

November 27, 2024

Reliance Home Finance Limited: Ratings Withdrawn

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Commercial Paper Programme	1200.00	1200.00	[ICRA]D; ISSUER NOT COOPERATING*; Withdrawn
Total	1200.00	1200.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to the Commercial Paper programme of Reliance Home Finance Limited, at the request of the company in accordance with ICRA's policy on withdrawal. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers and their description, Liquidity Position, Rating Sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Policy on Default Recognition Rating Methodology- Non-Banking Finance Companies (NBFCs) Policy on Withdrawal of Credit Ratings
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

	FY2022	FY2023	FY2024
Net interest income	(915)	345	(1.0)
Profit / (loss) after tax	(5,440)	5,419	(4.0)
Total assets	10,144	35	30
Net worth	(5,492)	(74)	(77)
Gearing (reported; times)	-2.33	-1.35	-1.2
Capital adequacy ratio	-309.6%	-3,992.6%	-
Gross NPA	84.9%	00.0%	00.0%
Net NPA	40.7%	00.0%	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	October 30, 2024
CARE	CARE D ISSUER NOT COOPERATING	February 21, 2024

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2025)			Chronology of Rating History for the past 3 years					
		Type	Amount Rated (Rs. crore)	Date & Rating in	FY2024		FY2023		FY2022	
				27-Nov-24	Date	Rating	Date	Rating	Date	Rating
1	Commercial paper programme	Short-Term	1200.00	[ICRA]D; ISSUER NOT COOPERATING; Withdrawn	29-Nov-23	[ICRA]D; ISSUER NOT COOPERATING	18-Nov-22	[ICRA]D; ISSUER NOT COOPERATING	29-Nov-21	[ICRA]D; ISSUER NOT COOPERATING

Complexity level of the rated instrument

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, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	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; Withdrawn
INE217K14DR2	Commercial paper programme	December 24, 2018	9.75%	February 1, 2019	245.00	[ICRA]D; ISSUER NOT COOPERATING; Withdrawn
INE217K14DS0	Commercial paper programme	January 3, 2019	10.50%	June 28, 2019	200.00	[ICRA]D; ISSUER NOT COOPERATING; Withdrawn
INE217K14DU6	Commercial paper programme	January 24, 2019	9.50%	March 22, 2019	120.00	[ICRA]D; ISSUER NOT COOPERATING; Withdrawn
INE217K14DV4	Commercial paper programme	February 1, 2019	9.75%	March 18, 2019	245.00	[ICRA]D; ISSUER NOT COOPERATING; Withdrawn
INE217K14EA6	Commercial paper programme	April 16, 2019	9.30%	April 13, 2020	44.00	[ICRA]D; ISSUER NOT COOPERATING; Withdrawn
INE217K14DZ5	Commercial paper programme	April 16, 2019	9.30%	February 14, 2020	41.00	[ICRA]D; ISSUER NOT COOPERATING; Withdrawn
INE217K14DY8	Commercial paper programme	April 16, 2019	9.30%	December 16, 2019	39.00	[ICRA]D; ISSUER NOT COOPERATING; Withdrawn
Not yet placed	Commercial paper programme	NA	NA	NA	66.00	[ICRA]D; ISSUER NOT COOPERATING; Withdrawn

Source: Reliance Home Finance Limited

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

Company Name	Ownership	Consolidation Approach
Not Applicable	Not Applicable	Not Applicable

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