

October 16, 2024

Reliance Commercial Finance Limited: Rating withdrawn for PTCs issued under mortgage loan securitisation transaction

Summary of rating action

Trust Name	Instrument*	Initial Rated Amount (Rs. crore)	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Indian Receivable Trust 2019 Series 6	Series A PTC	58.53	52.94	0.00	[ICRA]BBB(SO); withdrawn

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the rating for the pass-through certificates (PTCs) issued under a securitisation transaction backed by mortgage loan receivables originated by Reliance Commercial Finance Limited {RCFL (previously Reliance Home Finance Limited)/Originator; rated [ICRA]D (Issuer Not Cooperating)} as tabulated above. All the payouts to the investors in the above-mentioned instrument have been made and no further payments are due to the investors.

The key rating drivers, liquidity position, and rating sensitivities have not been captured as the rating assigned to the instrument has been withdrawn. The detailed rating rationale of the previous rating exercise can be accessed [here](#).

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Policy on Withdrawal of Credit Ratings
Parent/Group support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

Reliance Commercial Finance Limited (RCFL) was a part of Reliance Capital Limited (RCL). It commenced its commercial finance business in May 2007 and was primarily in the secured lending space with a focus on equipment and property-backed small and medium enterprise loans, loan against property, short-term infrastructure loans and loans to microfinance institutions.

Pursuant to the implementation of the resolution plan for RCFL, in terms of the Reserve Bank of India (Prudential Framework or Resolution or Stressed Assets) Directions, 2019, RCL disposed of its stake in the company to Authum Investment and Infrastructure Limited (Authum) on October 14, 2022. RCFL is currently a wholly owned subsidiary of Authum.

Key financial indicators (audited)

RCFL	FY2021	FY2022	FY2023
Total income	529	191	105
Profit after tax	(2,665)	(7,087)	4,043
Total assets	8,286	2,001	3,099
Net worth	(3,301)	(10,380)	(3,249)
Gross stage 3	79.4%	93.1%	78.9%
Net stage 3	70.9%	0.6%	6.7%

Source: Company; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current Rating (FY2025)			Chronology of Rating History for the Past 3 Years			
Instrument	Type	Initial Amount Rated	Current Amount Rated	Date & Rating in FY2025	Date and Rating in FY2024		Date and Rating in FY2023	Date and Rating in FY2022
		(Rs. crore)	(Rs. crore)	October 16, 2024	Jan 31, 2024	June 28, 2023	-	-
Indian Receivable Trust 2019 Series 6	Series A PTC	58.53	0.00	[ICRA]BBB (SO); Withdrawn	[ICRA]BBB (SO)	[ICRA]BBB (SO)&	-	-

& - The symbol implies that the rating is on Watch with Developing Implications

Complexity level of the rated instrument

Trust Name	Instrument	Complexity Indicator
Indian Receivable Trust 2019 Series 6	Series A PTC	Moderately Complex

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

Trust Name	Instrument	Date of Issuance	Coupon Rate [#]	Scheduled Maturity Date	Amount Rated (Rs. crore)	Rating
Indian Receivable Trust 2019 Series 6	Series A PTC	June 28, 2023	10.90%	February 17, 2044	0.00	[ICRA]BBB(SO); Withdrawn

[#] Variable; subject to change owing to change in benchmark rate

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not Applicable

ANALYST CONTACTS

Abhishek Dafria

+91 22 6114 3440

abhishek.dafria@icraindia.com

Anubhav Agrawal

+91 22 6114 3439

anubhav.agrawal@icraindia.com

Samratsingh Hazari

+91 22 6114 2400

samratsingh.hazari@icraindia.com

Sachin Joglekar

+91 22 6114 3470

sachin.joglekar@icraindia.com

Diptajyoti Banik

+91 22 6114 3412

diptajyoti.banik@icraindia.com

RELATIONSHIP CONTACT

Mr. L. Shivakumar

Tel: +91 22 6114 3304

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.