



Reliance Communications Limited
Dhirubhai Ambani Knowledge City
Navi Mumbai 400 710.

Tel : +91 022 3038 6286
Fax: +91 022 3037 6622
www.rcom.co.in

May 30, 2017

The General Manager
Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
Fax No.: 2272 2037/39/41/61/3121/3719
BSE Scrip Code: 532712

The Manager
National Stock Exchange of India Ltd.
Exchange Plaza, C/1, Block G
Bandra - Kurla Complex, Bandra (East)
Mumbai 400 051
Fax No.: 2659 8237 / 38/8347/48 /
66418124/25/26

NSE Symbol: RCOM

Dear Sir,

Sub: Credit Rating by CARE, ICRA and Moody's.

We wish to inform you that the Credit Analysis & Research Limited (CARE) has revised the Long Term facility rating from 'CARE BB' to 'CARE D' and Short-Term facility rating from 'CARE A4' to 'CARE 'D'. Also, ICRA Limited (ICRA) has revised the Long Term rating of the Company from (ICRA)'BB' to (ICRA) 'D' and removed the Negative outlook and Short-Term rating on Fund Based / Non Fund Based Limits and Commercial Papers of the Company from (ICRA) 'A4' to (ICRA) 'D'. Also, Moody's Investors Service has downgraded corporate family rating and senior secured bond rating to Caa1 from B2 and the ratings are under review for further downgrade.

The reasons for these revisions include RCOM's weak operating performance, high leverage, the weak internal cash flow generation against sizeable debt servicing obligations and delays in debt servicing by the Company.

It has been further noted that the Company is undertaking three transactions – (a) to merge Sistema Shyam TeleServices Limited's (SSTL) India wireless business with itself, (b) to merge its wireless operations with that of the Aircel Group and (c) to offload its tower business to Brookfield Infrastructure Group. Transactions (b) and (c) entail transfer/ reduction of debt along with concomitant transfer of revenue and EBITDA from the Company. For these transactions, the Company is in the process of obtaining necessary approvals, of which it has already received some approvals. On completion of these transactions, the residual entity will be left with a lower quantum of debt. However, the debt coverage metrics of the residual entity are expected to remain subdued.

The Company states it has formally advised all its lenders that it will be making repayment of an aggregate amount of Rs.25,000 crore from the proceeds of these two transactions, on or before 30th September, 2017. The said amount will cover not only all scheduled repayments, but also include substantial pre-payments to all lenders on a pro-rata basis.



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Based on the large number of approvals already received for the two transactions and continuing good progress for the balance, the Company expects to meet its all debt repayment obligations in line with these plans, and substantially reduce its overall debt.

Kindly inform your members accordingly.

Yours faithfully
For **Reliance Communications Limited**

A handwritten signature in black ink, appearing to read "Prakash Shenoy".

Prakash Shenoy
Company Secretary