| Debentures-Non-Convertible Debentures | INE330H07064 | 07-Feb-2012 | 11.25% | 07-Feb-2019 | 750.00 | CARE D; ISSUER NOT COOPERATING* |
| Fund-based - LT-Term Loan | - | - | - | Mar-2020 | 9322.00 | CARE D; ISSUER NOT COOPERATING* |
| Non-fund-based - ST-BG/LC | - | - | - | - | 8034.00 | CARE D; ISSUER NOT COOPERATING* |
| Short Term Instruments-CP/STD | - | NA | NA | 7 to 364 days | 2880.00 | CARE D; ISSUER NOT COOPERATING* |

*Issuer did not cooperate; based on best available information. NA: Not Available

Annexure-2: Rating history for 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 2024-2025 | 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 |
| 1 | Fund-based - LT-Term Loan | LT | 9322.00 | CARE D; ISSUER NOT COOPERATING* | - | 1)CARE D; ISSUER NOT COOPERATING* (09-Feb-24) | 1)CARE D; ISSUER NOT COOPERATING* (27-Feb-23) | 1)CARE D; ISSUER NOT COOPERATING* (28-Feb-22) |
| 2 | Short Term Instruments-CP/STD | ST | 2880.00 | CARE D; ISSUER NOT COOPERATING* | - | 1)CARE D; ISSUER NOT COOPERATING* (09-Feb-24) | 1)CARE D; ISSUER NOT COOPERATING* (27-Feb-23) | 1)CARE D; ISSUER NOT COOPERATING* (28-Feb-22) |
| 3 | Debentures-Non-convertible debentures | LT | 750.00 | CARE D; ISSUER NOT COOPERATING* | - | 1)CARE D; ISSUER NOT COOPERATING* (09-Feb-24) | 1)CARE D; ISSUER NOT COOPERATING* (27-Feb-23) | 1)CARE D; ISSUER NOT COOPERATING* (28-Feb-22) |
| 4 | Non-fund-based - ST-BG/LC | ST | 8034.00 | CARE D; ISSUER NOT COOPERATING* | - | 1)CARE D; ISSUER NOT COOPERATING* (09-Feb-24) | 1)CARE D; ISSUER NOT COOPERATING* (27-Feb-23) | 1)CARE D; ISSUER NOT COOPERATING* (28-Feb-22) |

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

LT: Long term; ST: Short term

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

Not applicable

Annexure-4: Complexity level of instruments rated

| Sr. No. | Name of the 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 lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

| S. N. | Name of the Entity | Extent of consolidation | Rationale for Consolidation |
|-------|---|-------------------------|-----------------------------|
| 1 | Reliance WiMax Limited | Full consolidation | Subsidiary |
| 2 | Reliance Webstore Limited | Full consolidation | Subsidiary |
| 3 | Campion Properties Limited | Full consolidation | Subsidiary |
| 4 | Reliance Telecom Limited | Full consolidation | Subsidiary |
| 5 | Reliance Communications Infrastructure Limited | Full consolidation | Subsidiary |
| 6 | Globalcom Mobile Commerce Limited (Formerly Reliance Mobile Commerce Limited) | Full consolidation | Subsidiary |
| 7 | Reliance BPO Private Limited | Full consolidation | Subsidiary |
| 8 | Reliance Communications Tamilnadu Limited | Full consolidation | Subsidiary |
| 9 | Globalcom Realty Limited (Formerly Reliance Infra Realty Limited) | Full consolidation | Subsidiary |
| 10 | Internet Exchangenext.com Limited | Full consolidation | Subsidiary |
| 11 | Realsoft Cyber Systems Private Limited | Full consolidation | Subsidiary |
| 12 | Worldtel Tamilnadu Private Limited | Full consolidation | Subsidiary |
| 13 | Towercom Infrastructure Private Limited | Partial Consolidation | Subsidiary |
| 14 | Reliance Reality Limited | Full consolidation | Subsidiary |
| 15 | Reliance Infra Projects Limited | Full consolidation | Subsidiary |
| 16 | Aircom Holdco B.V. | Full consolidation | Subsidiary |
| 17 | Reliance Communications (UK) Limited | Full consolidation | Subsidiary |
| 18 | Reliance Communications (Hong Kong) Limited | Full consolidation | Subsidiary |
| 19 | Reliance Communications (Singapore) Pte. Limited | Full consolidation | Subsidiary |
| 20 | Anupam Global Soft (U) Limited | Partial Consolidation | Subsidiary |
| 21 | Gateway Net Trading Pte Limited | Full consolidation | Subsidiary |
| 22 | Reliance FLAG Pacific Holdings Limited | Full consolidation | Subsidiary |
| 23 | Reliance Infocom Inc. | Full consolidation | Subsidiary |
| 24 | Reliance Communications Inc. | Full consolidation | Subsidiary |
| 25 | Reliance Communications International Inc. | Full consolidation | Subsidiary |
| 26 | Reliance Communications Canada Inc. | Full consolidation | Subsidiary |
| 27 | Bonn Investment Inc. | Full consolidation | Subsidiary |
| 28 | Reliance Telecom Infrastructure (Cyprus) Holdings Limited | Partial Consolidation | Subsidiary |
| 29 | Lagerwood Investments Limited | Partial Consolidation | Subsidiary |
| 30 | Warf Telecom International Private Limited | Partial Consolidation | Associate |
| 31 | Mumbai Metro Transport Private Limited | Partial Consolidation | Associate |

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

Contact us

| | |
|---|--|
| Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in | Analytical Contacts Maulesh Desai Director CARE Ratings Limited Phone: +91-79-4026 5656 E-mail: maulesh.desai@careedge.in Prasanna Krishnan Lakshmi Kumar Associate Director CARE Ratings Limited Phone: +91-120-445 2014 E-mail: prasanna.krishnan@careedge.in Monika Analyst CARE Ratings Limited E-mail: Monika@careedge.in |
|---|--|

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For detailed Rationale Report and subscription information,
please visit www.careedge.in**