ICRA

November 29, 2023 (Revised)

Reliance Home Finance Limited: Continues to remain under ISSUER NOT COOPERATING category

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial paper programme	1,200.00	1,200.00	[ICRA]D; ISSUER NOT COOPERATING; Rating continues to remain under 'ISSUER NOT COOPERATING' category
Total	**1,200.00**	**1,200.00**	

Instrument details are provided in Annexure I

Rationale

ICRA has retained the rating for the commercial paper programme of Reliance Home Finance Limited in the 'ISSUER NOT COOPERATING' category. The rating is denoted as '[ICRA]D; ISSUER NOT COOPERATING'.

ICRA has been trying to seek information from the entity to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. Further, ICRA has been sending repeated reminders to the entity for the payment of the surveillance fee that became due. Despite multiple 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 issuer's performance. Accordingly, lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as it may not adequately reflect the entity's credit risk profile. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at www.icra.in.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position, and the rating sensitivities: Click here. ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Policy in respect of non-cooperation by the rated entity Policy on default recognition Non-banking finance companies (NBFCs)
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Reliance Home Finance Limited (RHFL) was incorporated in FY2009. It is registered as a housing finance company with National Housing Bank and is engaged in mortgaged-based lending operations. RHFL was listed on the stock exchanges in India in the second half of September 2017 after it was hived off from Reliance Capital Limited (RCL), basis which RCL's stake in the entity reduced to 47.9%. The overall promoter holding in the entity reduced to 49.6% as on March 31, 2022 from 74.9% as on March 31, 2019. The entity ceased to be a subsidiary of RCL with effect from March 5, 2020 and is now an associate of RCL.

RHFL went through a resolution process according to the circular issued by the Reserve Bank of India (RBI) on Prudential Framework for Resolution of Stressed Assets dated June 07, 2019. Authum Investment and Infrastructure (Authum) emerged as the winning bidder for RHFL's assets. Dated March 03, 2023, the Supreme Court had approved the resolution plan submitted by Authum and dissenting debenture holders were given the option to accept its condition or pursue other legal avenues to recover their debts. Pursuant to the above, Authum, after paying the consideration amount to the lenders, has completed the takeover as per the resolution plan. Subsequently, all the assets and operational liabilities of RHFL were transferred as a part of a business transfer agreement to Reliance Commercial Finance Limited (RCFL), which Authum had acquired in October 2022, and it now operates as a 100% subsidiary of Authum.

Key financial indicators (audited)

RHFL	FY2021	FY2022	FY2023
Net interest income	(427)	(915)	345
Profit / (loss) after tax	(1,520)	(5,440)	5,419
Total assets	14,898	10,144	35
Net worth	(53)	(5,492)	(74)
Gearing (reported; times)	-247.4	-2.33%	-1.35
Capital adequacy ratio	-13.9%	-309.6%	-3,992.6%
Gross NPA	77.5%	84.9%	00.0%
Net NPA	72.3%	40.7%	00.0%

Source: Company, ICRA Research; All ratios as per ICRA's calculations
Amount in Rs. crore

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
Brickwork Ratings	BWR D ISSUER NOT COOPERATING	November 03, 2023
CARE Ratings	CARE D; ISSUER NOT COOPERATING	March 02, 2023

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the Past 3 Years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
					Nov 29, 2023	Nov 18, 2022	Nov 29, 2021	Nov 18, 2020
1	**Commercial paper programme**	Short term	1,200.00	1,334.00	**[ICRA]D; ISSUER NOT COOPERATING**	**[ICRA]D; ISSUER NOT COOPERATING**	**[ICRA]D; ISSUER NOT COOPERATING**	**[ICRA]D; ISSUER NOT COOPERATING**

Complexity level of the rated instruments

Instrument	Complexity Indicator
Commercial paper programme	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
INE217K14DQ4	**Commercial paper programme**	November 22, 2018	9.75%	February 20, 2019	200.00	[ICRA]D; ISSUER NOT COOPERATING
INE217K14DR2	**Commercial paper programme**	December 24, 2018	9.75%	February 1, 2019	245.00	[ICRA]D; ISSUER NOT COOPERATING
INE217K14DS0	**Commercial paper programme**	January 3, 2019	10.50%	June 28, 2019	200.00	[ICRA]D; ISSUER NOT COOPERATING
INE217K14DU6	**Commercial paper programme**	January 24, 2019	9.50%	March 22, 2019	120.00	[ICRA]D; ISSUER NOT COOPERATING
INE217K14DV4	**Commercial paper programme**	February 1, 2019	9.75%	March 18, 2019	245.00	[ICRA]D; ISSUER NOT COOPERATING
INE217K14EA6	**Commercial paper programme**	April 16, 2019	9.30%	April 13, 2020	44.00	[ICRA]D; ISSUER NOT COOPERATING
INE217K14DZ5	**Commercial paper programme**	April 16, 2019	9.30%	February 14, 2020	41.00	[ICRA]D; ISSUER NOT COOPERATING
INE217K14DY8	**Commercial paper programme**	April 16, 2019	9.30%	December 16, 2019	39.00	[ICRA]D; ISSUER NOT COOPERATING
Not yet placed	**Commercial paper programme**	NA	NA	NA	66.00	[ICRA]D; ISSUER NOT COOPERATING

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Not Applicable	Not Applicable	Not Applicable

Corrigendum

Updated the date of release for Brickwork Ratings and CARE Ratings in the “Status of non-cooperation with previous CRA” section on page 2 on the document dated November 29, 2023

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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

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